



FINANCIAL STATEMENTS

FOR THE THREE MONTHS ENDED NOVEMBER 30, 2024 AND 2023

(EXPRESSED IN CANADIAN DOLLARS)

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## MANAGEMENT'S RESPONSIBILITY FOR THE CONDENSED, INTERIM, FINANCIAL STATEMENTS

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The accompanying unaudited condensed interim financial statements of Boreal Gold Inc., ("Boreal" or "The Company") are the responsibility of the Board of Directors and executive management. The unaudited condensed interim financial statements have been prepared by management, on behalf of the Board of Directors, in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board. These unaudited condensed interim financial statements do not include all of the disclosures required for annual financial statements and therefore should be read in conjunction with Boreal's audited annual financial statements and notes thereto for the year ended August 31, 2024. These unaudited condensed interim financial statements follow the same significant accounting policies and methods of application as those included in Boreal's most recent audited annual financial statements, except as described in Note 2. Management acknowledges responsibility for the preparation and presentation of the consolidated financial statements, including responsibility for significant accounting judgments and estimates and the choice of accounting principles and methods that are appropriate to Boreal's circumstances. In the opinion of management, the unaudited condensed interim financial statements have been prepared within acceptable limits of materiality and are in accordance with International Accounting Standard 34, Interim Financial Reporting using accounting policies consistent with IFRS appropriate in the circumstances.

Management has established processes, which are in place to provide it sufficient knowledge to support management representations that it has exercised reasonable diligence that (i) the unaudited condensed interim financial statements do not contain any untrue statement of material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it is made, as of the date of, and for the periods presented by, the unaudited condensed interim financial statements and (ii) the unaudited condensed interim financial statements fairly present in all material respects the financial condition, results of operations and cash flows of Boreal, as of the date of and for the period presented by the unaudited condensed interim financial statements.

The Board of Directors is responsible for reviewing and approving the financial statements and for ensuring that management fulfills its financial reporting responsibilities. An Audit Committee assists the Board of Directors in fulfilling this responsibility. The Audit Committee meets with management to review the internal controls over the financial reporting process, the financial statements and the auditors' report. The Audit Committee also reviews Boreal's Management's Discussion and Analysis to ensure that the financial information reported therein is consistent with the information presented in the financial statements. The Audit Committee reports its findings to the Board of Directors for its consideration in approving the financial statements for issuance to the shareholders.

Management recognizes its responsibility for conducting Boreal's affairs in compliance with established financial standards, and applicable laws and regulations, and for maintaining proper standards of conduct for its activities.

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| As at   | Notes | November 30<br>2024 |                 | August 31<br>2024 |
|---|-------|---------------------|-----------------|-------------------|
| <b>Assets</b>                                     |       |                     |                 |                   |
| <b>Current Assets</b>                             |       |                     |                 |                   |
| Cash  |       | \$                  | 260,801         | \$ 259,121        |
| GST receivable                                    |       |                     | 10,374          | 11,960            |
| <b>Total Current Assets</b>                       |       | \$                  | <b>271,176</b>  | \$ 271,081        |
| Right-of-use asset                                | 6     |                     | 106,762         | 112,585           |
| <b>Total Assets</b>                               |       | \$                  | <b>377,938</b>  | \$ 383,666        |
| <b>Liabilities</b>                                |       |                     |                 |                   |
| <b>Current liabilities</b>                        |       |                     |                 |                   |
| Accounts payable and accrued liabilities          | 9     | \$                  | 160,636         | \$ 128,382        |
| Flow-through share premium liability              |       |                     | 120,854         | 88,003            |
| Current portion of lease liability                | 7     |                     | 8,129           | 17,702            |
| <b>Total Current Liabilities</b>                  |       | \$                  | <b>289,619</b>  | \$ 234,087        |
| Lease liability                                   | 7     |                     | 109,673         | 96,047            |
| <b>Total Liabilities</b>                          |       | \$                  | <b>399,292</b>  | 330,134           |
| <b>Shareholders' Equity</b>                       |       |                     |                 |                   |
| Share capital                                     | 8     | \$                  | 1,094,729       | \$ 1,009,029      |
| Deficit   |       |                     | (1,116,083)     | (955,497)         |
| <b>Total Shareholders' Equity</b>                 |       | \$                  | <b>(21,354)</b> | \$ 53,532         |
| <b>Total Liabilities and Shareholders' Equity</b> |       | \$                  | <b>377,938</b>  | \$ 383,666        |

Going Concern (Note 1)  
 Commitments and Contingencies (Note 10)  
 Subsequent Events (Note 11)

Approved by the Board of Directors:

*"Richard Masson"*

*"Michael Alexander"*

Director

Director

See accompanying notes to the financial statements.

**STATEMENT OF LOSS AND COMPREHENSIVE LOSS**

|  |       | For the 3-month periods ended<br>November 30, |                   |
|--|-------|---|-------------------|
|  | Notes | 2024  | 2023              |
| <b>General and administrative</b>  |       |   |                   |
| Office   |       | \$ 3,523                                      | \$ 27,702         |
| Professional fees  |       | 30,197  | 52,709            |
| Regulatory and transfer agent fees   |       | 9,700   | 11,462            |
| Depreciation   | 6     | 5,823   | –                 |
| Interest expense   | 7     | 4,053   | –                 |
| <b>Total, general and administrative</b>   |       | <b>\$ 53,296</b>                              | <b>\$ 91,873</b>  |
| <b>Exploration</b>   | 5     | <b>107,290</b>                                | <b>107,764</b>    |
| <b>Other Income</b>  |       |   |                   |
| Flow-through share premium recovery  |       | –   | –                 |
| Government grants  | 5     | –   | –                 |
| <b>Net and Comprehensive Loss</b>  |       | <b>\$ 160,586</b>                             | <b>\$ 132,889</b> |
| Loss per share, basic and undiluted  |       | <b>(0.01)</b>                                 | <b>(0.01)</b>     |
| Weighted average number of common shares,<br>issued and outstanding, basic and diluted |       | <b>14,477,681</b>                             | <b>10,862,613</b> |

See accompanying notes to the financial statements.

|                                      | Notes | Number of Shares  | Amount              | Deficit               | Total              |
|--------------------------------------|-------|-------------------|---------------------|-----------------------|--------------------|
| <b>Balance as at August 31, 2024</b> |       | <b>14,115,748</b> | <b>\$ 1,009,029</b> | <b>\$ (955,497)</b>   | <b>\$ 53,532</b>   |
| Share issuances                      | 8     | 857,000           | 118,550             | –                     | 118,550            |
| Flow-through share premium liability |       | –                 | (32,850)            | –                     | (32,850)           |
| Net and Comprehensive loss           |       | –                 | –                   | (160,586)             | (160,586)          |
| <b>Balance November 30, 2024</b>     |       | <b>14,972,748</b> | <b>\$ 1,094,729</b> | <b>\$ (1,116,083)</b> | <b>\$ (21,354)</b> |
| <b>Balance as at August 31, 2023</b> |       | <b>10,855,800</b> | <b>\$ 689,733</b>   | <b>\$ (597,722)</b>   | <b>\$ 92,011</b>   |
| Shares issued for property           | 8     | 10,000            | 1,000               | –                     | 1,000              |
| Net and comprehensive loss           |       | –                 | –                   | (132,889)             | (132,889)          |
| <b>Balance – November 30, 2023</b>   |       | <b>10,865,800</b> | <b>\$ 690,733</b>   | <b>\$ (730,611)</b>   | <b>\$ (39,878)</b> |

See accompanying notes to the financial statements.

|  | Notes | For the 3-month periods<br>ended November 30 |                  |
|--|-------|--|------------------|
|  |       | 2024   | 2023             |
| <b>Cash Flows provided by (used in) Operating Activities</b> |       |  |                  |
| Net Income (Loss)  |       | \$ (160,586)                                 | (132,889)        |
| <b>Non-cash items</b>  |       |  |                  |
| Shares issued for property acquisition                       | 5     | –  | 1,000            |
| Current portion of lease liability                           | 8     | (5,496)                                      |                  |
| Depreciation   | 6     | 5,823  |                  |
| Flow-through share premium liability                         |       | 32,850                                       |                  |
| <b>Changes in non-cash working capital items</b>             |       |  |                  |
| Lease liability  |       | 13,626                                       |                  |
| GST receivable   |       | 1,586  | (6,575)          |
| Prepaid expenses   |       |  | 13,323           |
| Accounts payable and accrued liabilities                     |       | 32,254                                       | 56,996           |
| Amounts due to related parties                               |       | –  | (51,294)         |
| <b>Net Cash provided by (used in) Operating Activities</b>   |       | <b>\$ (79,943)</b>                           | <b>(119,440)</b> |
| <b>Cash Flows provided by (used in) Financing Activities</b> |       |  |                  |
| Share issuances  | 8     | \$ 85,700                                    | –                |
| Share issue costs  |       | –  | –                |
| Lease payments   | 7     | (4,077)                                      | –                |
| <b>Net Cash provided by (used in) Financing Activities</b>   |       | <b>\$ 81,623</b>                             | <b>–</b>         |
| <b>Increase (Decrease) in Cash</b>                           |       | <b>\$ 1,680</b>                              | <b>(119,440)</b> |
| <b>Cash at Beginning of Period</b>                           |       | <b>\$ 259,121</b>                            | <b>207,246</b>   |
| <b>Cash at End of Period</b>                                 |       | <b>\$ 260,801</b>                            | <b>87,806</b>    |
| <b>Supplementary Information</b>                             |       |  |                  |
| Right-of-use asset   | 6     | \$ 116,467                                   | \$ –             |
| Lease liability  | 7     | \$ 116,467                                   | \$ –             |

See accompanying notes to the financial statements.

## **1) NATURE AND CONTINUANCE OF OPERATIONS**

Boreal Gold Inc. (the "Company" or "Boreal") was incorporated under the laws of the Province of Saskatchewan on May 24, 2022. The Company's registered and records office is located at Suite 800, 230 – 22nd Street East, Saskatoon, Saskatchewan, Canada, S7K 0E9. The Company's business office is located at 12 Mitchell Road, Flin Flon, Manitoba. The Company is presently conducting exploration and advancing various technical and economic studies with an intent to advance projects towards a development decision.

The Company is engaged in the identification, acquisition and exploration of mineral properties in Canada, with present activities concentrated in the provinces of Manitoba and Saskatchewan.

The financial statements of Boreal for the 3-Months ended November 30, 2024, were approved and authorized by the Board of Directors on January 21, 2025.

The business of mining and exploring for minerals involves a high degree of risk and there can be no assurance that planned exploration and evaluation programs will result in profitable mining operations. The continuance of the Company is dependent upon completion of the acquisition of the exploration and evaluation properties, the discovery of economically recoverable reserves, confirmation of the Company's interest in the underlying mineral claims, the ability of the Company to obtain necessary financing to complete the development and future profitable production or, alternatively, upon disposition of such property at a profit. Changes in future conditions could require material write downs of the carrying values of the Company's assets.

Although the Company has taken steps to verify title to its exploration and evaluation properties, in accordance with industry standards for the current stage of exploration of such property, these procedures do not guarantee the Company's title. Property title may be subject to unregistered prior agreements and noncompliance with regulatory and, environmental requirements. The Company's assets may also be subject to increases in taxes and royalties, renegotiation of contracts, currency exchange fluctuations and restrictions and political uncertainty.

As at November 30, 2024, the Company had a cumulative deficit of \$1,116,083 (November 30, 2023 – \$730,611). It also had continuing losses and was not yet generating positive cash flows from operations. These factors indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue its operations as a going concern.

These financial statements were prepared on a going-concern basis in accordance with International Financial Reporting Standards ("IFRS"). Funding for operations has been obtained primarily through private share offerings. Future operations are dependent upon the Company's ability to finance expenditure requirements and upon the achievement of profitable operations. Management believes it will be successful in raising the necessary funding to continue operations in the normal course of operations; however, there is no assurance that these funds will be available on terms acceptable to the Company or at all (Note 11). These financial statements do not include adjustments to the amounts and classification of assets and liabilities that might be necessary should the Company be unable to continue operations. Such adjustments could be material.

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**2) SIGNIFICANT ACCOUNTING POLICIES****a) Basis of presentation**

The Company has prepared these unaudited condensed interim financial statements in accordance with International Accounting Standard (“IAS”) 34, Interim Financial Reporting, employing all of the same accounting policies and methods of computation as disclosed in the annual audited financial statements as at August 31, 2024, except as noted below. The notes to these unaudited condensed interim financial statements are intended to provide a description of events and transactions that are significant to an understanding of the changes in the Company’s financial position and performance since August 31, 2024. Certain disclosures that appear in the annual audited financial statements have not been produced in the unaudited condensed interim financial statements and, in this regard only, these unaudited condensed interim financial statements do not conform in all respects to the requirements of International Financial Reporting Standards (“IFRS”) for annual audited financial statements. Accordingly, these unaudited condensed interim financial statements should be read in conjunction with the annual audited financial statements as at August 31, 2024.

These financial statements have been prepared on a historical cost basis. In addition, these financial statements have been prepared using the accrual basis of accounting except for cash flow information.

**b) New and future accounting policies**

Effective September 1, 2024, the Company adopted the amendments to IAS 1 and IFRS 18. These amendments did not have any material impact on the Company’s condensed interim financial statements.

**3) CAPITAL MANAGEMENT**

The Company manages its capital with the following objectives:

- to ensure sufficient financial flexibility to achieve the ongoing business objectives including funding of future growth opportunities, and pursuit of accretive acquisitions; and
- to maximize shareholder return through enhancing the share value.

The Company monitors its capital structure and makes adjustments according to market conditions in an effort to meet its objectives given the current outlook of the business and industry in general. The Company may manage its capital structure by issuing new shares, repurchasing outstanding shares, adjusting capital spending, or disposing of assets. The capital structure is reviewed by management and the Board of Directors on an ongoing basis.

The Company considers its capital to consist of equity, comprising share capital, reserves and deficit which at November 30, 2024 totalled \$(21,354) (November 30, 2023 - \$(39,878)). The Company reviews its working capital and forecasts its future cash flows based on operating expenditures, and other investing and financing activities. The forecast is regularly updated based on its exploration and development activities. Selected information is regularly provided to the Board of Directors of the Company. The Company’s capital management objectives, policies and processes have remained unchanged during the periods ended November 30, 2024 and 2023. The Company is not subject to any capital requirements imposed by a regulator or lending institution.



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**Capital Management (Continued)****a) Financial Risk Factors**

The Company's activities expose it to a variety of financial risks: credit risk, liquidity risk and market risk (including interest rate, foreign exchange rate and commodity price risk).

Risk management is carried out by the Company's management team under policies approved by the Board of Directors. The Board of Directors also provides regular guidance for overall risk management. There have been no changes in the risks, objectives, policies and procedures during the periods ended November 30, 2024 and 2023.

**b) Credit risk**

Credit risk is the risk of loss associated with a counterparty's inability to fulfill its payment obligations. The Company's credit risk is primarily attributable to cash balances and amounts receivable. Cash is held with reputable banks, from which management believes the risk of loss to be remote. Management believes that the credit risk concentration with respect to financial instruments included in amounts receivable is remote.

**c) Liquidity risk**

The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As at November 30, 2024, the Company had a cash balance of \$260,801 (November 30, 2023 - \$87,806) to settle accounts payable and accrued liabilities of \$160,636 (November 30, 2023 - \$110,091). All of the Company's financial liabilities are due within twelve months, except for the long-term portion of the lease liability that is due in 1 to 5 years (Note 7).

**d) Market risk**

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign exchange rates, and commodity prices.

**e) Interest rate risk**

The Company has cash balances and no interest-bearing debt. The Company's current policy is to invest excess cash in certificates of deposit or interest-bearing accounts at major Canadian chartered banks. The Company periodically monitors the investments it makes and is satisfied with the creditworthiness of its Canadian chartered banks. Management believes that interest rate risk is minimal as cash investments have maturities of three months or less.

**f) Commodity price risk**

Commodity price risk could adversely affect the Company. In particular, the Company's future profitability and viability of development depends upon the world market price of commodities. Commodity prices have fluctuated widely in recent years. There is no assurance that, even as commercial quantities of base and/or precious metals may be produced in the future, a profitable market will exist for them. A decline in the market price of commodities may also require the Company to reduce its mineral resources, which could have a material and adverse effect on the Company's value. As at November 30, 2024, the Company is not a commodities producer. As a result, commodity price risk may affect the completion of future equity transactions such as equity offerings and the exercise of stock options and warrants. This may also affect the Company's liquidity and its ability to meet its ongoing obligations.

#### 4) CATEGORIES OF FINANCIAL INSTRUMENTS

The carrying values of the following financial instruments approximate their fair values due to the relatively short period to maturity of those financial instruments.

| As at November 30, 2024                  | Amortized Cost | FVPL | Total   |
|--|----------------|------|---------|
| Cash                                     | \$ 260,801     | – \$ | 260,801 |
| Accounts payable and accrued liabilities | 120,854        | –    | 120,854 |
| Lease liability                          | 109,673        | –    | 109,673 |

| As at November 30, 2023                  | Amortized Cost | FVPL | Total   |
|--|----------------|------|---------|
| Cash                                     | \$ 87,806      | – \$ | 87,806  |
| Accounts payable and accrued liabilities | 104,390        | –    | 104,390 |

#### 5) EXPLORATION AND EVALUATION EXPENDITURES

##### a) Expenditures

The Company holds options to acquire interests in two properties, the Fay Lake and the Melgurd Lake properties. Because the properties are held by way of Property Purchase Agreements that require annual payments of cash and shares, plus minimum work commitments on the properties, the properties will not be owned until those commitments are fulfilled.

|   | Total               | Fay Lake          | Melgurd Lake      | Other             |
|---|---------------------|-------------------|-------------------|-------------------|
| <b>Total, Accrued to August 31, 2023</b>      | <b>\$ 848,447</b>   | <b>\$ 512,056</b> | <b>\$ 247,251</b> | <b>\$ 89,140</b>  |
| Claim acquisition & holding                   | 63,097              | 45,097            | 18,000            | –                 |
| Assay   | 7,030               | 7,015             | 15                | –                 |
| Geological                                    | 57,594              | 46,165            | 11,429            | –                 |
| Field Labour                                  | 256,422             | 202,872           | 53,550            | –                 |
| Field costs                                   | 88,746              | 44,271            | 44,475            | –                 |
| Project management fees                       | 17,914              | –                 | –                 | 17,914            |
| <b>Total, August 31, 2024</b>                 | <b>\$ 490,803</b>   | <b>\$ 345,420</b> | <b>\$ 127,469</b> | <b>\$ 17,914</b>  |
| Claim acquisition & holding                   | 0                   | 0                 | 0                 | 0                 |
| Assay   | 0                   | 0                 | 0                 | 0                 |
| Geological                                    | 8,720               | 8,720             | 0                 | 0                 |
| Field Labour                                  | 76,075              | 43,250            | 32,175            | 650               |
| Field costs                                   | 17,209              | 4,019             | 13,190            | 0                 |
| Project management fees                       | 5,286               | 2,725             | –                 | 2,561             |
| <b>Total, November 30, 2024</b>               | <b>\$ 107,290</b>   | <b>\$ 58,714</b>  | <b>\$ 45,365</b>  | <b>\$ 3,211</b>   |
| <b>Total, Cumulative to November 30, 2024</b> | <b>\$ 1,446,540</b> | <b>\$ 916,190</b> | <b>\$ 420,085</b> | <b>\$ 110,265</b> |

**Exploration and Evaluation Properties (Continued)**
**b) Fay Lake**

On June 17, 2022, the Company entered into an option agreement, with 4058667 Manitoba Ltd., a private company held by a former director and former officer of Boreal for the acquisition of the Fay Lake property, located in Manitoba. 4058667 Manitoba Ltd. will retain a 2% net smelter returns royalty (“NSR”) over the property. Terms and conditions are as follows:

| <b>Fay Lake</b>                         |  |               |                                    |               |  |
|---|--|---------------|------------------------------------|---------------|--|
| <b>Time of commitment</b>               | <b>Cash or<br/>Royalty<br/>Payment</b> | <b>Status</b> | <b>Consideration<br/>in Shares</b> | <b>Issued</b> | <b>Dollar value<br/>of work<br/>commitment</b> |
| Within 10 days of completion of funding | \$ 20,000                              | Paid (i)      | –                                  | –             | \$ –   |
| On or before the 1st anniversary        | 20,000                                 | Paid (ii)     | 10,000                             | Issued (ii)   | (iii) 100,000                                  |
| On or before the 2nd anniversary        | 20,000                                 | Paid (iv)     | 10,000                             | Issued (iv)   | (iii) 150,000                                  |
| On or before the 3rd anniversary        | 20,000                                 | –             | 10,000                             | –             | 200,000  |
| On or before the 4th anniversary        | 20,000                                 | –             | 200,000                            | –             | 200,000  |
| On or before the 5th anniversary        | 20,000                                 | –             | 200,000                            | –             | 200,000  |
| On or before the 6th anniversary        | 30,000                                 | –             | 1,000,000                          | –             | 250,000  |
| <b>Total</b>                            | <b>\$ 150,000</b>                      | <b>–</b>      | <b>1,430,000</b>                   | <b>–</b>      | <b>\$ 1,100,000</b>                            |

(i) Cash paid September 26, 2022.

(ii) The first anniversary commitment was extended to September 30, 2023. Both cash paid and shares issued on September 30, 2023. See Note 8.

(iii) Work commitments met.

(iv) Cash paid June 30, 2024 and shares issued June 17, 2024. See Note 8.

**c) Melgurd Lake**

On May 26, 2022, the Company entered into an option agreement with two directors of the Company (collectively, the “Partners”), for the acquisition of the Melgurd Lake property, located in Saskatchewan. The Partners will retain a 2% NSR, of which 50% can be purchased for \$500,000. Terms and conditions are as follows:

| <b>Melgurd Lake</b>                     |  |             |                                    |               |  |
|---|--|-------------|------------------------------------|---------------|--|
| <b>Time of commitment</b>               | <b>Cash or<br/>Royalty<br/>Payment</b> | <b>Paid</b> | <b>Consideration<br/>in Shares</b> | <b>Issued</b> | <b>Dollar value<br/>of work<br/>commitment</b> |
| Within 10 days of completion of funding | \$ 10,000                              | Paid (i)    | –                                  | –             | \$ –   |
| On or before the 1st anniversary        | 10,000                                 | Paid (ii)   | 20,000                             | Issued (ii)   | (iii) 110,000                                  |
| On or before the 2nd anniversary        | 15,000                                 | Paid (iv)   | 30,000                             | Issued (iv)   | (iii) 150,000                                  |
| On or before the 3rd anniversary        | 20,000                                 | –           | 50,000                             | –             | 150,000  |
| On or before the 4th anniversary        | 25,000                                 | –           | 450,000                            | –             | 300,000  |
| On or before the 5th anniversary        | 50,000                                 | –           | 600,000                            | –             | 300,000  |
| <b>Total</b>                            | <b>\$ 130,000</b>                      | <b>–</b>    | <b>1,150,000</b>                   | <b>–</b>      | <b>\$ 1,010,000</b>                            |

(i) Cash paid September 30, 2022.

(ii) Cash paid May 31, 2023 and shares issued May 26, 2023. See Note 8.

(iii) Work commitments met.

(iv) Cash paid June 30, 2024 and shares issued June 4, 2024. See Note 8.

**Exploration and Evaluation Properties (Continued)**

**d) Manitoba Mineral Development Fund (MMDF)**

The MMDF supports the diversification of Manitoba's mineral sector by encouraging early exploration and development projects of critical minerals. During the year ended August 31, 2023, Company applied for a \$300,000 grant of which \$200,000 was received in fiscal 2023 with the balance paid in fiscal 2024. During the year ended August 31, 2024, Company applied for a \$184,650 grant of which \$120,000 was received in fiscal 2024.

**6) RIGHT-OF-USE ASSET**

| Cost                               | Notes     | Amount         |
|------------------------------------|-----------|----------------|
| Balance - August 31, 2024          | \$        | 116,467        |
| Additions                          | 7         | –              |
| <b>Balance – November 30, 2024</b> | <b>\$</b> | <b>116,467</b> |
| <hr/>                              |           |                |
| Accumulated depreciation           |           | Amount         |
| Balance – August 31, 2024          | \$        | 3,882          |
| Expense                            |           | 5,823          |
| <b>Balance – November 30, 2024</b> | <b>\$</b> | <b>9,705</b>   |
| <hr/>                              |           |                |
| Net Book Value                     |           | Amount         |
| Balance - August 31, 2024          | \$        | 112,585        |
| <b>Balance – November 30, 2024</b> | <b>\$</b> | <b>106,762</b> |

**7) LEASE LIABILITY**

In July 2024, the Company entered into an office lease agreement with M’Ore Exploration Services Ltd., a private company held by a director and former officer of Boreal for monthly lease payments of \$2,710 until June 2029. The Company applied a discount rate of 14% in the calculation of the lease liability.

A summary of the Lease Liability is shown overleaf:

***Lease Liability – Continued***

|   |           | <b>Amount</b>  |
|---|-----------|----------------|
| <b>Balance - August 31, 2023 and 2022</b> | <b>\$</b> | <b>–</b>       |
| Additions                                 |           | 116,467        |
| Lease payments                            |           | (5,420)        |
| Interest expense                          |           | 2,702          |
| <b>Balance – August 31, 2024</b>          | <b>\$</b> | <b>113,749</b> |
| <hr/>                                     |           |                |
|   |           | <b>Amount</b>  |
| Current portion                           | \$        | 17,702         |
| Long-term portion                         |           | 96,047         |
| <b>Balance – August 31, 2024</b>          | <b>\$</b> | <b>113,749</b> |

The following is a reconciliation of the undiscounted lease payments to the lease liability:

|                                     |           | <b>Amount</b>  |
|-------------------------------------|-----------|----------------|
| 2025                                | \$        | 32,520         |
| 2026                                |           | 32,520         |
| 2027                                |           | 32,520         |
| 2028                                |           | 32,520         |
| 2029                                |           | 27,100         |
| <b>Total contractual cash flows</b> | <b>\$</b> | <b>157,180</b> |
| Less: interest expense              |           | (43,431)       |
| <b>Total lease liability</b>        | <b>\$</b> | <b>113,749</b> |

**8) SHARE CAPITAL**

The authorized share capital consisted of an unlimited number of common shares. As at August 31, 2024, the following Common shares were issued and outstanding:

|  | <b>Notes</b> | <b>Number of Shares</b> |           | <b>Amount</b>    |
|--|--------------|-------------------------|-----------|------------------|
| <b>Balance - August 31, 2023</b>       |              | <b>10,855,800</b>       | <b>\$</b> | <b>689,733</b>   |
| Share issuances                        |              | 3,057,668               |           | 458,650          |
| Share issue costs                      |              | –                       |           | (6,692)          |
| Flow-through share premium liability   |              | –                       |           | (152,882)        |
| Shares issued for property acquisition | 5            | 50,000                  |           | 5,000            |
| Shares issued for debt settlement      |              | 152,280                 |           | 15,220           |
| <b>Balance - August 31, 2024</b>       |              | <b>14,115,748</b>       | <b>\$</b> | <b>1,009,029</b> |
| Share issuances                        |              | 857,000                 |           | 118,550          |
| Flow-through share premium liability   |              |                         |           | (32,850)         |
| <b>Balance November 30, 2024</b>       |              | <b>14,972,748</b>       |           | <b>1,094,729</b> |

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**Share Capital – Continued****a) Fiscal 2024**

On September 30, 2023, pursuant to the Fay Lake Property Purchase Option Agreement, the Company issued 10,000 common shares at an estimated fair value of \$0.10 per share, based on the most recent financing price.

On December 12, 2023, the Company completed a private placement, issuing 1,054,668 flow-through shares at \$0.15 per share for gross proceeds of \$158,200. Share issuance costs of \$3,265 were paid. \$52,732 was allocated to flow-through share premium. Directors and officers acquired, in aggregate, 407,000 flow-through shares for gross proceeds of \$61,050.

On May 13, 2024, the Company completed a private placement, issuing 2,003,000 flow-through shares at \$0.15 per share for gross proceeds of \$300,450. Share issue costs of \$3,427 were paid. \$76,000 was allocated to flow-through share premium. Directors and officers acquired, in aggregate, 814,000 flow-through shares for gross proceeds of \$122,100.

On June 4, 2024, pursuant to the Melgurd Lake Property Purchase Option Agreement, the Company issued 30,000 common shares at an estimated fair value of \$0.10 per share, based on the most recent financing price.

On June 17, 2024, pursuant to the Fay Lake Property Purchase Option Agreement, the Company issued 10,000 common shares at an estimated fair value of \$0.10 per share, based on the most recent financing price.

On July 11, 2024, the Company issued 152,280 common shares at an estimated fair value of \$0.10 per share, based on the most recent financing price, to settle debt owing in the amount of \$15,220.

**b) Fiscal 2025**

On September 27, 2024, the Company completed a private placement, issuing 200,000 units at \$0.10 per unit and 294,000 flow-through shares at \$0.15 per share for gross proceeds of \$64,100. Each unit comprised of one common share of the Company and one common share purchase warrant. Each warrant is exercisable to purchase one common share at a price of \$0.10 per share for a period of 24 months expiring on September 27, 2026. Directors and officers acquired, in aggregate, 90,000 flow-through shares for gross proceeds of \$13,500.

On November 27, 2024, the Company completed a private placement, issuing 363,000 flow-through shares at \$0.15 per share for gross proceeds of \$54,450. Directors and officers acquired, in aggregate, 168,000 flow thought shares for gross proceeds of 25,200.

**9) RELATED PARTY TRANSACTIONS**

Related parties include the Board of Directors and key management personnel (CEO and CFO) and enterprises that are controlled by these individuals as well as certain persons performing similar functions.

Related party transactions conducted in the normal course of operations are measured at the exchange value (the amount established and agreed to by the related parties).

In accordance with IAS 24, key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company directly or indirectly, including any directors (executive and non-executive) of the Company.

**a) Related Party Accounts Payable and Accrued Liabilities**

On July 12, 2024, Mr. Stephen Masson resigned as President, Chief Executive Officer and Director of Boreal. He is the sole shareholder of M'Ore Exploration Services Ltd., and holds less than 10% of the issued and outstanding shares of Boreal.

As at November 30, 2024, there were no amounts payable to related parties. As at November 30, 2023, \$5,469 was due to M'Ore Exploration Services Ltd.

**b) Related Party Amounts Charged During the Year**

| Related party                                     | Purpose     | During the 3-month periods ended November 30, |                 |
|---|-------------|---|-----------------|
|   |             | 2024  | 2023            |
| Corporation controlled by an officer and director | Filing fees | \$ 3,274                                      | \$ 982          |
| Corporation controlled by a director              | Field camp  | 6,455   | 6,938           |
| <b>Total</b>                                      |             | <b>\$ 9,729</b>                               | <b>\$ 7,910</b> |

**c) Property Option Agreements**

See Note 5.

**d) Private Placements**

See Note 8.

**e) Office Lease**

See Note 7.

**10) COMMITMENTS AND CONTINGENCIES**
**a) Property Option Agreements**

See Note 5.

**b) Flow-Through Obligation**

As at November 30, 2024, the Company was required to incur \$291,710 in qualifying expenditures by December 31, 2024 to meet its flow-through commitments. At this time, management anticipates meeting that obligation, and, as a result, no additional provisions are required.

The flow-through agreements require the Company to renounce certain tax deductions for Canadian exploration expenditures incurred on the Company's mineral properties to flow-through participants. The Company indemnified the subscribers for any related tax amounts that become payable by the subscribers as a result of the Company not meeting its expenditure commitments.

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**Commitments and Contingencies – continued****c) Environmental Contingencies**

The Company's mining and exploration activities are subject to various laws and regulations governing the protection of the environment. These laws and regulations are continually changing and generally becoming more restrictive. The Company believes its operations are materially in compliance with all applicable laws and regulations. The Company has made, and expects to make in the future, expenditures to comply with such laws and regulations.

**d) Management Services Contract**

The Company is party to a services agreement with M'Ore Exploration Services Ltd., a private company held by a director and former officer of Boreal. The agreement contains clauses requiring additional payment of up to \$300,000 for termination without cause. As a triggering event has not occurred, no provision has been recorded.

**11) SUBSEQUENT EVENTS****a) Financing**

On December 31, 2024, the Company closed a \$121,500, non-brokered private placement previously announced on December 20, 2024.

The closing is comprised of 235,000 Flow Through Shares at a price of \$0.30 per Flow-Through Share, representing proceeds of \$70,500, and 170,000 Units at a price of \$0.30 per unit representing proceeds of \$51,000 for an aggregate total raised of \$121,500.

The Units consist of, and separate immediately upon closing into, one common share of the Issuer (each a "Common Share") and, one common, share purchase warrant (each a "Warrant"), each, entitling the holder to purchase one Common Share, for a period of twenty-four (24) months following the date of issuance, at \$0.30 per share.

The Shares issued as Flow-Through Shares are issued as flow-through shares ("Flow-Through Shares") under the meaning of the *Income Tax Act* (Canada).

Directors and officers acquired, in aggregate, 86,500 Units for gross proceeds of \$ 25,950 and 17,000 Shares for gross proceeds of \$5,100.

**b) Listing on the CSE**

On December 17, 2024, the Canadian Securities Exchange ("CSE") listed the shares of the Company for trading under Symbol BGLD.