1.

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE THREE MONTHS ENDED NOVEMBER 30, 2024

DATE SUBMITTED, JANUARY 22, 2025

2. CONTENTS

1. INTRODUCTION

The following management's discussion and analysis ("MD&A") of the operating results, financial position, and future prospects of Boreal Gold Inc. ("Boreal" or the "Company") dated January 21, 2025 constitutes management's view of the factors that affected the Company's financial and operating performance for the 3-month period ended November 30, 2024. This discussion should be read in conjunction with the audited financial statements and related notes of the Company for the year ended August 31, 2024. This MD&A is prepared in conformity with National Instrument 51-102 F1. All financial information is presented in Canadian dollars unless otherwise stated.

2. STRUCTURE AND BUSINESS DESCRIPTION

a) NAME AND INCORPORATION

The Company was incorporated under the laws of the laws of the Province of Saskatchewan on May 24, 2022 as "Boreal Gold Inc". The Company's Registered and Records Office is located at Suite 800, 230 – 22nd Street East, Saskatoon, Saskatchewan, Canada, S7K 0E9. The Companies business office is located at 12 Mitchell Road, Flin Flon, Manitoba. The Company does not have any interest in any corporations, bodies corporate, limited partnerships, partnerships, joint ventures, associations, trusts or unincorporated organizations.

b) THE COMPANY

The Company is a Canadian junior mineral exploration company engaged in the acquisition, exploration and development of mineral concessions with a specific focus on mineral properties in Northwest Manitoba and Northeast Saskatchewan, Canada. All of the Company's properties are currently at the exploration stage. The Company has no long-term debt and has assembled a small portfolio of two properties, both of which are base and precious metal prospects, including strategic locations in the provinces of Manitoba and Saskatchewan.

c) LIQUIDITY AND CAPITAL RESOURCES

The Company had a working capital deficit at November 30, 2024 in the amount of $18,443 (November 30, 2023 – $16,123). The working capital deficiency includes a flow-through share premium liability of $120,854 (November 30, 2023 - $24,168) which should be a non-cash item.

Not included under working capital, as at November 30, 2024, the Company had a final grant receivable from the Manitoba Mineral Development Fund of $64,650 (November 30, 2023 – $100,000 - received under the terms of the Grant).

The Company's ability to remain liquid over the long term depends on its ability to obtain additional financing. There can be no assurance that the Corporation will be able to obtain sufficient capital in the case of operating cash deficits. The Company completed a $121,000 financing on December 31, 2024

3. CORPORATE DEVELOPMENTS

a) LISTING ON THE CANADIAN STOCK EXCHANGE ("CSE")

On November 6, 2024, the Company made application to be listed for trading on the CSE under the trading symbol "BGLD". As part of the listing requirements, on November 29, 2024, the Financial and Consumer Affairs Authority ("FCAA") of Saskatchewan approved the Company's Non-Offering Prospectus as required by the CSE. Effective December 17, 2024, Boreal was called to trade on the CSE.

b) FINANCINGS

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 is 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 shares for gross proceeds of $25,200.

On December 31, 2024, the Company closed a $121,500, non-brokered private placement previously announced on December 20, 2024. This placement was for 405,000 shares at $0.30 per share. Directors and officers subscribed for 103,500 shares for gross proceeds $31,050.

c) FIELD WORK

During the three months ended November 30, 2024, the Company's continued primary focus was on the process necessary for the Company to be listed on the Canadian Securities Exchange ("CSE").

Field work was limited to follow up from previous work and necessary work to ensure claims are maintained in good standing.

4. EVALUATION AND EXPLORATION PROPERTIES AND EXPENDITURES

The Company holds separate property purchase option agreements over properties located in Manitoba (Fay Lake) and Saskatchewan (Melgurd Lake).

a) FAY LAKE, MANITOBA – OPTION AGREEMENT

The Fay Lake property consists of 12 mineral claims totalling 1,818 hectares located approximately 55 km east-northeast of the city of Flin Flon, MB. The center of the property lies at 54° 58' 20' ' N Latitude and 101° 06' 00'' W Longitude. The property was optioned by Boreal Gold Inc., with an effective date of June 17, 2022, from 4058667 MB LTD (owned by a Boreal Director and officer), which holds a 2% net smelter returns ("NSR") royalty. Terms and conditions of this option agreement are as follows overleaf:

Evaluation and Exploration Properties – Continued

Fay Lake					
Time of Commitment	**Cash or Royalty Payment**	**Status**	**Consideration in Shares**	**Issued**	**Dollar Value of Work Commitment**
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
Total	**$ 150,000**	–	**1,430,000**	–	**$ 1,100,000**

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

(ii) Work commitments met. Expenditures greater than required for the period accrue to the following periods.

(iii) Cash paid June 30, 2024 and shares issued on June 17, 2024.

b) MELGURD LAKE, SASKATCHEWAN – OPTION AGREEMENT

The Melgurd Lake property is located in east central Saskatchewan approximately 62 km NW of Flin Flon, Manitoba. The property is accessible via float or ski equipped, fixed wing aircraft to Melgurd Lake or via helicopter from Flin Flon. Flin Flon and the adjacent community of Creighton, SK are serviced by daily scheduled flights from Winnipeg. Manitoba Highway 10 and Saskatchewan Highway 106 link Flin Flon and Creighton with Winnipeg and Prince Albert respectively.

The property consists of 10 mineral claims totalling 7060 ha with the center of the property lying at approximately 55° 10'20'' N Latitude and 102° 14'30'' W Longitude. The property was originally staked by Messrs. Richard Masson and Michael Alexander, both Directors of Boreal (collectively "Partners") in April 2022 and was optioned to Boreal Gold Inc. in May 2022. The Partners hold a 2% NSR over the property, 50% of which can be purchased for $500,000. Terms and conditions of this option agreement are as follows:

Melgurd Lake					
Time of Commitment	**Cash or Royalty Payment**	**Paid**	**Consideration in Shares**	**Issued**	**Dollar Value of Work Commitment**
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
Total	**$ 130,000**	–	**1,150,000**	–	**$ 1,010,000**

Evaluation and Exploration Properties – Continued

(i) Cash paid on September 30, 2022.
(ii) Cash paid on May 31, 2023 and shares issued on May 26, 2023. See Note 8.
(iii) Work commitments met. Expenditures greater than required for the period accrue to the following periods.
(iv) Cash paid June 30, 2024 and shares issued on June 4, 2024.

c) EXPENDITURES

Expenditures on these properties to date are summarized as follows:

		Total		Fay Lake		Melgurd Lake		Other
Total, Accrued to August 31, 2023	**$**	**848,447**	**$**	**512,056**	**$**	**247,251**	**$**	**89,140**
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
Total, August 31, 2024	**$**	**490,803**	**$**	**345,420**	**$**	**127,469**	**$**	**17,914**
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
Total, November 30, 2024	**$**	**107,290**	$	**58,714**	$	**45,365**	$	**3,211**
Total, Cumulative to November 30, 2024	**$**	**1,446,540**	**$**	**916,190**	**$**	**420,085**	**$**	**110,265**

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.

In both Fiscal 2023 and 2024, the Company received grants of $300,000 and $184,650 respectively and has made application for 2025.

e) MAJOR PROGRAMMES

No major programs were completed during the period ended January 21, 2025.

Evaluation and Exploration Properties – Continued

f) QUALITY CONTROL

The Company employs QA/QC protocol on all aspects of its analytical procedures. Core samples are sawn and one half of the HQ core is restored to the core boxes for future reference and the other half sent out for analysis. Samples of veining or mineralization are taken in approximately 50 cm intervals or less.

Sample preparation and analytical work is conducted at TSL Labs in Saskatoon, Saskatchewan, utilizing fire assaying with a two-assay ton charge, with an AA finish. In addition, pulps of the samples are analysed using a multi-acid digest/ ICP-AES and AAS techniques for trace elements.

g) QUALIFIED PERSON

Stephen L. Masson, M.Sc., P. Geo. Is the "Qualified Person" as defined by National Instrument 43-101 for all work on both properties, has reviewed and approved the technical disclosure for all news releases.

5. RESULTS OF OPERATIONS

Operational results reflect overhead costs incurred for mineral property acquisitions and associated exploration expenses as well as other regulatory expenses incurred by the Company.

General and administrative costs can be expected to fluctuate relationally with acquisitions, exploration and operations.

a) REVENUES

The Company is currently engaged in mineral property acquisition and exploration and does not have revenues from its operations.

b) SUMMARY OF ANNUAL INFORMATION

		November 30, 2024		**November, 2023**		**November 30 2022**
(Loss) for the period (1)	**$**	**160,586**	$	132,889	$	143,521
(Loss) per common share, basic and diluted		**0.01**		0.01		-0.02
Weighted Average number of common shares		**14,477,681**		10,862,613		6,639
Statement of Financial Position Data						
Working capital surplus/(deficit)	**$**	**(18,443)**	$	(39,878)	$	(20,192)
Total assets	**$**	**377,938**	$	94,378	$	15,067

Results of Operations - continued

c) SUMMARY OF QUARTERLY RESULTS

The table, immediately below sets out selected quarterly information for the preceding eight quarters ended November 30, 2024:

		Q1 30-Nov 2024		Q4 August 31, 2024		Q2 May 31, 2024		Q2 February 29, 2024
General and administrative	**$**	**43,420**	$	**102,962**	$	18,871	$	23,476
Exploration		**107,290**		**239,073**		53,910		73,395
Lease - depreciation and interest		**9,876**		**6,584**		–		–
Net Loss for period	**$**	**160,586**	$	**348,619**	$	72,781	$	96,871
MMDF Grants				**-60,000**		–		-160,000
Flowthrough share premium		**(32,850)**		**-32,343**		-11,968		-37,998
Net loss/(income), fully diluted	**$**	**256,276**	$	**256,276**	$	60,813	$	-101,127
Net loss/(income) per share, fully diluted		**(0.02)**		**(0.02)**		**0.00**		(0.01)
Weighted average shares outstanding		**14,477,681**		**12,279,380**		13,923,468		11,920,468

		Q1 November 30, 2023		Q4 August 31, 2023		Q3 May 31, 2023		Q2 February 28, 2023
General and administrative	**$**	25,661	$	12,768	$	15,984	$	39,527
Exploration		121,823		208,077		43,992		439,760
Net loss for period	**$**	147,484	$	220,845	$	59,976	$	479,287
MMDF Grants		–		–		-100000		-100,000
Flowthrough share premium		–		-106,164		–		-100,550
Net loss/(income), fully diluted	**$**	147,484	$	114,681	$	-40,024	$	278,737
Net loss/(income) per share, fully diluted		0.05		0.01		-0.01		0.03
Weighted average shares outstanding		10,865,800		8,026,833		7,622,581		9,230,800

d) YEAR OVER YEAR COMPARATIVE RESULTS

		For the Three-Months Ended November 30 2024		2023		Year over year Increase/ Decrease	
Expenditures							
General and administrative	**$**	**3,523**	$	4,997	**$**	(1,474)	(30%)
Professional fees		**30,197**		17,689		12,508	71%
Filing and Exchange Fees		**9,700**		2,439		7,261	298%
Lease - interest and depreciation		**9,876**		–		9,876	0%
Exploration		**107,290**		107,764		(474)	0%
Total	**$**	**160,586**	$	**132,889**	**$**	**27,697**	**21%**

Results of Operations - continued

Professional fees and Filing Fees increased substantially resulting from prospectus and legal work relating to development of the prospectus for filing.

Lease – interest and depreciation are the result of the need to define a Right of Use Asset for the 5-year lease on the premises owned by M'Ore Exploration Services Ltd., that was coincidental resignation of Mr. Stephen Masson as an officer and director, effective July 12, 2024.

The lease has resulted in no increase in actual costs to the Company.

6. OUTSTANDING SHARE DATA

The authorized share capital consisted of an unlimited number of common shares. All issued shares are fully paid.

As of the date of this MD&A, the Company has 15,014,718 common shares issued and outstanding.

7. CHANGES TO ACCOUNTING POLICIES

During the year ended August 31, 2024, the Company adopted a number of amendments and improvements of existing standards. This included amendments to IAS 1. These new standards and changes did not have any material impact on the Company's financial statements.

Certain pronouncements were issued by the International Accounting Standards Board ("IASB") or the International Financial Reporting Interpretations Committee ("IFRIC") that are mandatory for accounting periods commencing on or after September 1, 2024. Many are not applicable or do not have a significant impact to the Company and have been excluded. The Company is currently assessing the impact of these standards on the financial statements.

IAS 1 – Presentation of Financial Statements ("IAS 1") was amended in January 2020 to provide a more general approach to the classification of liabilities under IAS 1 based on the contractual arrangements in place at the reporting date. The amendments clarify that the classification of liabilities as current or noncurrent is based solely on a company's right to defer settlement at the reporting date. The right needs to be unconditional and must have substance. The amendments also clarify that the transfer of a company's own equity instruments is regarded as settlement of a liability, unless it results from the exercise of a conversion option meeting the definition of an equity instrument. The amendments are effective for annual periods beginning on January 1, 2024.

IFRS 18 – In April 2024, the IASB issued IFRS 18 Presentation and Disclosure in Financial Statements to improve reporting of financial performance. The new standards replaces IAS 1 Presentation of Financial Statements. IFRS 18 introduces new categories and required subtotals in the statement of profit and loss and also requires disclosure of management-defined performance measures. It also includes new requirements for the location, aggregation and disaggregation of financial information. The standard is effective for annual reporting periods beginning on or after January 1, 2027, including interim financial statements. Retrospective application is required and early adoption is permitted.

8. OFF-BALANCE SHEET ARRANGEMENTS AND PROPOSED TRANSACTIONS

The Company has no off-balance sheet arrangements, nor any proposed transactions.

9. RELATED PARTY DISCLOSURES

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 LIABILTIIES

- 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

		During the 3-month periods ended November 30,			
Related party	**Purpose**		**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
Total		**$**	**9,729**	$	7,910

c) PROPERTY PURCHASE AGREEMENTS

See Note 4.

d) FINANCINGS

See Note 3.

e) OFFICE LEASE

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.

Related Party Disclosures - Continued

f) Stock Option Grant

The Company agreed to grant 1,400,000 options exercisable for a term of 5 years to certain officers and directors upon the filing and approval of the stock option plan with the CSE. The exercise price contemplated at $0.10 is subject to the trading price of the Company's shares at the time of grant.

10. Commitments and Contingencies

a) 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.

b) Management Contract

The Company is party to a services agreement ("Agreement") with its former President and CEO, who resigned concurrent with this Agreement. The Agreement contains clauses requiring up to $300,000 for termination without cause.

c) Flow-through Expenditures

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.

11. Risks and Uncertainties

The Company is in the business of acquiring, exploring and developing gold and base metal properties. It is exposed to a number of risks and uncertainties that are common to other mineral exploration companies in the same business. The industry is capital intensive at all stages and is subjected to variations in commodity prices, market sentiment, exchange rates for currency, inflations and other risks. The Company currently has no source of revenue other than interest income. The Company will rely mainly on equity financing to fund exploration activities on its mineral properties.

The risks and uncertainties described in this section are considered by management to be the most important in the context of the Company's business. The risks and uncertainties below are not inclusive of all the risks and uncertainties the Company may be subject to and other risks may apply.

Risks and Uncertainties - Continued

a) FINANCIAL RISKS

The Company's financial instruments consist of cash, amounts receivable, and accounts payable and accrued liabilities. The carrying values of cash, accounts payable and accrued liabilities, and lease liability approximate their estimated fair values due to the relatively short period to maturity of those financial instruments.

The Company is exposed to credit risk with respect to its cash and amounts receivable. Cash has been placed on deposit with a Canadian financial institution. Credit risk arises from the non-performance of counterparties of contractual financial obligations. The Company manages credit risk, in respect of cash by purchasing term deposits held at a major Canadian financial institution.

The Company is not exposed to significant interest rate risk due to the short-term maturity of these monetary assets. Fluctuations in market rates do not have a significant impact on estimated fair values at November 30, 2024. Future cash flows from interest on cash will be affected by interest rate fluctuations. The Company manages interest rate risk by investing in highly liquid investments with maturities of three months or less.

Commodity risk is the risk that the estimated fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices, other than those arising from interest rate risk or currency risk. The Company is not exposed to significant other price risk.

Liquidity risk is the risk that an entity will encounter difficulty in raising funds to meet commitments associated with financial instruments. The Company manages liquidity by maintaining adequate cash balances to meet liabilities as they become due. The Company's expected source of cash flow in the upcoming year will be through equity financings. The Company had a working capital deficit at November 30, 2024 in the amount of $18,443 (November 30, 2023 – $16,123).

b) GOING CONCERN

The Company's capability to continue as a going concern is dependent upon its ability to obtain additional debt or equity financing to meet its obligations as they come due. If the Company is unable to continue as a going concern, then significant adjustments would be required to the carrying value of assets and liabilities, and to the statements of financial position classifications currently used.

Boreal has no history of profitable operations and its present business is at an early stage. As such, the Company is subject to many risks common to other companies in the same business, including under-capitalization, cash shortages, and limitations with respect to personnel, financial and other resources and the lack of revenues.

The Company plans to obtain financing in the future primarily through further equity financing, as well as through joint venturing and/or optioning out the Company's properties to qualified mineral exploration companies. There can be no assurance that the Company will succeed in obtaining additional financing, now or in the future. Failure to raise additional financing on a timely basis could cause the Company to suspend its operation and eventually to forfeit or sell its interest in its mineral properties.

Risks and Uncertainties - Continued

Management has maintained a strict cost control program to effectively control expenditures. The Company manages liquidity by maintaining adequate cash balances to meet liabilities as they become due.

The Company maintained cash at November 30, 2024, in the amount of $260,801 (November 30, 2023 – $87,801), in order to meet short-term business requirements. At November 30, 2024, the Company had accounts payable and accrued liabilities of $160,636 (November 30, 2023 – $110,091). Also as at November 30, 2024, the Company had GST receivable in the amount of $10,374 (2023 – 33,094). Further, as at November 30, 2024, the Company had a final grant receivable from the Manitoba Mineral Development Fund of $64,650 (November 30, 2023 – $100,000, received in February, 2024).

c) EXPLORATION AND MINING RISKS

The business of exploration for minerals and mining involves a high degree of risk. Few properties that are explored are ultimately developed into producing mines. At present, the Company's properties have no known body of commercial ore. Unusual or unexpected formations, formation pressures, fires, power outages, labor disruptions, flooding, explorations, cave-ins, landslides and the inability to obtain suitable adequate machinery, equipment or labor are other risks involved in the operation of mines and the conduct of exploration programs.

The Company has relied on and may continue to rely upon consultants and others for exploration and development expertise. Substantial expenditures are required to establish ore reserves through drilling, to develop metallurgical processes to extract the metal from the ore and, in the case of new properties, to develop the mining and processing facilities and infrastructure at any site chosen for mining.

Although substantial benefits may be derived from the discovery of a major mineral deposit, no assurance can be given that minerals will be discovered in sufficient quantities to justify commercial operations or that funds required for development can be obtained on a timely basis. The economics of developing gold, copper and other mineral properties is affected by many factors including the cost of operations, variations in the grade of ore mined, fluctuations in metal markets, costs of processing equipment and such other factors as government regulations, including regulations relating to royalties, allowable production, importing and exporting of minerals and environmental protection. The Company has no producing mines at this time. All of the properties in which the Company may earn an interest are at the exploration stage only. Most exploration projects do not result in the discovery of commercially mineable deposits of ore.

d) DEVELOPMENT RISKS

The marketability of any minerals which may be acquired or discovered by the Company may be affected by numerous factors which are beyond the control of the Company and which cannot be accurately predicted, such as market fluctuations, the proximity and capacity of milling facilities, mineral markets and processing equipment, and such other factors as government regulations, including regulations relating to royalties, allowable production, importing and exporting of minerals, and environmental protection.

Risks and Uncertainties - Continued

e) LOSS OF INTEREST IN AND VALUE OF PROPERTIES

The Company's ability to maintain its interests in its mineral properties and to fund ongoing exploration costs will be entirely dependent on its ability to raise additional funds by equity financings. If the Company is unable to raise such funds it may suffer dilution or loss of its interest in its mineral properties. The amounts attributed to the Company's interests in mineral properties in its financial statements represent acquisition and exploration costs and should not be taken to reflect realizable value.

f) FINANCING RISKS

The Company has no history of earnings and no source of operating cash flow and, due to the nature of its business, there can be no assurance that the Company will be profitable. The Company has paid no dividends on its shares since incorporation and does not anticipate doing so in the foreseeable future. The only present source of funds available to the Company is through the sale of its equity shares. Even if the results of exploration are encouraging, the Company may not have sufficient funds to conduct the further exploration that may be necessary to determine whether or not a commercially mineable

deposit exists. While the Company may generate additional working capital through further equity offerings or through the sale or possible syndication of its property, there is no assurance that any such funds will be available. If available, future equity financings may result in substantial dilution to purchasers under the Offering. At present it is impossible to determine what amounts of additional funds, if any, may be required.

g) UNINSURABLE RISKS

In the course of exploration, development and production of mineral properties, certain risks, and in particular, unexpected or unusual geological operating conditions including rock bursts, cave-ins, fires, flooding and earthquakes may occur. It is not always possible to fully insure against such risks and the Company may decide not to take out insurance against such risks as a result of high premiums or other reasons. Should such liabilities arise, they could reduce or eliminate any future profitability and result in increasing costs and a decline in the value of the securities of the Company.

h) ENVIRONMENTAL AND OTHER REGULATORY REQUIREMENTS

Existing and possible future environmental legislation, regulations and actions could cause significant expense, capital expenditures, restrictions and delays in the activities of the Company, the extent of which cannot be predicted and which may well be beyond the capacity of the Company to fund. The Company's right to exploit the mining properties is subject to various reporting requirements and to obtaining certain government approvals and there is no assurance that such approvals, including environmental approvals, will be obtained without inordinate delay or at all.

i) NO ASSURANCE OF TITLES, BOUNDARIES OR SURFACE RIGHTS

The Company has investigated rights of ownership of all of the mineral properties in which it has an interest and, to the best of its knowledge, all agreements relating to such ownership rights are in good standing. However, all properties may be subject to prior claims or agreement transfers, and rights of ownership may be affected by undetected defects.

Risks and Uncertainties - Continued

While to the best of the Company's knowledge, title to all properties in which it has the right to acquire an interest is in good standing, this should not be construed as a guarantee of title. Other parties may dispute title to the mining properties in which the Company has the right to acquire an interest. The properties may be subject to prior unregistered agreements or transfers or native land claims and title may be affected by undetected defects or the statutes referred to above. This is based on nothing, the risks of a dispute are extremely unlikely and they would not win. There are no unregistered agreements or transfers or native land claims. If this is the case then I recommend that Boreal drop the option immediately.

j) PERMITS AND LICENSES

The operations of the Company may require licenses and permits from various governmental authorities. There can be no assurance that the Company will be able to obtain all necessary licenses and permits that may be required to carry out exploration, development and mining operations at its projects.

k) INABILITY TO MEET COST CONTRIBUTION REQUIREMENTS

The Company may, in the future, be unable to meet its share of costs incurred under agreements to which it is a party and the Company may as a result, be subject to loss of its rights to acquire interests in the properties subject to such agreements.

l) RELIANCE ON KEY PERSONNEL

The nature of the business of the Company, the ability of the Company to continue its exploration and development activities and to thereby develop a competitive edge in the marketplace depends, in a large part, on the ability of the Company to attract and maintain qualified key management personnel. Competition for such personnel is intense, and there can be no assurance that the Company will be able to attract and retain such personnel. The development of the Company now and in the future, will depend on the efforts of key management figures, the loss of whom could have a material adverse effect on the Company. The Company does not currently maintain life insurance on any of the key management employees.

m) CONFLICTS OF INTEREST

Boreal's directors and officers may serve as directors or officers, or may be associated with, other reporting companies, or have significant shareholdings in other public companies. To the extent that such other companies may participate in business or asset acquisitions, dispositions, or ventures in which Boreal may participate, the directors and officers of Boreal may have a conflict of interest in negotiating and concluding on terms with respect to the transaction. If a conflict of interest arises, Boreal will follow the provisions of the Business Corporations Act (BC) ("Corporations Act") dealing with conflict of interest. These provisions state that where a director has such a conflict, that director must, at a meeting of Boreal's directors, disclose his or her interest and refrain from voting on the matter unless otherwise permitted by the Corporations Act. In accordance with the laws of the Province of Manitoba, the directors and officers of Boreal are required to act honestly, in good faith, and in the best interest of Boreal.

12. FORWARD LOOKING STATEMENTS

Statements contained in this MD&A that are not historical facts are forward-looking statements (within the meaning of the Canadian securities legislation and the U.S. Private Securities Litigation Reform Act of 1995) that involve risks and uncertainties. Forward-looking statements include, but are not limited to, statements with respect to the future price of metals; the estimation of mineral reserves and resources, the realization of mineral reserve estimates; the timing and amount of estimated future production, costs of production, and capital expenditures; costs and timing of the development of new deposits; success of exploration activities, permitting time lines, currency fluctuations, requirements for additional capital, government regulation of mining operations, environmental risks, unanticipated reclamation expenses, title disputes or claims, limitations on insurance coverage and the timing and possible outcome of pending litigation.

In certain cases, forward-looking statements can be identified by the use of words such as "plans", "expects" or "does not expect", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates" or "does not anticipate", or "believes", or variations of such words and phrases or state that certain actions, events or results "may", "could", "would", "might" or "will be taken", "occur" or "be achieved". Forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements.

Such risks and other factors include, among others, risks related to the integration of acquisitions; risks related to operations; risks related to joint venture operations; actual results of current exploration activities; actual results of current reclamation activities; conclusions of economic evaluations; changes in project parameters as plans continue to be refined; future prices of metals; possible variations in ore reserves, grade or recovery rates; failure of plant, equipment or processes to operate as anticipated; accidents, labor disputes and other risks of the mining industry; delays in obtaining governmental approvals or financing or in the completion of development or construction activities, as well as those factors discussed in the sections entitled "Risks and Uncertainties" in this MD&A.

Although the Company has attempted to identify important factors that could affect the Company and may cause actual actions, events or results to differ materially from those described in forward-looking statements, there may be other factors that cause actions, events or results not to be as anticipated, estimated or intended. There can be no assurance that forward-looking statements will prove to be accurate, as actual results, and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements. The forward-looking statements in this MD&A speak only as of the date hereof. The Company does not undertake any obligation to release publicly any revisions to these forward-looking statements to reflect events or circumstances after the date hereof to reflect the occurrence of unanticipated events.

Forward-looking statements and other information contained herein concerning the mining industry and general expectations concerning the mining industry are based on estimates prepared by the Company using data from publicly available industry sources as well as from market research and industry analysis and on assumptions based on data and knowledge of this industry which the Company believes to be reasonable. However, this data is inherently imprecise, although generally indicative of relative market positions, market shares and performance characteristics. While the Company is not aware of any misstatements regarding any industry data presented herein, the industry involves risks and uncertainties and is subject to change based on various factors.