



Bonterra Resources Inc.

Condensed Interim Consolidated Financial Statements

For the Three and Six Month Periods Ended June 30, 2025 and 2024

(Expressed in Canadian Dollars)



Bonterra Resources Inc.

For the Three and Six Month Periods Ended June 30, 2025 and 2024

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MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The accompanying condensed interim consolidated financial statements of Bonterra Resources Inc. (the "Company") are the responsibility of the management and Board of Directors of the Company.

The condensed interim consolidated financial statements have been prepared by management, on behalf of the Board of Directors, in accordance with the accounting policies disclosed in the notes to the condensed interim consolidated financial statements. Where necessary, management has made informed judgments and estimates in accounting for transactions which were not complete at the consolidated statement of financial position date. In the opinion of management, the condensed interim consolidated financial statements have been prepared within acceptable limits of materiality and are in accordance with International Accounting Standard 34 Interim Financial Reporting of International Financial Reporting Standards using accounting policies consistent with International Financial Reporting Standards appropriate in the circumstances.

Management has established systems of internal control over the financial reporting process, which are designed to provide reasonable assurance that relevant and reliable financial information is produced.

The Board of Directors is responsible for reviewing and approving the condensed interim consolidated financial statements together with other financial information of the Company 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 financial reporting process and the condensed interim consolidated financial statements together with other financial information of the Company. The Audit Committee reports its findings to the Board of Directors for its consideration in approving the condensed interim consolidated financial statements together with other financial information of the Company for issuance to the shareholders.

Management recognizes its responsibility for conducting the Company's affairs in compliance with established financial standards, and applicable laws and regulations, and for maintaining proper standards of conduct for its activities.

“Marc-André Pelletier” (signed)

Chief Executive Officer

“Pier-Élise Hébert-Tremblay” (signed)

Chief Financial Officer

NOTICE TO READER

The accompanying condensed interim consolidated financial statements of the Company have been prepared by and are the responsibility of management. The condensed interim consolidated financial statements for the three and six month periods ended June 30, 2025 and 2024 have not been reviewed and or audited by the Company's auditors.

Bonterra Resources Inc.

Condensed Interim Consolidated Statements of Financial Position (Expressed in Canadian Dollars)

As at,	June 30, 2025	December 31, 2024
Assets		
Current		
Cash	\$ 8,465,632	\$ 1,211,478
Restricted cash (note 16)	-	588,973
Marketable securities (note 7)	20,841	21,605
Receivables (note 8)	477,020	1,154,476
Prepays	216,140	221,003
	9,179,633	3,197,535
Security and contract deposits (note 9)	2,762,739	2,649,958
Property, plant and equipment (note 10)	17,952,107	18,357,239
	\$ 29,894,479	\$ 24,204,732
Liabilities		
Current		
Trade and other payables (notes 12 and 13)	\$ 1,271,325	\$ 2,570,705
Flow-through premium liability (note 14)	926,000	426,000
	2,197,325	2,996,705
Asset retirement obligations (note 15)	12,605,000	12,466,000
	14,802,325	15,462,705
Shareholders' Equity		
Share capital (note 16)	290,126,898	282,963,101
Share-based payments reserve (note 16)	27,167,553	25,031,153
Deficit	(302,202,297)	(299,252,227)
	15,092,154	8,742,027
	\$ 29,894,479	\$ 24,204,732

Going Concern (note 2)

Commitments and Contingent Liabilities (note 19)

Subsequent Events (notes 8 and 16)

Approved on behalf of the Board:

"Peter O'Malley"
..... Director
Peter O'Malley

"Lesley Antoun"
..... Director
Lesley Antoun

T The accompanying notes are an integral part of these condensed interim consolidated financial statements.

Bonterra Resources Inc.

Condensed Interim Consolidated Statements of Comprehensive Loss (Expressed in Canadian Dollars)

For the three and six month period ended June 30,	Three Months		Six Months	
	2025	2024	2025	2024
Expenses				
Exploration and evaluation (notes 10, 11 and 15)	\$ 63,692	\$ 1,628,380	\$ 1,185,654	\$ 2,562,933
Mill and mine care and maintenance (note 10)	185,296	179,062	352,230	360,579
Salaries, management and director fees (note 13)	298,487	303,254	679,722	718,916
Office, general and other	128,062	175,321	211,376	363,357
Professional fees	136,645	185,304	181,702	223,596
Rent	16,738	16,250	33,475	32,500
Share-based payments (notes 13 and 16)	292,454	77,322	318,150	498,812
Shareholder communications and investor relations	101,163	161,370	265,608	182,665
Transfer agent and filing fees	11,078	17,568	34,110	28,671
Travel	20,949	10,273	46,931	34,799
Loss Before Other Items	(1,254,564)	(2,754,104)	(3,308,958)	(5,006,828)
Other Items				
Miscellaneous income (note 11)	180	140,335	180	323,492
Loss on disposal of property, plant and equipment (note 10)	-	(91,686)	-	(91,686)
Unrealized gain (loss) on marketable securities (note 7)	3,721	-	(764)	-
Recovery of flow-through premium liability (note 14)	108,000	154,000	349,000	154,000
Net interest income	6,994	47,857	10,472	73,533
Net Loss and Comprehensive Loss for the period	\$ (1,135,669)	\$ (2,503,598)	\$ (2,950,070)	\$ (4,547,489)
Basic and Diluted Loss Per Share	\$ (0.01)	\$ (0.02)	\$ (0.02)	\$ (0.03)
Weighted Average Number of Common Shares Outstanding – Basic and Diluted (000's)	168,864	150,808	167,883	139,083

The accompanying notes are an integral part of these condensed interim consolidated financial statements.

Bonterra Resources Inc.

Condensed Interim Consolidated Statements of Changes in Equity

(Expressed in Canadian Dollars)

	Share Capital			Shares to be Issued	Share-based Payments Reserve	Deficit	Total
	Number of Shares	Share Capital					
Balance, December 31, 2023	127,357,615	\$ 277,530,901	\$ -	\$ 20,962,388	\$ (289,727,490)	\$ 8,765,799	
Private placements	32,792,391	9,630,206	-	-	-	9,630,206	
Flow-through premium liability	-	(1,396,000)	-	-	-	(1,396,000)	
Fair value of warrants issued on private placements	-	(2,950,000)	-	2,950,000	-	-	
Share issue costs	-	(1,352,006)	-	323,000	-	(1,029,006)	
Shares issued for settlement of debt	6,000,000	1,500,000	-	-	-	1,500,000	
Share-based payments	-	-	-	795,765	-	795,765	
Net loss and comprehensive loss for the year	-	-	-	-	(9,524,737)	(9,524,737)	
Balance, December 31, 2024	166,150,006	282,963,101	-	25,031,153	(299,252,227)	8,742,027	
Private placements	45,492,982	10,825,000	-	-	-	10,825,000	
Flow-through premium liability	-	(849,000)	-	-	-	(849,000)	
Fair value of warrants issued on private placements	-	(1,972,000)	-	1,972,000	-	-	
Share issue costs	-	(993,953)	-	-	-	(993,953)	
Issued pursuant to RSU Plan	750,000	153,750	-	(153,750)	-	-	
Share-based payments	-	-	-	318,150	-	318,150	
Net loss and comprehensive loss for the period	-	-	-	-	(2,950,070)	(2,950,070)	
Balance, June 30, 2025	212,392,988	\$ 290,126,898	\$ -	\$ 27,167,553	\$ (302,202,297)	\$ 15,092,154	
Balance, December 31, 2023	127,357,615	\$ 277,530,901	\$ -	\$ 20,962,388	\$ (289,727,490)	\$ 8,765,799	
Private placements	30,070,000	8,541,250	-	-	-	8,541,250	
Flow-through premium liability	-	(1,024,000)	-	-	-	(1,024,000)	
Fair value of warrants issued on private placements	-	(3,168,000)	-	3,168,000	-	-	
Share issue costs	-	(1,002,078)	-	-	-	(1,002,078)	
Shares issued for settlement of debt	6,000,000	1,500,000	-	-	-	1,500,000	
Share-based payments	-	-	-	498,812	-	498,812	
Net loss and comprehensive loss for the period	-	-	-	-	(4,547,489)	(4,547,489)	
Balance, June 30, 2024	163,427,615	\$ 282,378,073	\$ -	\$ 24,629,200	\$ (294,274,979)	\$ 12,732,294	

The accompanying notes are an integral part of these condensed interim consolidated financial statements.

Bonterra Resources Inc.

Condensed Interim Consolidated Statements of Cash Flows (Expressed in Canadian Dollars)

For the six month period ended June 30,	2025	2024
Operating Activities		
Net loss for the period	\$ (2,950,070)	\$ (4,547,489)
Items not involving cash		
Unrealized loss on marketable securities	764	-
Depreciation	405,132	454,000
Share-based payments	318,150	498,812
Recovery of flow-through premium liability	(349,000)	(154,000)
Accretion expense	139,000	171,500
Loss on disposal of property, plant and equipment	-	91,686
Changes in non-cash working capital		
Receivables	677,456	724,700
Prepays	4,863	(217,972)
Security and contract deposits	(112,781)	350,473
Trade and other payables	(1,299,380)	(2,452,765)
Cash Used in Operating Activities	(3,165,866)	(5,081,055)
Investing Activities		
Change in restricted cash	588,973	-
Cash Provided by Investing Activities	588,973	-
Financing Activities		
Shares issued for cash	10,825,000	8,541,250
Share issue costs	(993,953)	(1,002,078)
Cash Provided by Financing Activities	9,831,047	7,539,172
Inflow (outflow) of Cash	7,254,154	2,458,117
Cash, Beginning of Period	1,211,478	2,793,796
Cash, End of Period	\$ 8,465,632	\$ 5,251,913

Supplemental Disclosure with Respect to Cash Flows (note 17)

The accompanying notes are an integral part of these condensed interim consolidated financial statements.

Bonterra Resources Inc.

Notes to the Condensed Interim Financial Statements

For the Three and Six Month Periods Ended June 30, 2025 and 2024

(Expressed in Canadian Dollars)

1. NATURE OF OPERATIONS AND CONTINUANCE OF OPERATIONS

Bonterra Resources Inc. is an exploration stage company incorporated on May 1, 2007, under the laws of the province of British Columbia, Canada. Its principal business activity is the acquisition, exploration and evaluation of mineral properties in the province of Québec, Canada. The Company's common shares are traded on the TSX Venture Exchange ("TSX-V") under the symbol "BTR". The Company's shares also trade on the OTC Exchange in the United States under the symbol "BONXF" and on the Frankfurt Stock Exchange under the symbol "9BR2". The Company's main office (the Company is domiciled in BC) and principal business address is 2872 Sullivan Rd, Suite 2 Val-d'Or, Québec, Canada, J9P 0B9.

2. GOING CONCERN

These condensed interim consolidated financial statements have been prepared on the basis of accounting principles applicable to a going concern, which assumes that the Company will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of operations.

The Company incurred a comprehensive loss of \$2,950,070 for the six month period ended June 30, 2025 (Year ended December 31, 2024 - \$9,524,737) and has an accumulated deficit of \$302,202,297 at June 30, 2025 (December 31, 2024 - \$299,252,227). As at June 30, 2025, the Company had working capital of \$6,982,308 (December 31, 2024 - \$200,830 working capital).

The Company's ability to continue its operations and to realize assets at their carrying values is dependent upon the existence of economically recoverable mineral resources, the ability to fund its existing acquisition and exploration commitments on its exploration and evaluation properties when they come due, which would cease to exist if the Company decides to terminate its commitments, and to cover its operating costs. The Company may be able to generate working capital to fund its operations by the sale of its exploration and evaluation properties or raising additional capital through equity markets. However, there is no assurance it will be able to raise funds in the future. These condensed interim consolidated financial statements do not give effect to any adjustments required to realize its assets and discharge its liabilities in other than the normal course of business and at amounts different from those reflected in the accompanying condensed interim consolidated financial statements.

The Company's business may be affected by changes in political and market conditions, such as interest rates, availability of credit, inflation rates, changes in laws, and national and international circumstances. Recent geopolitical events and potential economic global challenges such as the risk of higher inflation, tariffs, and energy crises, may create further uncertainty and risk with respect to the prospects of the Company's business.

These factors indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern.

3. BASIS OF PREPARATION

a) Statement of compliance

The condensed interim consolidated financial statements of the Company have been prepared in accordance with International Accounting Standard 34 *Interim Financial Reporting*. The notes herein include only significant transactions and events occurring since the Company's last fiscal year end and are not fully inclusive of all matters required to be disclosed in the annual audited financial statements. Accordingly, these condensed interim consolidated financial statements should be read in conjunction with our most recent annual audited consolidated financial statements for the year ended December 31, 2024.

These condensed interim financial statements were reviewed by the Audit Committee and approved and authorized for issue by the Board of Directors on August 26, 2025.

Bonterra Resources Inc.
Notes to the Condensed Interim Financial Statements
For the Three and Six Month Periods Ended June 30, 2025 and 2024
(Expressed in Canadian Dollars)

3. BASIS OF PREPARATION (Continued)

b) Basis of measurement

These condensed interim consolidated financial statements have been prepared under the historical cost basis, except for financial instruments classified as fair value through profit or loss (“FVTPL”). These condensed interim consolidated financial statements have been prepared under the accrual basis of accounting, except for cash flow information.

4. FUTURE ACCOUNTING POLICIES AND STANDARDS ADOPTED

Accounting standards issued but not yet effective

Standards and interpretations issued but not yet effective up to the date of issuance of the consolidated financial statements are listed below.

- IFRS 18 Presentation and Disclosure in Financial Statements was issued by the International Accounting Standards Board in April 2024, with mandatory application of the standard in annual reporting periods beginning on or after January 1, 2027. The objective of IFRS 18 is to set out requirements for the presentation and disclosure of information in general purpose financial statements to help ensure they provide relevant information that represents an entity’s assets, liabilities, equity, income and expenses. The Company has not yet assessed the impact of IFRS 18 on the Company’s consolidated financial statements.
- On May 30, 2024, the IASB issued targeted amendments to IFRS 9 and IFRS 7 to respond to recent questions arising in practice, and to include new requirements not only for financial institutions but also for corporate entities. These amendments focus on areas such as the recognition and derecognition of financial assets and liabilities, the assessment of the “sole payments of principal and interest” criterion, and disclosures for instruments with contractual terms that can change cash flows, including those linked to ESG targets. The amendments are effective for annual reporting periods beginning on or after January 1, 2026. The Company has not yet assessed the impact of these amendments on the Company’s consolidated financial statements.

5. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The Company makes estimates and assumptions about the future that affect the reported amounts of assets and liabilities. Estimates and judgments are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In the future, actual experience may differ from these estimates and assumptions.

The effect of a change in an accounting estimate is recognized prospectively by including it in comprehensive income/loss in the year of the change, if the change affects that year only, or in the year of the change and future years, if the change affects both.

Critical judgments in applying accounting policies

Information about critical judgments in applying accounting policies that have the most significant risk of causing material adjustment to the carrying amounts of assets and liabilities recognized in the consolidated financial statements within the next fiscal year are discussed below.

Bonterra Resources Inc.

Notes to the Condensed Interim Financial Statements

For the Three and Six Month Periods Ended June 30, 2025 and 2024

(Expressed in Canadian Dollars)

5. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS (Continued)

a) Going concern risk assessment

The Company's ability to continue its operations and to realize its assets at their carrying values is dependent upon its ability to fund its existing acquisition and exploration commitments on its exploration and evaluation properties when they come due, which would cease to exist if the Company decides to terminate its commitments, and to cover its operating costs. The Company may be able to generate working capital to fund its operations by the sale of its exploration and evaluation assets or raising additional capital through equity markets. However, there is no assurance it will be able to raise funds in the future. These consolidated financial statements do not give effect to any adjustments required to realize its assets and discharge its liabilities in other than the normal course of business and at amounts different from those reflected in the accompanying consolidated financial statements.

b) Impairment of long-term assets

The evaluation if an impairment test in accordance with IAS 36 needs to be performed on its long-term assets requires judgment in determining whether it is likely that future economic benefits will be achieved at certain mining properties, which may be based on assumptions about future events or circumstances. If, after expenditure is capitalized, information becomes available suggesting that the recovery of the expenditure is unlikely, the amount capitalized is written down in profit or loss in the consolidated statement of comprehensive loss in the period when the new information becomes available.

Key sources of estimation uncertainty

The following are key assumptions concerning the future and other key sources of estimation uncertainty that have a significant risk of resulting in material adjustments to the consolidated financial statements.

a) Asset retirement obligations

The Company assesses its asset retirement obligations annually. Determining these obligations requires significant estimates and assumptions due to the numerous factors that affect the amount ultimately payable. Such factors include estimates of the scope and cost of restoration activities, legislative amendments, known environmental impacts, the effectiveness of maintenance and restoration measures and changes in the discount rate. This uncertainty may lead to differences between the actual expense and the allowance. At the date of the statement of financial position, asset retirement obligations represent management's best estimate of the charge that will result when the actual obligations are terminated.

b) Flow-through private placements

The flow-through premium liability reflects premiums received by the Company from the issuance of flow-through shares. On issuance, if there is a concurrent flow-through and non flow-through private placement, the Company allocates the premium paid between the flow-through and non flow-through private placement as the flow-through premium liability. If there is no concurrent non flow-through private placement, the Company allocates the proceeds to the fair value of the share capital and warrants on a pro rata basis, with the residual being allocated to the flow-through premium, which is recognized as a liability. This determination and allocation are subjective and does not necessarily provide a reliable measure of fair value.

Bonterra Resources Inc.

Notes to the Condensed Interim Financial Statements

For the Three and Six Month Periods Ended June 30, 2025 and 2024

(Expressed in Canadian Dollars)

6. FINANCIAL INSTRUMENTS

Financial instruments are agreements between two parties that result in promises to pay or receive cash or equity instruments. The Company classifies its financial instruments as follows: cash, restricted cash, and marketable securities are classified as FVTPL; receivables and security and contract deposits as amortized cost; and trade and other payables as amortized cost.

The Company classifies its fair value measurements in accordance with an established hierarchy that prioritizes the inputs in valuation techniques used to measure fair value as follows:

Level 1 - Unadjusted quoted prices in active markets for identical assets or liabilities,

Level 2 - Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and

Level 3 - Inputs that are not based on observable market data.

The following table sets forth the Company's financial assets measured at fair value by levels within the fair value hierarchy as at June 30, 2025 and December 31, 2024:

June 30, 2025	Level 1	Level 2	Level 3	Total
Cash	\$ 8,465,632	\$ -	\$ -	\$ 8,465,632
Marketable securities	\$ 10,841	\$ -	\$ 10,000	\$ 20,841

December 31, 2024	Level 1	Level 2	Level 3	Total
Cash	\$ 1,211,478	\$ -	\$ -	\$ 1,211,478
Restricted cash	\$ 588,973	\$ -	\$ -	\$ 588,973
Marketable securities	\$ 11,605	\$ -	\$ 10,000	\$ 21,605

The Company has exposure to credit risk, liquidity risk and market risk from its use of financial instruments:

a) Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Company manages credit risk, in respect of cash, by placing it at major Canadian financial institutions. The Company manages security and contract deposits by placing the funds in a major insurance company. Included in receivables is \$474,433 (December 31, 2024 - \$577,564) owing from the Canada Revenue Agency and Revenu Québec. Management of the Company believes it has minimal credit risk. Remaining receivables are due from a third party and the Company assesses for recoverability quarterly and records an allowance for doubtful accounts for any amounts deemed unrecoverable (see note 8).

b) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquid funds to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. The current liabilities of the Company as of June 30, 2025, equal \$2,197,325 (December 31, 2024 - \$2,996,705).

Bonterra Resources Inc.

Notes to the Condensed Interim Financial Statements

For the Three and Six Month Periods Ended June 30, 2025 and 2024

(Expressed in Canadian Dollars)

6. FINANCIAL INSTRUMENTS (Continued)

c) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates, will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return on capital.

- i) *Currency risk* – The Company has no funds held in a foreign currency, and as a result, is not exposed to significant currency risk on its financial instruments at period-end.
- ii) *Interest rate risk* – Interest rate risk is the risk that future cash flows will fluctuate because of changes in market interest rates. Interest earned on cash is at nominal interest rates. The Company is not exposed to the risk of changes in fair value arising from interest rate fluctuations.
- iii) *Other price risk* – Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market prices, other than those arising from interest rate risk. The Company is exposed to other price risk on its marketable securities and the gold price.

d) Capital management

The Company's objectives when managing capital are to identify, pursue and complete the exploration and development of mineral properties, to maintain financial strength, to protect its ability to meet its ongoing liabilities, to continue as a going concern, to maintain creditworthiness and to maximize returns for shareholders over the long term. The Company manages the capital structure and adjusts it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue new shares. Although the Company has been successful at raising funds in the past through the issuance of share capital, it is uncertain whether it will continue this method of financing due to the current difficult market conditions.

The Company considers its capital to be equity, which is comprised of share capital, share-based payments reserve and deficit, which as at June 30, 2025 totalled \$15,092,154 (December 31, 2024 – \$8,742,027).

To facilitate the management of its capital requirements, the Company prepares expenditure budgets that are updated as necessary depending on various factors, including successful capital deployment and general industry conditions.

The Company is not subject to any capital requirements imposed by a lending institution or regulatory body, other than of the TSX-V which requires adequate working capital or financial resources of the greater of (i) \$50,000 and (ii) an amount required to maintain operations and cover general and administrative expenses for a period of 6 months.

Management reviews the capital structure on a regular basis to ensure that the above objectives are met. There have been no changes to the Company's approach to capital management during the six month period ended June 30, 2025 and 2024.

7. MARKETABLE SECURITIES

As at June 30, 2025, marketable securities consisted of shares in publicly traded or reporting issuer companies with a cost of \$60,000 (December 31, 2024 - \$60,000) and a fair value of \$20,841 (December 31, 2024 - \$21,605).

During the six month period ended June 30, 2025, the Company recorded an unrealized loss on marketable securities of \$764 (2024 - \$nil) as the value of these securities decreased.

Bonterra Resources Inc.

Notes to the Condensed Interim Financial Statements

For the Three and Six Month Periods Ended June 30, 2025 and 2024

(Expressed in Canadian Dollars)

8. RECEIVABLES

As at,	June 30, 2025	December 31, 2024
Sales tax receivable	\$ 90,443	\$ 193,574
Exploration tax credits receivable	383,990	383,990
Other receivables	2,587	576,912
Total receivables	\$ 477,020	\$ 1,154,476

Below is an aged analysis of the Company's other receivables:

As at,	June 30, 2025	December 31, 2024
1 - 90 days	\$ 2,587	\$ 599,147
Over 90 days	-	17,765
Total other receivables	\$ 2,587	\$ 576,912

At June 30, 2025, an allowance has been recorded against these receivables in the amount of \$179,650 (December 31, 2024 - \$179,650) in unpaid rent related to the Bachelor Camp. During the year ended December 31, 2023, the tenant did not pay rent for the month of June 2023 of \$150,000 as forest fires prevented access to the property. The tenant submitted a claim to its insurance company and Bonterra has recorded an allowance for bad debt pending resolution.

The credit risk on the receivables has been further discussed in note 6(a). The Company holds no collateral for any receivable amounts outstanding as at June 30, 2025 and December 31, 2024. Subsequent to June 30, 2025, the Company has received \$65,814 of sales taxes receivable, \$243,583 of exploration tax credits receivable and \$2,587 of the other receivable as at June 30, 2025.

9. SECURITY AND CONTRACT DEPOSITS

As at June 30, 2025, the Company had \$2,762,739 (December 31, 2024 - \$2,649,958) in deposits with the Government of Québec for the settlement of asset retirement obligations and security deposits, comprised of \$60,001 (December 31, 2024 - \$60,001) in deposits with Hydro-Québec and \$2,702,738 (December 31, 2024 - \$2,589,957) to a third party insurance provider to cover the Company's bonds with the Government of Québec. During the year ended December 31, 2020, the Company engaged an insurance provider to cover the Company's bonds with the Government of Québec. Under this arrangement, the Company was required to put a certain percentage of the bonds value up as collateral to the insurance provider. In return, the insurance provider paid the required deposits to the Government of Québec on behalf of the Company. As at June 30, 2025, the Company has paid a total collateral of \$1,102,719 (December 31, 2024 - \$989,938) for the Barry property and \$1,600,019 (December 31, 2024 - \$1,600,019) for the Bachelor property. The Company's collateral requirement is 40% (December 31, 2024 - 40%) of the bond value.

During the six month period ended June 30, 2025, the Company paid \$112,781 related to collateral requirements.

During the year ended December 31, 2024, the Company received a net refund of \$268,173 related to reduced collateral requirements.

Bonterra Resources Inc.

Notes to the Condensed Interim Financial Statements

For the Three and Six Month Periods Ended June 30, 2025 and 2024

(Expressed in Canadian Dollars)

10. PROPERTY, PLANT AND EQUIPMENT

Cost	Mill infrastructure and related equipment	Underground infrastructure and related equipment	Exploration and related equipment	Total
Balance, December 31, 2023	\$ 11,623,770	\$ 4,592,300	\$ 8,926,677	\$ 25,142,747
Disposals	-	-	(155,400)	(155,400)
Balance, December 31, 2024	11,623,770	4,592,300	8,771,277	24,987,347
Additions	-	-	-	-
Balance, June 30, 2025	\$ 11,623,770	\$ 4,592,300	\$ 8,771,277	\$ 24,987,347
Depreciation				
Balance, December 31, 2023	\$ 888,161	\$ 1,130,716	\$ 3,765,345	\$ 5,784,222
Depreciation	140,000	245,000	524,600	909,600
Disposals	-	-	(63,714)	(63,714)
Balance, December 31, 2024	1,028,161	1,375,716	4,226,231	6,630,108
Depreciation	62,682	109,694	232,756	405,132
Balance, June 30, 2025	\$ 1,090,843	\$ 1,485,410	\$ 4,458,987	\$ 7,035,240
Net book value, December 31, 2024	\$ 10,595,609	\$ 3,216,584	\$ 4,545,046	\$ 18,357,239
Net book value, June 30, 2025	\$ 10,532,927	\$ 3,106,890	\$ 4,312,290	\$ 17,952,107

Depreciation for the six month period ended June 30, 2025 is reflected as \$232,756 (2024 - \$261,000) recorded in exploration and evaluation expenditures and \$172,376 (2024 - \$193,000) recorded in mill and mine care and maintenance costs on the consolidated statements of comprehensive loss.

11. EXPLORATION AND EVALUATION PROPERTIES

a) Gladiator Property

(i) Coliseum Property

During the year ended May 31, 2010, the Company acquired a 100% interest in claim blocks in Québec near a gold project owned by Gold Fields, Windfall Lake. The property is subject to a 2% net smelter return royalty (“NSR”) of which 0.5% can be purchased by the Company for \$1,000,000.

(ii) West Arena Property

The Company entered into an option agreement on September 15, 2010, and as amended on February 8, 2011, and March 19, 2012, to acquire a 100% interest in additional mineral claims adjacent to the Coliseum property in Québec.

The agreement is subject to a 2% NSR of which 1% can be purchased for \$500,000.

On November 7, 2013, the Company sold an additional 1% NSR.

(iii) East Arena Property

On December 30, 2010, the Company closed a property purchase agreement entered into on December 10, 2010, to acquire a 100% interest in mineral claims east of the Urban-Barry Township in Québec. The agreement is subject to a 2% NSR of which 1% may be purchased for \$1,000,000.

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11. EXPLORATION AND EVALUATION PROPERTIES (Continued)

a) Gladiator Property (Continued)

(iv) *St-Cyr Property*

On February 23, 2016, the Company entered into an agreement to acquire a 100% interest in the St-Cyr property, located in Québec. The vendor retains a 2% NSR, of which 1% can be purchased by the Company for \$1,000,000.

(v) *West Lacroix Lake Property*

On February 23, 2016, the Company entered into an agreement to acquire a 100% interest in the West Lacroix Lake property, located in Québec. The vendor retains a 2% NSR, of which 1% can be purchased by the Company for \$1,000,000.

(vi) *Lac Barry Property*

On March 10, 2016, and as amended March 30, 2017, the Company entered into an option agreement with Golden Valley Mines Ltd. ("**Golden Valley**") (acquired by Gold Royalty Corp. in November 2021) to acquire an 85% interest in Golden Valley's Lac Barry property, located in Québec.

Golden Valley retains a 15% interest in the property and a 3% NSR, of which 1% can be purchased by the Company for \$1,000,000.

(vii) *Macho South Property*

On March 11, 2016, the Company entered into an agreement to acquire a 100% interest in the Macho South property, located in Québec. The vendor retains a 2% NSR, of which 1% can be purchased by the Company for \$1,000,000.

(viii) *Barry Property*

On March 11, 2016, the Company entered into an agreement to acquire a 100% interest in the Barry property, located in Québec. The vendor retains a 2% NSR, of which 1% can be purchased by the Company for \$1,000,000.

(ix) *Bailly Property*

On March 11, 2016, the Company entered into an agreement to acquire a 100% interest in the Bailly property, located in Québec. The vendor retains a 2% NSR, of which 1% can be purchased by the Company for \$1,000,000.

(x) *Thubière Property*

On March 10, 2017, the Company entered into an agreement to acquire a 100% interest in the Thubière property, located in Québec.

(xi) *Lac Mista Property*

On March 14, 2017, the Company entered into an agreement to acquire a 100% interest in the Lac Mista property, located in Québec. The vendors retain a 2% gross overriding royalty reserve on the property, of which 1% may be repurchased by the Company for \$1,000,000.

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11. EXPLORATION AND EVALUATION PROPERTIES (Continued)

a) **Gladiator Property (Continued)**

(xii) Duke Property

The Duke property is subject to an underlying 2.3% NSR, of which 1% can be purchased for \$1,000,000. In November 2023, the Company and Osisko signed a new earn-in and joint venture agreement which includes the Duke Property. See Note 11e) below.

(xiii) Panache Property

On March 25, 2019, the Company entered into an option agreement to acquire a right to a new property called Panache, consisting of one mining claim north of the Barry property. The Company acquired the property by making a cash payment of \$25,000 (paid on March 28, 2019) and issued 10,000 common shares (issued on March 28, 2019 and valued at \$19,500) on closing, to the arm's length vendors and an additional cash payment of \$50,000 (paid on March 19, 2020) and 15,000 common shares (issued on March 19, 2020 and valued at \$11,400) before the one-year anniversary of the agreement.

(xiv) Lapointe Property

On March 9, 2020, the Company entered into a purchase agreement and acquired a new property called the Lapointe property consisting of nine new claims, contiguous with the Company's Urban-Barry properties located southwest of the Barry gold deposit. To acquire the property, the Company made a cash payment of \$10,000.

(xv) Claim 5278116

Claim 5278116 is located near the Gladiator deposit. It is subject to NSRs of 1%, 2% and 3%.

b) **Barry Property**

(i) Barry

The Company holds a 100% interest in mining lease and titles of the Barry gold deposit. It is subject to a 3% NSR.

(ii) Barry United

The Company holds a 100% interest in mining titles located near the Barry gold deposit. It is subject to NSRs of 1% to 4%.

(iii) Barry Extension

The Company holds a 100% interest in mining titles located near the Barry gold deposit. It is subject to a 2% NSR, half of which may be repurchased by the Company for \$1,000,000, and the other half at conditions to be agreed upon by the parties.

(iv) Barry Souart

The Company holds a 100% interest in mining titles located near the Barry gold deposit. It is subject to a 2% NSR, half of which may be repurchased by the Company for \$500,000, payable in cash or by the issuance of shares at the option of the seller.

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11. EXPLORATION AND EVALUATION PROPERTIES (Continued)

c) Bachelor Camp Property

(i) *Moroy*

The Company holds a 100% interest in mining titles located near the Bachelor Mill (closed mill owned 100% by the Company). The whole area is subject to a 1.25% NSR. In addition, certain mining titles are subject to an additional 2% NSR, half of which may be repurchased for \$1,000,000.

(ii) *Nelligan*

The Company has a joint venture (“JV”) with a third party in which Bonterra holds a 70% interest in mining titles located near the Bachelor Mill. Pursuant to the JV, if the participating interest of any Party is reduced to at or below 20%, the JV will terminate and the non-participating party will be entitled to a 2% NSR royalty of which 1% interest may be repurchased by the contributing party for \$1,000,000. The mining titles are currently subject to a 2% NSR, half of which may be repurchased for \$1,000,000. During the year ended December 31, 2024, the Company received \$50,158 (2023 - \$Nil) based on expenditures incurred by the Company from the JV partner.

(iii) *Coniagas*

The Company holds a 100% interest in a mining lease located near the Bachelor Mill.

(iv) *Waswanipi*

During the year ended December 31, 2020, the Company staked 231 claims north and west of the Bachelor Mill.

d) Other Properties

(i) *Wahnapeitei*

The Company holds a 90% interest in a property comprised of mining leases and concessions located in Sudbury, Ontario. The remaining 10% can be purchased for \$1,000,000 by the Company.

d) Joint Venture with Gold Fields Related to the Gladiator, Barry, Duke and Lac Barry Properties:

On November 28, 2023, the Company executed a definitive earn-in and joint venture agreement with Osisko (the “Phoenix JV”). Under the agreement, Osisko has the right to acquire up to a 70-per-cent interest in the Company's Gladiator and Barry projects, in addition to the adjoining Duke and Lac Barry properties held through joint venture agreements with Gold Fields and Gold Royalty Corp., respectively, and that is being split according to the proration of the Phoenix JV.

On October 28, 2024, Gold Fields completed the acquisition of Osisko consolidating ownership of the Windfall project and becoming the operator on the mineral properties of the Phoenix JV.

During the year ended December 31, 2023, pursuant to the terms of the agreement, Osisko paid the Company initial upfront payments totalling \$5,000,000 (received).

Specific terms of the agreement include:

- Gold Fields can earn a 70-per-cent interest in the properties, reducing the Company's interest in the Gladiator, Barry and Duke properties to 30 per cent and its interest in the Lac Barry joint venture to 15 per cent by incurring \$30 million in work expenditures on the properties, with a minimum spending commitment of \$10 million per year over the three-year period following the execution of the agreement;
- Gold Fields will have the right to carry overwork expenditures from year to year, and to pay cash in lieu of expenditures in the event of a shortfall;
- Gold Fields will be the operator for the properties during the exploration earn-in period;

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11. EXPLORATION AND EVALUATION PROPERTIES (Continued)

- Once a 70-per-cent interest in the properties is earned by Gold Fields, the properties will be operated as a joint venture, with Gold Fields as the operator, and each party required to contribute to future work expenditures in accordance with the proportional interests in the joint venture;
- On January 18, 2024, the Company incorporated a subsidiary called UB Phoenix Corp. (“**Subco**”). As part of the agreement, Gold Fields will own 70-per-cent interest of certain assets including existing surface infrastructure, surface mining assets, plants and equipment once the earn-in is completed. These assets along with the properties are being transferred to the Subco and will be 100% owned by Bonterra until the earn-in is completed.
- Dilution of a party to less than 10 per cent of the joint venture will result in the conversion of their respective joint venture interest to a 1-per-cent net smelter return royalty, 50 per cent of which is subject to a buyback right of \$1-million; and
- In its sole discretion, Gold Fields may accelerate its exercise of the earn-in right.

As payment for its role as the Company's financial advisor in connection with the joint venture, during the year ended December 31, 2023, Cormark Securities Inc. received an advisory fee of \$200,000 in cash and 1,162,115 shares with a value of \$200,000 in common shares of the Company.

As at June 30, 2025, \$20,000,000 (December 31, 2024 - \$18,000,000) in work expenditures have been incurred by Gold Fields.

During the six month period ended June 30, 2025, the Company received \$630,983 from Gold Fields for reimbursement of remediation work incurred under the agreement.

Transaction Costs

During the year ended December 31, 2023, the Company incurred \$628,259 in fees in connection of the closing of the Phoenix JV transaction.

NSR's related to exploration properties on the Barry and Bachelor Camp properties:

On September 29, 2017, Metanor Resources Inc. (“**Metanor**”), a predecessor company, entered into an amending agreement with Sandstorm Gold Royalties, effectively reducing the then existing gold stream on the Bachelor mine (which required Metanor to sell 20% of its gold production at the fixed price of US\$500 per ounce) and replacing it with a 3.9% NSR on all minerals produced from the Bachelor and Barry properties (including the surrounding exploration properties held by Metanor at September 29, 2017). 2.1% of the NSR can be repurchased upon payment of US\$2M for each property, thereby reducing the NSR to 1.8%.

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11. EXPLORATION AND EVALUATION PROPERTIES (Continued)

Exploration and evaluation expenditures:

A summary of exploration and evaluation expenditures for the six month periods ended June 30, 2025 and 2024 is as follows:

Six months ended June 30, 2025

	Gladiator	Duke	Barry	Moroy	Desmaraisville	Bachelor	Urban	Other properties	Total
Drilling and assays	-	-	-	-	25,657	-	-	3,040	28,697
Depreciation	178,814	-	53,942	-	-	-	-	-	232,756
Geological, consulting and wages	17,619	-	171,746	-	504,660	27,906	19,044	3,728	744,703
Camp costs, travel and other	-	270	182,318	8,950	199,915	294	3,556	6,740	402,043
Environmental	-	-	12,947	-	1,475	20,496	-	-	34,918
Quebec mining taxes	-	-	-	-	-	-	-	-	-
JV payments received	-	-	(623,624)	-	-	-	-	-	(623,624)
Technical studies	-	-	2,467	-	224,694	-	-	-	227,161
Accretion	-	-	38,500	-	-	100,500	-	-	139,000
Total exploration and evaluation expenditures	196,433	270	(161,704)	8,950	956,401	149,196	22,600	13,508	1,185,654

Six months ended June 30, 2024

	Gladiator	Duke	Barry	Moroy	Desmaraisville	Bachelor	Urban	Other properties	Total
Drilling and assays	-	-	-	-	37,312	-	-	-	37,312
Depreciation	196,000	-	65,000	-	-	-	-	-	261,000
Geological, consulting and wages	52,847	3,453	246,214	-	584,481	94,457	42,927	4,057	1,028,436
Camp costs, travel and other	74,641	4,938	193,954	141,454	246,978	-	7,746	7,765	677,476
Environmental	-	-	361,494	-	622	25,093	-	-	387,209
JV payments	-	-	-	-	-	-	-	-	-
Accretion	-	-	47,500	-	-	124,000	-	-	171,500
Total exploration and evaluation expenditures	323,488	8,391	914,162	141,454	869,393	243,550	50,673	11,822	2,562,933

Miscellaneous income

The Company has earned income as a result of renting certain of its camps during the year to third parties. The rental income earned during the year has been recognized as miscellaneous income in the consolidated statements of comprehensive loss.

Included in exploration and evaluation expenditures for the six month period ended June 30, 2025 is depreciation of \$232,756 (2024 - \$261,000). The Company has applied for exploration tax credits for exploration work done between 2020 and 2024. In the event that the Company receives any additional exploration tax credits it has claimed, these amounts will likely increase the amount of the Company's flow-through expenditure requirements. The exploration and evaluation expenditures for the six month period ended June 30, 2025 are net of \$nil (2024 - \$nil) in exploration tax credits receivable from Revenu Québec. As at June 30, 2025, \$383,990 is receivable (December 31, 2024 - \$383,990).

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12. TRADE AND OTHER PAYABLES

Trade and other payables of the Company are principally comprised of amounts outstanding for trade purchases relating to exploration activities and amounts payable for operating and financing activities. The usual credit period taken for trade purchases is between 30 and 90 days.

The following is a breakdown of the trade and other payables:

	As at,	
	June 30, 2025	December 31, 2024
Trade payables	\$ 505,619	\$ 1,778,229
Accrued liabilities and other payables	765,706	792,476
Total trade and other payables	\$ 1,271,325	\$ 2,570,705

13. RELATED PARTY TRANSACTIONS

These amounts of key management compensation are included in the amounts shown on the consolidated statements of comprehensive loss:

For the six month period ended,	June 30, 2025	June 30, 2024
Short-term compensation		
Salaries, management and director fees	\$ 552,000	262,181
	552,000	567,000
Share-based payments	274,000	388,000
	\$ 826,000	\$ 955,000

Included in trade and other payables at June 30, 2025 was \$17,799 (December 31, 2024 - \$109,122) due to officers and or directors for expense reimbursements and unpaid fees. The amounts payable are non-interest-bearing, uncollateralized and are repayable on demand.

14. FLOW-THROUGH PREMIUM LIABILITY

Flow-through premium liability consists of the liability portion of the flow-through shares issued. The following is a continuity schedule of the liability portion of the flow-through share issuance.

Balance, December 31, 2023	\$ -
Liability incurred on flow through shares issued May 2024	1,024,000
Liability incurred on flow through shares issued December 2024	372,000
Settlement of flow-through premium liability by incurring expenditures	(970,000)
Balance, December 31, 2024	\$ 426,000
Liability incurred on flow through shares issued June 2025	849,000
Settlement of flow-through premium liability by incurring expenditures	(349,000)
Balance, June 30, 2025	\$ 926,000

At June 30, 2025, the Company had a remaining commitment to incur exploration expenditures of approximately \$5,725,000 (December 31, 2024 - \$1,211,000) in relation to its flow-through share financing.

Details of recent flow-through shares issued is below:

For the year ended December 31, 2024

On May 3, 2024, the Company issued 5,250,000 flow-through units of the Company at a price of \$0.445 per unit. The premium paid by investors was calculated as \$0.195 per share. Accordingly, \$1,024,000 was recorded as flow-through premium liability.

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14. FLOW-THROUGH PREMIUM LIABILITY (Continued)

On December 12, 2024, the Company issued 2,722,391 flow-through units of the Company at a price of \$0.40 per unit. The premium paid by investors was calculated as \$0.137 per share. Accordingly, \$372,000 was recorded as flow-through premium liability.

15. ASSET RETIREMENT OBLIGATIONS

The Company's past production and current exploration activities are subject to various federal and provincial laws and regulations governing the protection of the environment. These laws and regulations are continually changing and are generally becoming more restrictive. The Company conducts its operations to protect public health and the environment. The Company has recorded the asset retirement obligations based on management's best estimates of future costs, based on information available on the reporting date.

Best estimates of future cost are the amount the Company would reasonably pay to settle its obligation on the closing date of the project.

The future costs are discounted using the risk-free interest rate of the Company and are recorded as liabilities. The asset retirement obligations are adjusted for accumulated accretion in accordance with the expected timing of payment of the cash flows required to settle these obligations. Revisions made to the reclamation obligation were primarily a result of an increase in expected costs of reclamation activities relative to the quotations received.

a) Changes in obligations

The following table sets forth the changes in the asset retirement obligations:

As at,	June 30, 2025	December 31, 2024
Balance, beginning of period/year	\$ 12,466,000	\$ 11,100,000
Accretion expense	139,000	343,000
Change in estimate for asset retirement obligations	-	1,023,000
Balance, end of period/year	\$ 12,605,000	\$ 12,466,000

b) Information used in the calculation of obligations

The total inflated and undiscounted amount of estimated cash flows required to settle the Company's estimated future closure and decommissioning costs is \$15,715,101 (December 31, 2024 - \$15,715,101), which has been inflated using inflation rates of 2.27% (December 31, 2024 - 2.27%). The total provision is calculated using discount rates of 3.33% (December 31, 2024 - 3.33%). The schedule of payments was determined by considering the resources that the Company considers highly likely to be able to convert into reserves of related mining properties and the estimated annual production level. The Company plans to settle these obligations during the financial year ending in 2038 for the Barry site and 2048 for the Bachelor Mill Complex.

c) Distribution of asset retirement obligations

The following table sets forth the breakdown in the asset retirement obligations between the sites:

As at,	June 30, 2025	December 31, 2024
Barry site	\$ 3,308,500	\$ 3,270,000
Bachelor Mill Complex	9,296,500	9,196,000
	\$ 12,605,000	\$ 12,466,000

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16. SHARE CAPITAL

a) Authorized

Unlimited number of common voting shares without par value.

b) Issued and outstanding

During the six month period ended June 30, 2025

On June 30, 2025, the Company closed a private placement for gross proceeds of \$10,500,000. The Company issued (i) 22,727,272 units of the Company (each, a "Unit") at a price of \$0.22 per Unit for gross proceeds of \$5,000,000, (ii) 14,583,333 flow-through units ("FT Unit") of the Company to purchasers at a price of \$0.24 per FT Unit for gross proceeds of \$3,500,000, and (iii) 6,577,377 premium flow-through units ("Premium FT Unit") of the Company to purchasers at a price of \$0.305 per Premium FT Unit, for gross proceeds of \$2,000,000. Each Unit, FT Unit and Premium FT Unit consists of one common share of the Company and one-half common share purchase warrant (each, a "Warrant"), with each Warrant entitling the holder to purchase one common share of the Company at a price of \$0.30 at any time on or before June 30, 2028.

Commission and other share issue costs of \$971,556 were incurred.

In connection with the June 2025 private placement, the Company issued to the agents warrants to purchase an aggregate of 2,509,109 common shares of the Company at a price of \$0.22 per share exercisable for a period of two years from closing.

On April 7, 2025, the Company closed a non-brokered private placement for gross proceeds of \$325,000. The Company issued 1,625,000 units of the Company at a price of \$0.20 per unit. Each unit consists of one common share of the Company and one half of one common share purchase warrant, with each warrant entitling the holder to purchase one common share of the Company at a price of \$0.26 at any time on or before April 7, 2027.

Finders' fees in the amount of \$19,500 were paid to an arms' length finder and \$2,897 in other costs were incurred.

During the year ended December 31, 2024

On December 12, 2024, the Company closed a non-brokered private placement for gross proceeds of \$1,088,956. The Company issued 2,722,391 FT Units of the Company at a price of \$0.40 cents per FT Unit. Each FT Unit consists of one common share of the Company and one-half common share purchase Warrant, with each Warrant entitling the holder to purchase one common share of the Company at a price of \$0.31 at any time on or before December 12, 2026.

Commission and other share issue costs of \$111,252 were incurred.

On May 3, 2024, the Company closed a private placement for gross proceeds of \$8,541,250. The Company issued (i) 5,250,000 FT Units of the Company to purchasers at a price of \$0.445 per FT Unit for gross proceeds of \$2,336,250; and (ii) 24,820,000 units of the Company at a price of \$0.25 per Unit for gross proceeds of \$6,205,000. Each Unit and FT Unit consists of one common share of the Company and one common share purchase warrant, with each Warrant entitling the holder to purchase one common share of the Company at a price of \$0.31 at any time on or before May 3, 2028.

Commission and other share issue costs of \$917,754 were incurred.

In connection with the May 2024 private placement, the Company issued to the agents warrants to purchase an aggregate of 2,004,500 common shares of the Company at a price of \$0.25 per share exercisable for a period of four years from closing.

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16. SHARE CAPITAL (Continued)

b) Issued and outstanding (Continued)

On May 2, 2024, the Company settled \$1,500,000 in outstanding indebtedness owed to an arm's length vendor through the issuance of 6,000,000 shares with a value of \$1,500,000 (\$0.25 per share).

Restricted cash:

Of the gross proceeds raised from the December 2024 private placement, \$588,973 was kept by the Company in a segregated restricted account (Restricted Funds) with the Company's lawyers, not to be made available until certain conditions were satisfied. Those conditions include fulfilling all pre-existing flow-through commitments and additionally, the restricted amount has been incurred for eligible expenses. The conditions were not satisfied as at December 31, 2024, and \$588,973 Restricted Funds were classified as Restricted Cash on the Company's consolidated statement of financial position. During the six month period ended June 30, 2025, \$588,973 was released, and \$nil remain in Restricted Funds as at June 30, 2025.

c) Warrants

Warrant transactions and the number of warrants outstanding are summarized as follows:

For the,	Six Month Period Ended June 30, 2025		Year Ended December 31, 2024	
	Number of Warrants	Weighted Average Exercise Price	Number of Warrants	Weighted Average Exercise Price
Outstanding, beginning of period/year	33,435,696	\$ 0.31	-	\$ -
Issued	25,255,600	0.29	33,435,696	0.31
Outstanding, end of period/year	58,691,296	\$ 0.30	33,435,696	\$ 0.31

The following warrants were outstanding and exercisable as at June 30, 2025:

Expiry Date	Weighted Average Remaining Contractual Life in Years	Exercise Price	Outstanding
December 12, 2026	1.45	\$ 0.31	1,361,196
April 7, 2027	1.77	\$ 0.26	812,500
May 3, 2028	2.84	\$ 0.31	30,070,000
May 3, 2028	2.84	\$ 0.25	2,004,500
June 30, 2028	3.00	\$ 0.30	21,933,991
June 30, 2027	2.00	\$ 0.22	2,509,109
	2.80	\$ 0.30	58,691,296

The Company applies the fair value method using the Black-Scholes option pricing model in accounting for its warrants issued. The fair value of each warrant issued was calculated using the following assumptions:

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16. SHARE CAPITAL (Continued)

c) Warrants (Continued)

For the six-month period ended June 30, 2025:

	Six Month Period Ended June 30, 2025
Expected life (years)	2.00 - 3.00
Risk-free interest rate	2.46% - 2.62%
Expected annualized volatility	78% - 80%
Dividend yield	0%
Stock price	\$0.20 - \$0.205
Exercise price	\$0.22 - \$0.30
Weighted average grant date fair value	\$0.09 - \$0.097

For the year ended December 31, 2024:

	Year Ended December 31, 2024
Expected life (years)	2.00 - 4.00
Risk-free interest rate	2.98% - 3.73%
Expected annualized volatility	64% - 78%
Dividend yield	0%
Stock price	\$0.225 - \$0.29
Exercise price	\$0.25 - \$0.31
Weighted average grant date fair value	\$0.08 - \$0.16

Option pricing models require the input of highly subjective assumptions regarding volatility. The Company has used historical closing prices to estimate the volatility of the share price.

d) Stock options

The Company has an incentive compensation plan to grant securities to directors, officers, employees and consultants. Under the plan, the aggregate number of common shares that may be subject to securities at any one time may not exceed 10% of the issued common shares of the Company as of that date, including securities granted prior to the adoption of the plan. Options granted may not exceed a term of 10 years, and the term will be reduced to one year following the date of death of the optionee. All options vest when granted unless they are otherwise specified by the Board of Directors or if they are granted for investor relations activities. Options granted for investor relations activities vest over a twelve-month period with no more than 25% of the options vesting in any three-month period. As at June 30, 2025, the Company had 8,769,299 (December 31, 2024 - 5,530,000) options remaining available for issuance under the plan.

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16. SHARE CAPITAL (Continued)

d) Stock options (Continued)

The following is a summary of option transactions under the Company's stock option plan for the six-month period ended June 30, 2025, and December 31, 2024:

For the,	Six Month Period Ended June 30, 2025		Year Ended December 31, 2024	
	Number of Options	Weighted Average Exercise Price	Number of Options	Weighted Average Exercise Price
Outstanding and exercisable, beginning of period/year	11,085,000	\$ 0.79	7,755,000	\$ 1.09
Transactions during the period/year:				
Granted	1,875,000	0.26	3,620,000	0.23
Expired/Cancelled/Forfeited	(790,000)	0.95	(290,000)	1.70
Outstanding, end of period/year	12,170,000	\$ 0.70	11,085,000	\$ 0.79
Exercisable, end of period/year	12,045,000	\$ 0.70	10,335,000	\$ 0.77

The following table provides additional information about outstanding stock options at June 30, 2025:

Range of Exercise Prices (\$)	No. of Options Outstanding	Weighted Average Exercise Price (\$)	Weighted Average Remaining Life (Years)	No. of Options Exercisable	Weighted Average Exercise Price of Exercisable (\$)
0.20 – 0.50	7,315,000	0.28	3.79	7,190,000	0.28
1.16 – 1.54	4,855,000	1.33	0.97	4,855,000	1.33
0.20 – 1.54	12,170,000	0.70	2.67	12,045,000	0.70

On April 25, 2025, the Company granted 1,875,000 stock options to various employees, officers and directors of the Company at an exercise price of \$0.26. These stock options have a 5-year life and vested immediately.

On December 23, 2024, the Company granted 750,000 stock options to an officer of the Company at an exercise price of \$0.225. These stock options have a 5-year life and vested immediately.

On September 3, 2024, the Company granted 300,000 stock options to a director of the Company at an exercise price of \$0.285. These stock options have a 5-year life and vested immediately.

On March 17, 2024, the Company granted 1,970,000 stock options to directors and officers of the Company at an exercise price of \$0.24. These stock options have a 5-year life and vested immediately.

On February 1, 2024, the Company granted 600,000 stock options to various employees, officers and directors of the Company at an exercise price of \$0.20. These stock options have a 5-year life and vested immediately.

During the six month period ended June 30, 2025, 790,000 (2024 – 275,000) options expired unexercised with a weighted average exercise price of \$0.95 (2024 – \$1.78).

Subsequent to June 30, 2025, 1,215,000 options expiring on July 6, 2025 at an exercise price of \$1.54 expired unexercised.

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16. SHARE CAPITAL (Continued)

d) Stock options (Continued)

The Company applies the fair value method using the Black-Scholes option pricing model in accounting for its stock options granted. The fair value of each option grant was calculated using the following assumptions:

Six Month Period Ended June 30,	2025
Expected life (years)	5
Risk-free interest rate	2.78%
Expected annualized volatility	70%
Dividend yield	N/A
Stock price at grant date	0.25
Exercise price	0.26
Weighted average grant date fair value	\$0.15

Year Ended December 31,	2024
Expected life (years)	5
Risk-free interest rate	2.94%-3.67%
Expected annualized volatility	63%-67%
Dividend yield	N/A
Stock price at grant date	0.20-0.285
Exercise price	0.20-0.285
Weighted average grant date fair value	\$0.112-\$0.165

Option pricing models require the input of highly subjective assumptions regarding volatility. The Company has used historical closing prices to estimate the volatility of the share price.

Share-based payment expense related to vesting of stock options during the six-month period ended June 30, 2025, amounted to \$285,000 (2024 - \$423,000).

(e) Restricted share units

The Restricted Share Unit Plan (the “**RSU Plan**”) provides for the grant of restricted share units (each, an “**RSU**”) convertible into a maximum number of common shares equal to ten per cent (10%) of the number of common shares then issued and outstanding, provided, however, the number of common shares reserved for issuance from treasury under the RSU Plan and pursuant to all other security-based compensation arrangements of the Company shall, in the aggregate, not exceed ten per cent (10%) of the number of common shares then issued and outstanding. Any common shares subject to a RSU which has been cancelled or terminated in accordance with the terms of the RSU Plan without settlement will again be available under the RSU Plan. When vested, each RSU entitles the holder to receive, subject to adjustments as provided for in the RSU Plan, one common share or payment in cash for the equivalent thereof based on the greater of the volume weighted average trading price of the common shares on the five trading days immediately preceding the redemption date and the closing price on the grant date or date immediately prior thereto. Payment in cash is entirely at the discretion of the Company. The terms and conditions of vesting (if applicable) of each grant are determined by the Board at the time of the grant, subject to the terms of the RSU Plan. RSU awards may, but need not, be subject to performance incentives to reward attainment of annual or long-term performance goals.

Any such performance incentives or long-term performance goals are subject to determination by the Board and specified in the award agreement.

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16. SHARE CAPITAL (Continued)

(e) Restricted share units (Continued)

The Company uses the fair value method to recognize the obligation and compensation expense associated with the RSUs. The fair value of RSUs issued is determined on the grant date based on the market price of the common shares on the grant date multiplied by the number of RSUs granted. The fair value is expensed over the vesting term. Upon redemption of the RSU the carrying amount is recorded as an increase in common share capital and a reduction in share-based payment reserve.

The following table summarizes changes in the number of RSUs outstanding:

	Number of RSUs
Balance, December 31, 2023	-
Granted	1,050,000
Balance, December 31, 2024	1,050,000
Exercised	(750,000)
Balance, June 30, 2025	300,000

On January 2, 2024, the Company granted to certain officers of the Company an aggregate of 750,000 RSUs of the Company pursuant to the Company's RSU Plan. The RSUs are subject to a one year vesting period from the date of the grant. During the six-month period ended June 30, 2025, 750,000 RSUs vested and the corresponding common shares were issued.

On December 23, 2024, the Company granted to an officer of the company 300,000 RSUs of the Company pursuant to the Company's RSU Plan. The RSUs are subject to a one year vesting period from the date of the grant.

Share-based payment expense related to vesting of RSUs during the six-month period ended June 30, 2025 amounted to \$33,150 (2024 - \$75,812).

17. SUPPLEMENTAL DISCLOSURE WITH RESPECT TO CASH FLOWS

Six-month period ended,	2025		2024	
Interest received	\$	15,050	\$	26,990
Interest paid	\$	(4,578)	\$	(1,314)
Fair value of shares issued for debt	\$	-	\$	(1,500,000)
Fair value of warrants issued	\$	1,754,000	\$	(2,845,000)
Fair value of broker warrants issued	\$	218,000	\$	(323,000)

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18. SEGMENTED DISCLOSURE

The Company operates several exploration and evaluation properties in Québec, as well as a past producing gold mine and mill that has been put on care and maintenance. These operating sites are managed separately given their different locations. The Company assesses the performance of each segment. Accounting policies for each segment are the same as those used for the preparation of the consolidated financial statements.

For the six month period ended June 30, 2025, and 2024, the Company's two operating segments were mining site care and maintenance and mineral exploration. All other costs are considered corporate administration costs.

Six month period ended June 30, 2025	Mining Site	Exploration	Corporate	Total
Mill and mine care and maintenance	\$ 352,230	\$ -	\$ -	\$ 352,230
Exploration and evaluation	-	1,185,654	-	1,185,654
Recovery of flow-through premium liability	-	(349,000)	-	(349,000)
Administration*	-	-	1,761,186	1,761,186
Net loss	\$ 352,230	\$ 836,654	\$ 1,761,186	\$ 2,950,070

Six month period ended June 30, 2024	Mining Site	Exploration	Corporate	Total
Mill and mine care and maintenance	\$ 360,579	\$ -	\$ -	\$ 360,579
Exploration and evaluation	-	2,562,933	-	2,562,933
Recovery of flow-through premium liability	-	(154,000)	-	(154,000)
Miscellaneous income	-	(323,492)	-	(323,492)
Administration*	-	-	2,101,469	2,101,469
Net loss	\$ 360,579	\$ 2,085,441	\$ 2,101,469	\$ 4,547,489

* Administration costs include salaries, management and director fees, office, general and other, professional fees, rent, share-based payments, shareholder communication and investor relations, transfer agent and filing fees, travel, interest income and accretion expense.

19. COMMITMENTS AND CONTINGENT LIABILITIES

- a) The Company had entered into agreements with officers and consultants that include termination and change of control clauses. In the case of termination and change of control, the officers and consultants are entitled to certain amounts payable.

As at June 30, 2025, the Company had three (December 31, 2024 – three) of these types of agreements with officers of the Company that totalled annual base fees of \$700,000 and US\$165,000 (December 31, 2024 – \$695,000 and US\$150,000). In the case of termination, the officers are entitled to an amount equal to \$616,000 and US\$165,000 (December 31, 2024 – \$613,000 and US\$150,000) and in the case of a change of control of the Company, the officers under certain circumstances are entitled to an amount equal to \$1,545,000 and US\$330,000 (December 31, 2024 – \$1,535,000 and US\$150,000).

- b) On September 9, 2013, the MRNF approved the update of the restoration plan of the Bachelor Mine. The reclamation bond required is \$4,000,104 which has been covered by insurance bonds as at December 31, 2024 and December 31, 2023 (note 9). The Company filed a new closure plan of the Bachelor mine in 2024 following the submission of previous version in May 2023. The insurance bond will be determined once the closure plan will be approved by the MRNF. In February 2024, the MRNF approved the update of the restoration plan of the Barry mine and bonding requirements as follows: \$563,606 by May 2024 (paid), \$281,802 by February 2025 (paid) and \$281,802 by February 2026.
- c) The Company is currently subject to a customary review by the Canada Revenue Agency (“CRA”), assessing the qualification of certain historical flow-through expenditures incurred by the Company from 2018 to 2022. We understand from our tax and legal advisors that this is a standard audit by the CRA, and the Company, together with its management and advisors, is fully cooperating. At this time, no provision has been recorded, as the Company believes the expenditures qualify as Canadian Exploration Expenses.

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As stated, the Company is working closely with its tax and legal advisors in providing responses to the CRA.

Where available and appropriate, the Company will vigorously defend its position. In the unlikely event the Company is unsuccessful in its defense and responses, it may be subject to financial losses or operational impacts, the extent of which cannot currently be determined as of June 30, 2025. The Company establishes provisions for legal or tax matters only where payment is probable and can be reliably estimated. As of June 30, 2025, no provisions have been recognized with respect to this review.

20. COMPARATIVE FIGURES

Certain comparative figures have been reclassified to conform to the current years' presentation. These reclassifications did not affect prior years' net losses.