BOREAL GOLD INC.

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE SIX-MONTHS ENDED FEBRUARY 28, 2025

AND SUBSEQUENT PERIOD ENDED APRIL 14, 2025

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 April 14, 2025 constitutes management's view of the factors that affected the Company's financial and operating performance for the six-month ended February 28, 2025. 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

As at February 28, 2025, the Company had a working capital surplus of $58,094 (August 31, 2024 – $36,994). 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.

3. CORPORATE DEVELOPMENTS – FINANCINGS

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) Annual General Meeting

On March 3, 2025 the Company announced that all matters set out in the meeting materials for the Annual General Meeting (AGM) held on February 28, 2025 at 2:00 PM in Flin Flon, Manitoba were overwhelmingly approved by the shareholders.

Shareholders were asked to consider and approve the following resolutions:

(i) set the number of directors;

(ii) election of directors for the ensuing year,

(iii) appointment of an auditor for the ensuing year and to authorize the directors to fix the auditor's remuneration; and

(iv) ratify and re-approve the 10% rolling stock option plan.

The Scrutineer's report showed that 6,139,870 shares were voted at the Annual General Meeting representing 39.93% of the 15,377,748 total shares outstanding and issued of the company. The number of directors of three (3) and the 10% rolling stock option plan was approved 100% by shareholders.

The three nominated directors; Richard Masson, Michael Alexander and Laara Shaffer were approved by 96.43% of the shares voted and the Appointment of Auditors was approved by 96.43% of the shares voted.

c) 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.

On January 9, 2025, 200,000 warrants from the September 27, 2024 Non-Flow Through, Unit Offering were exercised, raising $20,000.

On February 28, 2025, the Company received the final installment of the Manitoba Mineral Development Fund Grant in the amount of $64,650.

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.

d) 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.

On February 5, 2025, the Company provided an overview and update on the work programmes on its two properties, Fay Lake and Melgurd.

The company, over 2022 and 2023, was focused on exploring through airborne electromagnetic surveys, mapping and prospecting the Fay Lake property northeast of Flin Flon, Man., strategically positioned between Hudson Bay's Vamp Lake deposit and Minnova's Puffy Lake gold mine.

In Saskatchewan, Boreal completed similar work over the Melgurd Lake property, just north of the Shotts Lake copper deposit in the Flin Flon volcanic assemblage that hosts the Foran's large developing McIlvenna deposit farther south.

Work completed to date includes complete airborne coverage with magnetic and electromagnetic surveys over both the Fay and Melgurd properties. Boreal has received an in-depth report on the airborne survey by Ross Groom out of Toronto. To set the basis for more advanced exploration with drilling, extensive mapping and prospecting have been carried over the most promising portions of the property that contain volcanic massive sulphide mineralization of copper, zinc and gold. Exploration of the gold structures on the Fay Lake property has shown the structures are similar in mineralogy to the Puffy Lake mine and will begin this summer. Follow-up ground magnetic and EM surveys were completed over the main VMS horizon in 2024 outlining a number of drill targets.

With the increased demand for critical minerals such as copper, Boreal plans to focus its efforts where high-grade copper was obtained in grab samples from trenches on the property with the idea of drill testing areas of high copper and gold concentration. Gold is reaching all-time highs of over $2,800 (U.S.) per ounce or over $4,000 (Canadian) per ounce.

East of the Redwin shaft on the Fay Lake property, which was initially worked and discovered from 1928 to 1931, high values of copper were sampled in an old trench, and a quartz vein sample, collected 30 metres north of this trench from another trench, assayed very high in gold. These selected grab samples collected during the summer of 2023 returned the following assays. (overleaf)

Sample No	Rock category	Gold – Au ppb	Silver – Ag Gm's/ton	Copper -Cu	Zinc – Zn
298691	Massive Sulphides	2,270	9.2	1.12%	0.14%$
298692	Massive Sulphides	319	16.0	1.24%	0.56%
298693	Quartz vein	146.9	6.4	679 ppm	47 ppm

Drilling is planned for this area, where it appears that gold veins crosscut VMS massive sulphide type mineralization. Mapping indicates that the Redwin massive sulphide horizon, which is 3.5 kilometres long, folds back on itself to the south creating an additional three km to explore and drill test. New discoveries were made in the summer of 2024, including new gossans on the southern horizon, and a completely separate horizon of massive sulphides known as the Sunrise Horizon is located northeast of the main workings immediately west of the rail line.

Another area of interest for gold exploration on the Fay Lake property is the Fay showing located east of the railway tracks. A sample collected in 2021, after a preliminary review, returned the following assay: sample 27309 assayed 14.33 grams per tonne gold, 65.8 g/t silver, 0.14 per cent copper and 0.23 per cent zinc. Boreal, this summer, will focus on this structure, which is similar to the mineralization of the Puffy Lake mine, in more detail with detailed geological mapping, prospecting and additional sampling, along with additional line cutting to search for the strike extension to the east for this gold-enriched shear zone.

On the far eastern portion of the Fay Lake property, Boreal plans to prospect and sample the Jasper mineral occurrence on Koscielny Lake, where mineralization contains values of up to 11.81 g/t Au (0.38 ounce per ton Au) over one metre. Visible gold was noted in some of the historic e-sized drill core.

This winter, follow-up ground magnetic and horizon loop EM geophysical surveys are planned to cover those areas not previous covered in 2024 over airborne conductors.

Fay Lake property

The Fay Lake property consists of 17 contiguous claims comprising 2,719 hectares and lies 25 km northeast of Flin Flon, Man. It is contiguous to the south of Hudbay Minerals' Vamp Lake copper-zinc-gold VMS property and also contiguous to the northeast, with the former Puffy Lake gold mine. Fay Lake contains approximately five km of mapped VMS horizons similar to Vamp Lake.

Separately, west of the rail line, a nine-kilometre shear structure, currently known to contain similar mineralization as the Puffy Lake gold deposit, had samples assaying up to 14.33 g/t Au.

Melgurd property

The Melgurd property consists of 11 mineral claims totalling 7,411 hectares and lies northwest of Flin Flon, Man., just north of the Shotts Lake copper-zinc VMS deposit in Saskatchewan. Boreal's airborne magnetic and EM survey shows both EM conductors and gradient magnetic trends of the Shott Lake horizon continuing north onto the Melgurd property in the area of a felsic volcanic package. Prospecting and mapping in the summer and fall of 2023 and 2024 have outlined an area of significant garnet and anthophyllite alteration. Locally, this alteration is associated with gossans.

The attraction of the property has been the high gold content of the Redwin massive sulphides.

During 1932, the Fay Lake mining syndicate delivered three shipments of sulphide ore to Hudson Bay Mining and Smelting from the shaft area and nearby trenches. The three shipments of ore are as follows (letter from A. Kauffman, chief geologist HBM&S, 1949). HBED was not interested because of the low copper values, and gold was then only $25 per oz:

Date	Sample size – tonnes	Gold – Au Gm's/ton	Silver – Ag Gm's/ton	Copper -Cu
November 24, 1932	42.6	14.6	50	0.2
January 12, 1933	40	15.7	7.9	0.65
January 25, 1p33	147	4.5	4.5	0.51

During this period, the syndicate excavated numerous trenches and two shafts, and carried out a drill program in the main showing area; however, results from this program are not recorded. Various drill programs ensued along the extent of the five-kilometre horizon-verified massive sulphides.

Melgurd property

On the Melgurd property in Saskatchewan, continued line cutting, detailed geological mapping, prospecting and sampling will continue in prospective areas while continuing to ground truth airborne anomalies obtained from the 2022 TDEM airborne survey. Boreal has been granted a TMEI (targeted mineral exploration incentive) grant for drilling on the Melgurd property where 25 per cent of drilling expenditures are reimbursed up to a cap of $150,000. Boreal Gold has also applied to have last year's work permit extended for an extra two years to fulfill its proposed work commitment.

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).

d) FAY LAKE, MANITOBA – PROPERTY PURCHASE 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: (see overleaf)

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	–	–	$ –
On or before the 1st anniversary	20,000	Paid	10,000	Issued)	100,000
On or before the 2nd anniversary	20,000	Paid (iii)	10,000	Issued (ii)	(i) 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) WORK COMMITMENTS MET.

(ii) SHARES ISSUED ON JUNE 17, 2024. SEE NOTE 14.

(iii) CASH PAID ON JUNE 25, 2024 ON OR BEFORE THE 2ND ANNIVERSARY

e) MELGURD, SASKATCHEWAN – PROPERTY PURCHASE OPTION AGREEMENT

The Melgurd 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 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	–	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**

(i) Work commitments met.

(ii) Shares issued on June 4, 2024. See Note 10.

(iii) Cash paid on June 12, 2024 and June 14, 2024 on or before the 2nd anniversary.

f) Expenditures

Expenditures on these properties to date are summarized 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**

g) Manitoba Mineral Development Fund ("MMDF")

During the six-months ended February 28, 2025, the Company received the $64,650 balance of its fiscal 2024 $264,650 MMDF grant of which $200,000 was received in fiscal 2024..

h) 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.

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 QUARTERLY RESULTS

The following table sets out selected quarterly information for the preceding five quarters ended February 28, 2025:

		Q2	Q1		Q4		Q2
		February 28, 2025	**November** 30, 2024		**August 31, 2024**		**May 31, 2024**
General and administrative	**$**	136,407	32,758	$	**102,962**	$	18,871
Exploration		113,309	101,023		**239,073**		53,910
Lease - depreciation and interest		9,876	9,876		**6,584**		–
Net Loss for period	**$**	259,592	143,657	$	**348,619**	$	72,781
MMDF Grants		(64,650)	–		**(60,000)**		–
Flowthrough share premium		(120,854)	(32,850)		**-32,343**		(11,968)
Net loss/(income), fully diluted	**$**	74,088	110,807	$	**256,276**	$	60,813
Net loss/(income) per share, fully diluted		0.00	(0.02)		**(0.02)**		(0.01)
Weighted average shares outstanding		14,832,804	14,477,681		**12,279,380**		13,923,468
		Q2	**Q1**		**Q4**		**Q3**
		February 2024	**November 2023**		**August 31, 2023**		**May 31, 2023**
General and administrative	**$**	23,476	$ 25,661	$	12,768	$	15,984
Exploration		73,395	121,823		208,077		43,992
Net loss for period	**$**	96,871	$ 147,484	$	220,845	$	59,976
MMDF Grants		(160,000)	–		–		-100000
Flowthrough share premium		(37,998)	–		(106,164)		–
Net loss/(income), fully diluted	**$**	(101,127)	$ 147,484	$	114,681	$	(40,024)
Net loss/(income) per share, fully diluted		-0.01	0.05		0.01		-0.01
Weighted average shares outstanding		11,920,468	10,865,800		8,026,833		7,622,581

c) RESULTS OF OPERATIONS FOR THE PERIODS ENDED FEBRUARY 28, 2025 AND 2024

Expenditures		**6-Months ended February 28, 2025**	**6-Months ended February 29, 2024**
Office	**$**	**6,633**	17,006
Professional fees		**74,115**	26,417
Filing and Exchange Fees		**54,496**	5,715
Related party fees		**33,931**	–
Interest		**11,646**	–
Depreciation		**8,106**	–
Exploration		**214,332**	195,218
Total	**$**	**403,259**	244,356

Office fees are reduced as the Lease is now considered a Right of Use Asset and rent is now assigned to depreciation and Interest

Professional Fees and Filing/Exchange fees increased due to the completion and filing of the Prospectus.

Related party fees relate to administrative, non-exploration work and the Prospectus.

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 15,873,248 common shares issued and outstanding.

7. CHANGES TO 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.

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.

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.

a) RELATED PARTY AMOUNTS PAYABLE

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.

b) 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

c) OPTION AGREEMENTS

See Note 5.

d) FINANCINGS

See Note 4.

e) LEASE AGREEMENT

The Company signed a lease agreement for a portion of a building with a corporation controlled by a former officer and director of the Company for a term of 5 years effective from July 1, 2024 with a lease payment of $2,710 per month.

f) STOCK OPTION GRANT

The Company has agreed to grant 1,400,000 options exercisable at $0.10 for a term of 5 years to officers and directors upon the filing and approval of the prospectus to become a reporting issuer and stock option plan with the Canadian Securities Exchange.

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 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.

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) 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.

(i) FINANCIAL RISKS

The Company's financial instruments consist of cash, amounts receivable, and accounts payable and accrued liabilities. The carrying values of cash, amounts receivable, and accounts payable and amounts due to related parties 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 February 28, 2025. 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 surplus at February 28, 2025 in the amount of $58,094 (August 31, 2024 – $36,994).

(ii) 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.

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 February 28, 2025, in the amount of $78,456 (August 31, 2024 – $259,121), in order to meet short-term business requirements. At February 28, 2025, the Company had accounts payable and amounts due to related parties of $49,951 (August 31, 2024 – $128,382).

(iii) 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.

(iv) 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.

(v) 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.

(vi) 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.

(vii) 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.

(viii) 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.

(ix) 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.

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., 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.

(x) 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.

(xi) 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.

(xii) 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.

(xiii) 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.

11. 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.