MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE SIX-MONTHS ENDED FEBRUARY 29, 2024

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 July 25, 2024 constitutes management's view of the factors that affected the Company's financial and operating performance for the six-month ended February 29, 2024. This discussion should be read in conjunction with the unaudited financial statements and related notes of the Company for the six-months ended February 29, 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 29, 2024, the Company had a working capital surplus of $148,856 (August 31, 2023 – $92,011). 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) FISCAL 2023

During the 16-month period from incorporation to August 31, 2023, the Company completed the following financings:

On May 24, 2022, the Company issued 3,000,000, common shares at $0.01 per share to founders for gross proceeds of $30,000. All directors of the Company acquired, in aggregate, 2,200,000 common shares for gross proceeds of $22,000.

On September 16, 2022, the Company issued 1,802,000 common shares at $0.05 for gross proceeds of $90,100. Agent fees of $14,332 were paid and an aggregate of 200,000 shares as a finder's shares were issued at $0.05 per share. Three directors acquired an aggregate of 60,000 common shares for gross proceeds of $3,000.

On November 30, 2022, the Company completed a private placement issuing 690,000 common shares at $0.10 per share and 3,538,800 flow-through shares at $0.13 per share for gross proceeds of $529,044. Other share issuance costs of $2,669 were also paid. $106,164 was allocated to flow-through premium. A director and an officer of the Company acquired, in aggregate, 1,462,300 flow-through shares for gross proceeds of $190,099.

On May 26, 2023, pursuant to the Melgurd option agreement, the Company issued 10,000 shares at an estimated fair value of $0.10 per share, based on the most recent financing price.

On June 5, 2023, the Company completed a private placement, issuing 85,000 common shares at $0.10 and 1,520,000 flow through shares at $0.15 per share for gross proceeds of $236,500. Other share issuance costs of $3,745 were paid. $76,000 was allocated to flow-through share premium. A director and an officer acquired, in aggregate, 350,000 flow-through shares for gross proceeds of $52,500.

b) FISCAL 2024

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.

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.

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.

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.

4. EVALUATION AND EXPLORATION PROPERTIES AND EXPENDITURES

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

a) FAY LAKE, MANITOBA – OPTION AGREEMENT

The Fay Lake property consists of 12 mineral claims totalling 1,818 hectares located approximately 55 km east-northeast of the city of Flin Flon, MB.

The center of the property lies at 54° 58' 20' ' N Latitude and 101° 06' 00'' W Longitude.

The property was optioned by Boreal Gold Inc., with an effective date of June 17, 2022, from 4058667 MB LTD (owned by a Boreal Director and officer), which holds a 2% net smelter returns ("NSR") royalty.

Terms and conditions of this option agreement are as follows:

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 September 26, 2022.
(ii) The first anniversary commitment was extended to September 30, 2023. Both the cash was paid and shares issued September 30, 2023 (Note 3).
(iii) Work commitment met.
(iv) Shares issued on June 17, 2024 (Note 3).

b) MELGURD, SASKATCHEWAN – 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)	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, September 30, 2022.
(ii) Cash paid May 31, 2023 and shares issued May 26, 2023 (Note 3).
(iii) Work commitment met.
(iv) Shares issued on June 4, 2024 (Note 3).

c) EXPENDITURES

Expenditures on these properties to date are summarized 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**

d) MANITOBA MINERAL DEVELOPMENT FUND ("MMDF")

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.

The balance will be paid out as expenses are incurred, per the schedules submitted in a further two tranches, of $60,000 and one of $64,650.

e) MAJOR PROGRAMMES

Boreal contractor Axiom Exploration Group, which completed the following geophysics programme:

- A 437.4 km TDEM (Time Domain Electromagnetic Method) was flown over the entire Fay Lake Property, which costs totaled $169,848.58 in exploration expenditures for the airborne survey.
- The entire Red Win Grid was cut and chained this winter totaling $54,430.26.
- Portions of the Red Win Grid were cut and cleaned out more during the summer to remove blow down missed during the winter cutting and to prepare the grid for ground geophysical surveys including Mag and HLEM ("Horizontal Loop Method").
- The entire Red Win Grid was prospected, mapped in detail, sampled and assayed through out the summer and fall. The Baseline 37N of the Fay Grid was cut and chained from 35E to approximately 53E and Baseline 25N was cut from approximately 40+50E all the way to Rodwalsh Lake. Five lines 41E to 45E was also cut and chained on the Fay Grid.

Detailed prospecting and in detail over this portion of the Fay Lake Grid was temporarily shut down for winter and is expected to resume in 2024.

Petros Eikon was hired for geophysical interpretation of the airborne survey over the Fay Lake property, this includes analysis, modeling and drill hole planning to intersect prospective airborne anomalies. Boreal closed another financing on December 5, 2023 and was going to drill a hole but decided it was too rushed to plan property.

Boreal decided to do a Ground Magnetometer, geophysical survey covering 23.15 km over the Red Win Grid and also performed an HLEM ("horizontal loop, electromagnetic method) survey with two different cable lengths over the Red Win Grid. These ground geophysical surveys better defined the airborne conductors and their dip.

The detail provided by the detailed ground magnetic survey more clearly defined geological contacts and conductors in areas under lakes and extensive swamp and overburden cover. This resulted in a significant reinterpretation and extensive revisions in the drafting of the geological map.

These ground geophysical surveys were carried out by Sigfrid and Associates. The 250m cable length of the HLEM covered 14.75 km and the 150m cable length covered 9.7 km of the Red Win Grid. Drilling is planned for 2024 once all the geophysical surveys are analysed and combining with what was found during the 2023 mapping and prospecting program over the Red Win Grid.

In 2022 An Airborne survey was flown over 100% of the Melgurd Property, which consists of 10 Claims totaling 7,060 Ha. Limited line cutting, mapping and sampling were caried out in the summer of 2023. In the Fall 2023 individual airborne conductors were analyzed and evaluated by Ross Groom out of Toronto in preparation for selection of drill targets.

f) QUALITY CONTROL

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

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

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 29, 2024:

		Q2 February 29, 2024		Q1 November 30, 2023		Q4 August 31, 2023		Q3 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)**		–		–		(100,000)
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

		Q2 February 28, 2023		Q1 November 30, 2022		Q4 August 31, 2022	
General and administrative	**$**	**39,527**	$	21,697	$	16,688	
Exploration		**439,760**		121,823		33,504	**Incorporated May 24, 2022**
Net Loss for period	**$**	**479,287**	$	143,520	$	50,192	
MMDF Grants		**(100,000)**		–		–	
Flowthrough share premium		**(100,550)**		(51,832)		–	
Net loss/(income), fully diluted	**$**	**278,737**	$	91,688	$	50,192	
Net loss/(income) per share, fully diluted		**0.03**		0.02		0.02	
Weighted average shares outstanding		**9,230,800**		4,421,437		3,000,000	

c) RESULTS OF OPERATIONS FOR THE PERIODS ENDED FEBRUARY 29, 2024 AND 2023

Expenditures		6-Months ended February 29, 2024		6-Months ended February 29, 2023
Office	**$**	**17,006**	$	38,778
Professional fees		**26,417**		15,701
Filing and Exchange Fees		**5,715**		6,748
Exploration		**195,218**		561,583
Total	**$**	**244,356**	$	622,810

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 14,115,748 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, 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.

8. OFF-BALANCE SHEET ARRANGEMENTS AND PROPOSED TRANSACTIONS

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

9. RELATED PARTY DISCLOSURES

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

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

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

a) Related Party 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 5.

d) Financings

See Note 4.

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) Flow-through Expenditures

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) 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 29, 2024. Future cash flows from interest on cash will be affected by interest rate fluctuations. The Company manages interest rate risk by investing in highly liquid investments with maturities of three months or less.

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

Liquidity risk is the risk that an entity will encounter difficulty in raising funds to meet commitments associated with financial instruments. The Company manages liquidity by maintaining adequate cash balances to meet liabilities as they become due. The Company's expected source of cash flow in the upcoming year will be through equity financings. The Company had a working capital surplus at February 29, 2024 in the amount of $148,856 (August 31, 2023 – $92,011).

(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 29, 2024, in the amount of $139,339 (August 31, 2023 – $207,246), in order to meet short-term business requirements. At February 29, 2024, the Company had accounts payable and amounts due to related parties of $61,720 (August 31, 2023 – $104,390).

(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. This is based on nothing, the risks of a dispute are extremely unlikely and they would not win. There are no unregistered agreements or transfers or native land claims. If this is the case then I recommend that Boreal drop the option immediately.

(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.