BOREAL GOLD INC.

CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE

SIX-MONTHS ENDED FEBRUARY 29, 2024 AND FEBRUARY 28, 2023

(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, 2023. 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.

As at	Notes		February 29, 2024		August 31, 2023
Assets					
Current assets					
Cash		**$**	**139,339**	$	207,246
Amounts receivable	**6**		**110,139**		–
Prepaid expenses			–		13,323
Total current assets		**$**	**249,478**	$	220,569
Total assets		**$**	**249,478**	$	220,569
Liabilities					
Current liabilities					
Accounts payable		**$**	**26,802**	$	42,941
Amounts due to related parties	**9**		**34,918**		61,449
Flow-through share premium liability			**38,902**		24,168
Total current liabilities		**$**	**100,622**	$	128,558
Total liabilities		**$**	**100,622**	$	128,558
Equity					
Share capital	**8**	**$**	**792,936**	$	689,733
Deficit			**(644,080)**		(597,722)
Total equity		**$**	**148,856**	$	92,011
Total liabilities and equity		**$**	**249,478**	$	220,569

Going concern – Note 1
Commitments and contingencies – Note 12
Subsequent events – Note 14

Approved by the Board of Directors:

"Michael Alexander"	*"Richard Masson"*
Director	**Director**

See accompanying notes to the interim condensed financial statements.

	Notes	For the 3-Months ended February 29, 2024	For the 3-Months ended February 28, 2023	For the 6-Months ended February 29, 2024	For the 6-Months ended February 28, 2023
General and administrative					
Office		**$ 4,161**	$ 29,894	**$ 17,006**	$ 38,778
Professional fees		**18,332**	7,616	**26,417**	15,701
Regulatory and transfer agent fees		**983**	2,017	**5,715**	6,748
Total general and administrative		**$ 23,476**	$ 39,527	**$ 49,138**	$ 61,227
Exploration	**7**	**73,395**	439,760	**195,218**	561,583
Government grants	**7**	**(160,000)**	(100,000)	**(160,000)**	(100,000)
Flow-through share premium liability		**(37,998)**	(100,550)	**(37,998)**	(100,550)
Net and comprehensive loss/(income)		**$ (101,127)**	$ 278,737	**$ 46,358**	$ 422,260
Comprehensive loss/(income) per share, basic and diluted		**$ (0.01)**	$ 0.03	**$ 0.00**	$ 0.09
Weighted average number of common shares outstanding, basic and diluted		**11,920,468**	9,230,800	**11,108,462**	4,947,732

See accompanying notes to the interim condensed financial statements.

	Notes	Number of shares		Amount		Deficit		Total equity
Balance, August 31, 2022		**3,000,000**	**$**	**30,000**	**$**	**(50,192)**	**$**	**(20,192)**
Share issuance	**8**	6,230,800		629,144		–		629,144
Share issuance costs		–		(19,332)		—		(19,332)
Flow-through share premium liability		—		(106,164)		—		(106,164)
Net and comprehensive loss		–		–		(422,260)		(422,260)
Balance, February 28, 2023		**9,230,800**	**$**	**533,648**	**$**	**(472,452)**	**$**	**61,196**
Share issuance	**8**	1,605,000		236,500		—		236,500
Share issuance costs		—		(6,415)		—		(6,415)
Flow-through share premium liability		–		(76,000)		—		(76,000)
Shares issued for property acquisition	**7**	20,000		2,000		—		2,000
Net and comprehensive loss		—		—		(125,270)		(125,270)
Balance, August 31, 2023		**10,855,800**	**$**	**689,733**	**$**	**(597,722)**	**$**	**92,011**
Shares issued for property acquisition	**7**	10,000		1,000		—		1,000
Share issuance	**8**	1,054,668		158,200		—		158,200
Share issuance costs		—		(3,265)		—		(3,265)
Flow-through share premium liability		—		(52,732)		—		(52,732)
Net and comprehensive loss		—		—		(46,358)		(46,358)
Balance, February 29, 2024		**11,920,468**	**$**	**792,936**	**$**	**(644,080)**	**$**	**148,856**

See accompanying notes to the interim condensed financial statements.

		For the Six-Months Ended February 29, 2024		February 28, 2023
Cash Flows from (used in) operating activities				
Net loss	**$**	**(46,358)**	$	(422,260)
Non-cash items				
Shares issued for property acquisition		**1,000**		—
Flow-through share premium liability		**(37,998)**		(100,550)
Changes in non-cash working capital items				
Amounts receivable		**(110,139)**		—
Prepaid expenses		**13,323**		5,000
Accounts payable		**(16,139)**		74,003
Amounts due to related parties		**(26,531)**		5,000
Net Cash provided by (used in) operating activities	**$**	**(222,842)**	$	(438,807)
Cash Flows from (used in) financing activities				
Share issuance	**$**	**158,200**	$	629,144
Share issuance costs		**(3,265)**		(19,332)
Net Cash provided by (used in) financing activities	**$**	**154,935**	$	609,812
Net change in cash	**$**	**(67,907)**	$	171,005
Cash at beginning of period	**$**	**207,246**	$	10,067
Cash at end of period	**$**	**139,339**	$	181,072

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 29, 2024 and 2023 were approved and authorized by the Board of Directors on July 25, 2024.

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 29, 2024, the Company had a cumulative deficit of $644,080 (August 31, 2023 - $597,722). 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, 2023.

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 29, 2024 totalled $148,856 (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 six-months ended February 29, 2024 and the year ended August 31, 2023. 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, 2023.

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

	Notes		February 29, 2024		August 31, 2023
GST receivable		**$**	**50,139**	$	–
Government grant - MMDF	**7**		**60,000**		–
Total		**$**	**110,139**	$	–

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 Lake	Other
Total, August 31, 2022	**$ 34,794**	**$ 17,044**	**$ 12,750**	**$ 5,000**
Claim acquisition & holding	47,517	24,652	22,224	641
Assay	14,271	14,259	12	—
Geological	413,478	220,533	192,945	—
Field labour	269,211	194,606	15,275	59,330
Field costs	45,296	40,962	4,045	289
Project management fees	23,880	–	–	23,880
Total, August 31, 2023	**$ 813,653**	**$ 495,012**	**$ 234,501**	**$ 84,140**
Claim acquisition & holding	24,105	24,105	—	—
Assay	7,030	7,015	15	—
Geological	6,562	39,656	—	(33,094)
Field Labour	110,050	61,300	25,175	23,575
Field Costs	41,500	31,011	10,489	—
Project Management fees	5,971	—	1,648	4,323
Total, February 29, 2024	**$ 195,218**	**$ 163,087**	**$ 37,327**	**$ (5,196)**
Total, Cumulative	**$ 1,008,871**	**$ 658,099**	**$ 271,828**	**$ 78,944**

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	–	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.

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	–	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 26, 2023. See Note 8.
(iii) Work commitment met.
(iv) Shares issued on June 4, 2024. See Note 14.

EXPLORATION AND EVALUATION EXPENDITURES - CONTINUED

D. MANITOBA MINERAL DEVELOPMENT FUND ("MMDF")

During the six-months ended February 29, 2024, the Company received the balance $100,000 of its fiscal 2023 $300,000 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 $60,000 initial funding payment was received on March 14, 2024.

8. 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:

	Notes	Number of Shares		Amount
Balance, August 31, 2022		**3,000,000**	**$**	**30,000**
Share issuance		6,230,800		629,144
Share issuance costs		–		(19,332)
Flow-through share premium liability		–		(106,164)
Balance, February 29, 2023		**9,230,800**	**$**	**533,648**
Share issuance		1,605,000		236,500
Share issuance costs		–		(6,415)
Flow-through share premium liability		–		(76,000)
Shares issued for property acquisition	**7**	20,000		2,000
Balance, August 31, 2023		**10,855,800**	**$**	**689,733**
Shares issued for property acquisition	**7**	10,000		1,000
Share issuance		1,054,668		158,200
Share issuance costs		–		(3,265)
Flow-through share premium liability		–		(52,732)
Balance, February 29, 2024		**11,920,468**	**$**	**792,936**

On September 30, 2023, pursuant to the Fay Lake 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, 350,000 flow-through shares for gross proceeds of $61,050.

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 DISCLOSURES - CONTINUED

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 AMOUNTS PAYABLE

Related party		February 29, 2024		August 31, 2023
Corporation controlled by an officer and director	**$**	–	$	1,646
Corporation controlled by an officer, director and significant shareholder		**34,918**		59,803
Total	**$**	**34,918**	$	61,449

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 29, 2024**		**February 28, 2023**
Corporation controlled by an officer and director	Filing fees	**$**	**2,422**	$	1,568
Corporation controlled by an officer, director and significant shareholder	Exploration		**64,225**		130,875
	Office		**27,500**		12,519
Total		**$**	**$94,147**	$	144,962

C. OPTION AGREEMENTS

See Note 7.

D. PRIVATE PLACEMENTS

See Note 8.

10. 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.

CAPITAL MANAGEMENT - CONTINUED

The Company considers its capital to consist of equity, comprising share capital, reserves and deficit which at August 31, 2023 totalled $92,011 (August 31, 2022 - $(20,192)). 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, 2023 and 2022. 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 29, 2024 and Boreal is not subject to any externally imposed capital requirements.

11. 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 29, 2024 and August 31, 2023.

B. CREDIT RISK

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

C. LIQUIDITY RISK

The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As at February 29, 2024, the Company had a cash balance of $139,339 and amounts receivables of $110,139 to settle accounts payable and amounts due to related parties of $61,720 (August 31, 2023 - $207,246 to settle accounts payable and amounts due to related parties of $104,390). 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.

MANAGEMENT OF FINANCIAL RISK - CONTINUED

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 29, 2024, the Company is not a commodities producer. As a result, commodity price risk may affect the completion of future equity transactions such as equity offerings and the exercise of stock options and warrants. This may also affect the Company's liquidity and its ability to meet its ongoing obligations.

12. COMMITMENTS AND CONTINGENCIES

A. OPTION AGREEMENTS

See Note 7.

B. FLOW-THROUGH OBLIGATION

As at February 29, 2024, the company was required to incur $190,482 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.

C. ENVIRONMENTAL CONTINGENCIES

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

13. 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, 2024	Amortised Cost	FVPL	Total
Cash	$ 139,339	–	$ 139,339
Amounts receivable	110,139	–	110,139
Accounts payable	26,802	–	26,802
Amounts due to related parties	34,918	–	34,918

As at August 31, 2023	Amortised Cost	FVPL	Total
Cash	$ 207,246	–	$ 207,246
Accounts payable	42,941	–	42,941
Amounts due to related parties	61,449	–	61,449

14. SUBSEQUENT EVENTS

A. MMDF GRANT

See Note 7.

B. PRIVATE PLACEMENT

On May 13, 2024, the Company completed a private placement for 2,003,000 flow-through shares at $0.15 per share for gross proceeds of $300,450. Directors and officers acquired an aggregate of 624,000 flow-through shares for gross proceeds of $128,700.

C. OPTION PAYMENTS

On June 4, 2024, pursuant to the Melgurd Lake 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 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.

D. DEBT SETTLEMENT

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 $15,228.