BOREAL GOLD INC.

CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE

SIX-MONTHS ENDED FEBRUARY 28, 2025 AND FEBRUARY 29, 2024

(EXPRESSED IN CANADIAN DOLLARS)

(UNAUDITED)

Management's Responsibility for the Condensed Interim Financial Statements

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 4. 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.

	Notes		February 28, 2025		August 31, 2024
Assets					
Current Assets					
Cash		**$**	**78,456**	$	259,121
Receivables	**6**		**13,187**		11,960
Related party amount receivable	**6**		**25,950**		–
Total Current Assets		**$**	**117,593**	$	271,081
Right of Use Asset	**8**	**$**	**100,940**	**$**	**112,585**
Total Assets		**$**	**218,523**	$	**383,666**
Liabilities					
Current liabilities					
Amounts payable		**$**	**49,951**	$	128,382
Flow through premium liability	**14**		–		88,003
Current portion of lease liability	**9**		**9,548**		17,702
		$	**59,499**	$	234,087
Lease liability	**9**	**$**	96,047	$	96,047
Total Liabilities			**155,546**	$	330,134
Equity					
Share capital	**10**	**$**	**1,236,229**	$	1,009,029
Deficit			**(1,173,252)**		(955,497)
Total Equity		**$**	**62,977**	$	53,532
Total Equity and Liabilities		**$**	**218,523**	$	383,666

Going concern – Note 1
Commitments and contingencies – Note 14
Subsequent events – Note 16

Approved by the Board of Directors:

"Michael Alexander" — **Director**

"Richard Masson" — **Director**

See accompanying notes to the interim condensed financial statements.

	Notes	3 - Months Ended February 28 2025	3 - Months Ended February 29 2024	6 - Months Ended February 28 2025	6 - Months Ended February 29 2024
Expenses					
Office		**$ 4,411**	$ 4,161	**$ 6,633**	$ 17,006
Professional fees		**53,919**	18,332	**74,115**	26,417
Regulatory and transfer agent fees		**44,796**	983	**54,496**	5,715
Related Party Management Fees		**33,281**	–	**33,931**	–
Depreciation	**8**	**5,823**	–	**11,646**	–
interest expense	**9**	**4,053**	–	**8,106**	–
Total, general and administrative		**$ 146,283**	$ 23,476	**$ 188,927**	$ 49,138
Exploration	**7**	**113,309**	73,395	**214,332**	195,218
MMDF Grants	**7**	**(64,650)**	(160,000)	**(64,650)**	(160,000)
Flow through share recovery		**(120,854)**	(37,998)	**(120,854)**	(37,998)
Net Loss/(income)		**$ 74,088**	$ (101,127)	**$ 217,755**	$ 46,358
Average shares outstanding		**13,923,468**	11,920,468	**11,475,564**	11,108,462

	Notes	Number of shares		Amount		Deficit		Total
Balance as at August 31, 2023		**10,855,800**	**$**	**689,733**	**$**	**597,722**	**$**	**92,011**
Shares issued for property acquisition	**7**	10,000		1,000		–		1,000
Share issuance	**10**	1,054,668		158,200		–		158,200
Share issuance costs		–		(3,265)		–-		(3,265)
Flow-through share premium liability		–		(52,732)		–		(52,732)
Net and comprehensive loss		–		–		46,358		(46,358)
Balance as at February 29, 2024		**11,920,468**	**$**	**792,936**	**$**	**644,080**	**$**	**148,856**
Share issuances	**10**	2,003,000		300,450		–		300,450
Share issue costs		–		(3,427)		–		(3,427)
Flow-through share premium liability		–		(100,150)		–		(100,150)
Shares issued for property acquisition	**7**	40,000		4,000		–		4,000
Shares issued for debt settlement	**10**	152,280		15,220		–		15,220
Net and comprehensive loss		–		–		311,417		(311,417)
Balance as at August 31, 2024		**14,115,748**	**$**	**1,009,029**	**$**	**955,497**	**$**	**53,532**
Share issuances	**10**	1,462,000		260,050		–		260,050
Flow through share premium liability		–		(32,850)				(32,850)
Net and comprehensive loss						**217,755**		(217,755)
Balance as at February 28, 2025		**15,577,748**	**$**	**1,236,229**	**$**	**(1,173,252)**	**$**	**62,977**

----------- See accompanying notes to the interim condensed financial statements ------------

		6-months ended February 28		
		2025		2024
Net income/(loss)	$	**(217,755)**	$	(46,358)
Shares issued for property payments		–		1,000
Flow-through share, premium liability		**(88,003)**		(37,998)
Changes in non-cash working capital items		**(305,758)**	$	(83,356)
Amounts receivable		**(1,288)**		(110,139)
Amounts receivable - related parties		**(25,950)**		–
Prepaids		–		13,323
Amounts due to related parties		–		(26,531)
Current portion of Right of Use Liability		**(8,154)**		–
Accounts payable		**(78,431)**		(16,139)
Right of Use Asset		**11,645**		–
Net Cash provided by (used in) Operating Activities	**$**	**(407,865)**	$	(222,842)
Cash Flows from (used in) Financing Activities				
Share issuances	**$**	**227,200**		158,200
Share issuance costs		–		(3,265)
Net Cash provided by (used in) Financing Activities	**$**	**227,200**	$	154,935
Increase (Decrease) in Cash	**$**	**(180,665)**	$	(67,907)
Cash at Beginning of Period	**$**	**259,121**	$	207,246
Cash balance end of period		**78,456**		139,339

See accompanying notes to the interim condensed financial statements.

1. NATURE OF OPERATIONS AND GOING CONCERN

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 Companies 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 for the six-months ended February 28, 2025 and 2024 were approved and authorized by the Board of Directors on April 14, 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 February 28, 2025, the Company had a cumulative deficit of $1,173,252 (February 29, 2024 - $644,080). 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. 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.

2. BASIS OF PRESENTATION

A. STATEMENT OF COMPLIANCE TO INTERNATIONAL FINANCIAL REPORTING STANDARDS

These unaudited condensed interim financial statements have been prepared in accordance with the International Accounting Standard 34, Interim Financial Reporting. The principal accounting policies applied in the preparation of these condensed interim financial statements are set out below.

These unaudited condensed financial statements have been prepared on a historical cost basis except for financial instruments carried at fair value. In addition, these financial statements have been prepared using the accrual basis of accounting except for cash flow information.

B. BASIS OF PRESENTATION

These unaudited condensed interim financial statements include the accounts of Boreal. This interim financial report does not include all of the information required of a full annual financial report and is intended to provide users with an update in relation to events and transactions that are significant to an understanding of the changes in financial position and performance of the Company since the end of the last annual reporting period. It is therefore recommended that this financial report be read in conjunction with the annual financial statements of the Company for the year ended August 31, 2024.

3. MANAGEMENT OF CAPITAL RISK

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 February 28, 2025 totalled $62,977 (August 31, 2024 - $53,532). 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 six-months ended February 28, 2025 and the year ended August 31, 2024. The Company is not subject to any capital requirements imposed by a regulator or lending institution.

4. SIGNIFICANT ACCOUNTING POLICIES

The financial framework and accounting policies applied in the preparation of these unaudited condensed interim financial statements are consistent with those as disclosed in its most recently completed audited financial statements for the fiscal year ended August 31, 2024.

IAS 1 – Presentation of Financial Statements ("IAS 1") was amended in January 2021 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, 2023.

5. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of these unaudited condensed interim financial statements requires management to make certain estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting period. Actual outcomes could differ from these estimates. These unaudited condensed interim financial statements include estimates which, by their nature, are uncertain. The impacts of such estimates are pervasive throughout the financial statements, and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised and future periods if the revision affects both current and future periods. These estimates are based on historical experience, current and future economic conditions and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Significant assumptions about the future and other sources of estimation and judgmental uncertainty that management has made at the reporting date, that could result in a material adjustment to the carrying amounts of assets and liabilities, in the event that actual results differ from assumptions made, relate to, but are not limited to, the following:

i. valuation of deferred income taxes.

6. AMOUNTS RECEIVABLE

(i) Amount due from a related party relates to the December 31, 2024 share issue. Payment will be made by May 31, 2025, or the shares will be returned to treasury.

	Notes		**February 28, 2025**		**August 31, 2024**
GST receivable		**$**	**13,187**	$	11,960
Due from related party (i)	**7**		**25,950**		–
Total		**$**	**39,137**	$	11,960

7. EVALUATION AND EXPLORATION PROPERTIES AND EXPENSES

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 Option 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.

The continuity of evaluation and exploration expenditures is shown as follows:

		Total		Fay Lake		Melgurd
Total, August 31, 2023	**$**	**729,513**	**$**	**495,012**	**$**	**234,501**
Claim acquisition & holding		63,097		45,097		18,000
Assay		7,030		7,015		15
Geological		57,594		46,165		11,429
Field Labour		256,422		202,872		53,550
Field Costs		88,747		44,271		44,476
Project Management fees		17,914		13,732		4,182
Total, August 31, 2024	**$**	**490,804**	**$**	**359,152**	**$**	**131,652**
Assay		14,908		12,957		1,951
Geological		31,376		27,931		3,445
Field Labour		129,000		80,800		48,200
Field Costs		31,593		24,019		7,574
Project Management fees		7,455		5,668		1,787
February 28, 2025 – 6-months	**$**	**214,332**	**$**	**151,375**	**$**	**62,957**
Total Cumulative to February 28, 2025	**$**	**1,553,582**		**1,022,582**		**441,860**

B. FAY LAKE

On June 17, 2022, the Company entered into an option agreement, with 4058667 MB Ltd., a private company held by a director and officer of Boreal for the acquisition the Fay Lake property, located in Manitoba. 4058667 MB Ltd will retain a 2% NSR over the property.

EXPLORATION AND EVALUATION EXPENDITURES - CONTINUED

Terms and conditions are as follows:

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 (v)	10,000	Issued (iv)	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) Paid on September 26, 2022.
(ii) The first anniversary commitment was extended to September 30, 2023. Both the cash was paid and shares issued on September 30, 2023. See Note 8.
(iii) Work commitments met.
(iv) Shares issued on June 17, 2024. See Note 14.
(v) Cash paid on June 25, 2024 on or before the 2nd anniversary

C. MELGURD

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 Partnership will retain a 2% net smelter returns royalty ("NSR"), which can be purchased for $500,000. Terms and conditions 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 (v)	30,000	Issued (iv)	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**

(i) Paid on September 30, 2022.
(ii) Cash paid on May 31, 2023 and shares issued on May 24, 2024, on or before the 2nd anniversary.
(iii) Work commitment met.
(iv) Shares issued on June 4, 2024. See Note 10.
(v) Cash paid on June 12, 2024 and June 14, 2024 on or before the 2nd anniversary.

EXPLORATION AND EVALUATION EXPENDITURES - CONTINUED

D. MANITOBA MINERAL DEVELOPMENT FUND ("MMDF")

During the six-months ended February 29, 2025, the Company received the $64,650 fiscal 2024 $264,650 MMDF grant of which $200,000 was received in fiscal 2023.

The Company also received approval, dated February 27, 2024, for a grant of $184,650 for fiscal 2024. The first and second funding payments, each of $60,000 were received on March 14, and June 1, 2024.

8. RIGHT-OF-USE ASSET

Cost	Notes		Amount
Balance - August 31, 2024 and 2023		**$**	**116,467**
Additions	**7**		–
Balance – February 28,2025		**$**	**116,467**

Accumulated depreciation		Amount
Balance - August 31, 2024	**$**	**3,882**
Expense		**11,645**
Balance – February 28, 2025	**$**	**15,527**

Net Book Value		Amount
Balance - August 31, 2024	**$**	**112,585**
Balance – February 28,2025	**$**	**100,940**

9. 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.

		Amount
Balance - August 31, 2024	**$**	**113,749**
Additions		–
Lease payments		(16,260)
Interest expense		8,106
Balance – February 28,2025	**$**	**105,595**

		Amount
Current portion	$	9,548
Long-term portion		96,047
Balance – February 28,2025	**$**	**105,595**

Lease Liability Continued

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

		Amount
2025	$	16,260
2026		32,520
2027		32,520
2028		32,520
2029		27,100
Total contractual cash flows	**$**	**140,920**
Less: interest expense		(35,325)
Total lease liability	**$**	**105,595**

10. SHARE CAPITAL

The authorized share capital consisted of an unlimited number of common shares. As at February 29, 2024, the following common shares were issued and outstanding:

Balance, February 29, 2024	**11,920,468**	**$**	**792,935**
Shares issuance	2,003,000		300,450
Share issuance costs	—		(3,428)
Flow through premium liability	—		(100,148)
Shares issued for property acquisition	40,000		4,000
shares issued for debt settlement	152,280		15,220
Balance as at August 31, 2024	**14,115,748**	**$**	**1,009,029**
Share issuances	1,462,000		260,050
Flow through premium liability	–		(32,850)
Balance February 28, 2025	**15,577,748**	**$**	**1,236,229**

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, 624,000 flow-through shares for gross proceeds of $93,600.

Share Capital Continued

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.

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.

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.

On January 9, 2025, 200,000 warrants issued with the September 27, 2025 financing, were exercised for proceeds of $20,000.

11. 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).

RELATED PARTY DISCLOSURES - CONTINUED

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 AMOUNTS RECEIVABLE

See Note 6

B. RELATED PARTY AMOUNTS PAYABLE

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 February 28, 2025, there were no amounts payable to related parties. As at February 29, 2024, $34,918 was due to M'Ore Exploration Services Ltd.

Related party		February 28, 2025		February 29, 2024
Corporation controlled by an officer and director	**$**	–	**$**	–
Corporation controlled by an officer, director and significant shareholder		–		**34,918**
Total	**$**	–	**$**	**34,918**

These amounts are non-interest bearing and payable on demand.

C. RELATED PARTY AMOUNTS CHARGED DURING THE PERIOD

		During the Six-Months Ended		
Related party	**Purpose**		**February 28, 2025**		**February 28, 2024**
Corporation controlled by an officer and director	Filing fees	**$**	**9,911**	$	2,422
Corporation controlled by an officer, director and significant shareholder	Exploration		–		64,225
	Office		**6,455**		27,500
Total		**$**	**16,366**	$	94,147

D. OPTION AGREEMENTS

See Note 7.

E. PRIVATE PLACEMENTS

See Note 8.

12. 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 August 31, 2024 totalled $53,532 (August 31, 2023 - $(92,011)). 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 years ended August 31, 2024 and 2023. The Company is not subject to any capital requirements imposed by a regulator or lending institution.

There were no changes in Boreal's approach to capital management during the six-months ended February 28, 2025 and Boreal is not subject to any externally imposed capital requirements.

13. MANAGEMENT OF FINANCIAL RISK

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 February 28, 2025 and August 31, 2024.

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.

MANAGEMENT OF FINANCIAL RISK - CONTINUED

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 February 28, 2025, the Company had a cash balance of $78,456 and amounts receivables of $39,137 to settle accounts payable and amounts due to related parties of $49,951 (August 31, 2024 - $271,081) to settle accounts payable and amounts due to related parties of $128,382). All of the Company's financial liabilities generally have contractual maturities of less than 30 days and are subject to normal trade terms.

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 February 28, 2025, 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.

14. COMMITMENTS AND CONTINGENCIES

A. OPTION AGREEMENTS

See Note 7.

B. MANAGEMENT CONTRACT

See Note 3

C. FLOW-THROUGH OBLIGATION

As at February 28, 2025, the company was required to incur $159,800 in qualifying expenditures by December 31, 2025 to meet its flow-through commitments. At this time, management anticipates meeting that obligation, and, as a result, no additional provisions are required.

Commitments and Contingencies Continued

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.

D. 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.

15. FINANCIAL INSTRUMENTS

A. FAIR VALUE

The carrying values of cash, accounts payable and accrued liabilities approximate their fair values due to the relatively short period to maturity of those financial instruments.

As at February 29, 2025	Amortised Cost	FVPL	Total
Cash	$ 78,456	–	$ 78,456
Amounts receivable	13,188	–	13,188
Accounts payable	49,951	–	49,951
Lease Liability	105,595	–	105,595

As at August 31, 2024	Amortised Cost	FVPL	Total
Cash	$ 259,121	–	$ 259,121
Accounts payable	128,382	–	128,382
Lease liability	113,749	–	113,749

16. SUBSEQUENT EVENTS

March 7, 2025 – Boreal announced its plans to raise up to $1,402,000 through a non-brokered private placement financing up to a Maximum Offering Amount of $1,402,000 (the "Offering"). The private placement will be comprised of 3,340,000 Flow-Through Shares at a price of $0.30 per Flow-Through Share representing proceeds of $1,002,000 and 2,000,000 Units at a price of $0.20 per Unit, representing proceeds of $400,000 for an aggregate total raised of $1,402,000. The Units shall consist of, and separate immediately upon closing into, one(1) common share of the Issuer (a "Common Share") and one (1) Warrant, each entitling the holder to purchase one (1) Common Share at a purchase price of $0.20 cents per Warrant for a period of twenty-four (24) months following the date of closing.

April 2, 2025 – Boreal announced that it closed the first tranche financing of $88,650 of a non-brokered private placement announced on March 7, 2025. The closing is comprised of 295,500 Flow Through Shares at a price of $0.30 per Flow-Through Unit representing proceeds of $88,650 for an aggregate total raised of $88,650. It is anticipated that the second tranche will be completed by April 30, 2025.