



Bonterra Resources Inc.

Condensed Interim Consolidated Financial Statements

For the Three Month Periods Ended March 31, 2026 and 2025

(Expressed in Canadian Dollars)



Bonterra Resources Inc.

For the Three Month Periods Ended March 31, 2026 and 2025

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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 Hebert-Tremblay” (signed)

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Chief Financial Officer

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### **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 month periods ended March 31, 2026 and 2025 have not been reviewed and or audited by the Company's auditors.

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# Bonterra Resources Inc.

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

<b>As at,</b>	<b>March 31, 2026</b>	<b>December 31, 2025</b>
<b>Assets</b>		
<b>Current</b>		
Cash and cash equivalents	\$ 6,111,125	\$ 4,872,878
Marketable securities (note 7)	25,540	30,110
Receivables (note 8)	1,392,759	985,961
Prepays	347,132	202,167
	<b>7,876,556</b>	<b>6,091,116</b>
Security and contract deposits (note 9)	3,922,102	2,762,739
Property, plant and equipment (note 10)	16,988,066	17,546,975
	<b>\$ 28,786,724</b>	<b>\$ 26,400,830</b>
<b>Liabilities</b>		
<b>Current</b>		
Trade and other payables (notes 12 and 14)	\$ 2,874,185	\$ 2,536,648
Loan payable (notes 13)	5,112,911	-
Provision for tax reassessment (note 21)	13,880,305	14,704,488
Flow-through premium liability (note 15)	474,000	562,000
	<b>22,341,401</b>	<b>17,803,136</b>
Asset retirement obligations (note 16)	10,989,750	10,930,000
	<b>33,331,151</b>	<b>28,733,136</b>
<b>Shareholders' Equity (Deficit)</b>		
Share capital (note 17)	290,160,652	290,094,652
Share-based payments reserve (note 17)	27,323,931	27,202,378
Deficit	(322,029,010)	(319,629,336)
	<b>(4,544,427)</b>	<b>(2,332,306)</b>
	<b>\$ 28,786,724</b>	<b>\$ 26,400,830</b>

Going Concern (note 2)

Commitments and Contingent Liabilities (note 20)

Subsequent Events (notes 8 and 17)

Approved on behalf of the Board:

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

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

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)

<b>For the three month period ended March 31,</b>	<b>2026</b>	<b>2025</b>
<b>Expenses</b>		
Exploration and evaluation (notes 10, 11 and 16)	\$ 1,322,769	\$ 1,121,962
Mill and mine care and maintenance (note 10)	155,123	166,934
Salaries, management and director fees (note 14)	405,751	381,235
Office, general and other	99,977	83,314
Professional fees	63,756	45,057
Rent	4,205	16,737
Share-based payments (notes 14 and 17)	187,553	25,696
Shareholder communications and investor relations	58,495	164,445
Transfer agent and filing fees	15,084	23,032
Travel	19,651	25,982
<b>Loss Before Other Items</b>	<b>(2,332,364)</b>	<b>(2,054,394)</b>
<b>Other Items</b>		
Miscellaneous income (note 11)	56,073	-
Loss on disposal of property, plant and equipment (note 10)	(87,825)	-
Unrealized loss on marketable securities (note 7)	(4,570)	(4,485)
Recovery of flow-through premium liability (note 15)	88,000	241,000
Net interest income (expense)	(118,988)	3,478
<b>Net Loss and Comprehensive Loss for the period</b>	<b>\$ (2,399,674)</b>	<b>\$ (1,814,401)</b>
<b>Basic and Diluted Loss Per Share</b>	<b>\$ (0.01)</b>	<b>\$ (0.01)</b>
<b>Weighted Average Number of Common Shares Outstanding – Basic and Diluted (000's)</b>	<b>212,610</b>	<b>166,892</b>

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 (Deficit)

(Expressed in Canadian Dollars)

	Share Capital		Shares to be Issued	Share-based Payments Reserve	Deficit	Total
	Number of Shares	Share Capital				
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	-	(1,754,000)	-	1,754,000	-	-
Share issue costs	-	(1,244,199)	-	218,000	-	(1,026,199)
Issued to settle RSUs	750,000	153,750	-	(153,750)	-	-
Share-based payments	-	-	-	352,975	-	352,975
Net loss and comprehensive loss for the year	-	-	-	-	(20,377,109)	(20,377,109)
<b>Balance, December 31, 2025</b>	<b>212,392,988</b>	<b>\$ 290,094,652</b>	<b>\$ -</b>	<b>\$ 27,202,378</b>	<b>\$ (319,629,336)</b>	<b>\$ (2,332,306)</b>
<b>Issued to settle RSUs</b>	<b>300,000</b>	<b>66,000</b>	<b>-</b>	<b>(66,000)</b>	<b>-</b>	<b>-</b>
<b>Share-based payments</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>187,553</b>	<b>-</b>	<b>187,553</b>
<b>Net loss and comprehensive loss for the period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(2,399,674)</b>	<b>(2,399,674)</b>
<b>Balance, March 31, 2026</b>	<b>212,692,988</b>	<b>\$ 290,160,652</b>	<b>\$ -</b>	<b>\$ 27,323,931</b>	<b>\$ (322,029,010)</b>	<b>\$ (4,544,427)</b>
Balance, December 31, 2024	166,150,006	282,963,101	\$ -	25,031,153	(299,252,227)	8,742,027
Funds received for shares to be issued, net of costs	-	-	227,103	-	-	227,103
Issued to settle RSUs	750,000	153,750	-	(153,750)	-	-
Share-based payments	-	-	-	25,696	-	25,696
Net loss and comprehensive loss for the period	-	-	-	-	(1,814,401)	(1,814,401)
Balance, March 31, 2025	166,900,006	\$ 283,116,851	\$ 227,103	\$ 24,903,099	\$ (301,066,628)	\$ 7,180,425

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)

<b>For the three month period ended March 31,</b>	<b>2026</b>	<b>2025</b>
<b>Operating Activities</b>		
Net loss for the period	\$ (2,399,674)	\$ (1,814,401)
Items not involving cash		
Unrealized loss on marketable securities	4,570	4,485
Depreciation	171,084	202,066
Share-based payments	187,553	25,696
Recovery of flow-through premium liability	(88,000)	(241,000)
Accretion expense	59,750	69,500
Non cash interest	112,911	-
Loss on disposal of property, plant and equipment	87,825	-
Changes in non-cash working capital		
Receivables	(406,798)	597,292
Prepays	(144,965)	(102,376)
Security and contract deposits	(1,159,363)	(112,781)
Trade and other payables	337,537	276,497
Provision for tax reassessment	(824,183)	-
<b>Cash Used in Operating Activities</b>	<b>(4,061,753)</b>	<b>(1,095,022)</b>
<b>Investing Activities</b>		
Sale of property, plant and equipment	300,000	-
Change in restricted cash	-	230,000
<b>Cash Provided by Investing Activities</b>	<b>300,000</b>	<b>230,000</b>
<b>Financing Activities</b>		
Loans received	5,000,000	-
Funds received for shares to be issued	-	230,000
Share issue costs	-	(2,897)
<b>Cash Provided by Financing Activities</b>	<b>5,000,000</b>	<b>227,103</b>
<b>Inflow (Outflow of Cash and Cash Equivalents</b>	<b>1,238,247</b>	<b>(637,919)</b>
<b>Cash and Cash Equivalents, Beginning of Period</b>	<b>4,872,878</b>	<b>1,211,478</b>
<b>Cash and Cash Equivalents, End of Period</b>	<b>\$ 6,111,125</b>	<b>\$ 573,559</b>
Supplemental Disclosure with Respect to Cash Flows (note 18)		
<b>Cash and Cash Equivalents</b>		
Cash	\$ 2,111,125	\$ 573,559
Cash Equivalents	4,000,000	-
<b>Total Cash and Cash Equivalents</b>	<b>\$ 6,111,125</b>	<b>\$ 573,559</b>

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 Month Periods Ended March 31, 2026 and 2025  
(Expressed in Canadian Dollars)

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**1. NATURE OF OPERATIONS AND CONTINUANCE OF OPERATIONS**

Bonterra Resources Inc. (“**Bonterra**”) is an exploration stage company incorporated on May 1, 2007, under the laws of the province of British Columbia (“**BC**”), 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. The Company’s registered office is located at 1055 Georgia St., Vancouver, British Columbia, V6E 4N7, Canada.

**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 \$2,399,674 for the three month period ended March 31, 2026 (Year ended December 31, 2025 - \$20,377,109) and has an accumulated deficit of \$322,029,010 at March 31, 2026 (December 31, 2025 - \$319,629,336). As at March 31, 2026, the Company had working capital deficit of \$14,464,845 (December 31, 2025 - \$11,712,020 working capital deficit).

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, 2025.

These condensed interim financial statements were reviewed by the Audit Committee and approved and authorized for issue by the Board of Directors on May 12, 2026.

Bonterra Resources Inc.  
Notes to the Condensed Interim Financial Statements  
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**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**

**New accounting standard adopted during the period**

- 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. This amendment did not have a material impact on the Company’s financial statements.

**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.

**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**  
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**(Expressed in Canadian Dollars)**

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**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 Property Plant & Equipment

Property, plant and equipment are reviewed for impairment in accordance with IAS 36 Impairment of Assets when events or changes in circumstances indicate that the carrying amount of an asset or cash generating unit ("CGU") may not be recoverable. The assessment of whether such impairment indicators exist requires significant management judgment and involves consideration of both external and internal sources of information, including, but not limited to, changes in commodity prices, reserve and resource estimates if applicable, permitting status, and expectations regarding the future use of the assets based on exploration activity and development plans in close proximity to the assets.

*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 provision. 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.

c) Provision for tax reassessment

The Company has recognized a liability related to potential tax exposures arising from assessments by the Canada Revenue Agency ("CRA") in respect of the renunciation of Canadian exploration expenses under prior flow-through share financings. The measurement of this liability involves significant estimation uncertainty, including the extent of related indemnification obligations, applicable tax rates, interest and penalties, and the resolution of ongoing objections and appeals.

**Bonterra Resources Inc.**  
**Notes to the Condensed Interim Financial Statements**  
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**5. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS (Continued)**

d) Depreciation

The determination of depreciation rates for property, plant and equipment involves significant estimation uncertainty. Depreciation is calculated based on management's estimates of the useful lives and residual values of assets, which require judgment and are influenced by factors such as expected usage, physical wear and tear, technological obsolescence, operational plans, and anticipated future mining activities. Changes in these estimates could result in revisions to depreciation expense in current and future periods and may have a material impact on the carrying amounts of the related assets.

**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 and cash equivalents, 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 March 31, 2026 and December 31, 2025:

<b>March 31, 2026</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
<b>Cash and cash equivalents</b>	<b>\$ 6,111,125</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 6,111,125</b>
<b>Marketable securities</b>	<b>\$ 15,540</b>	<b>\$ -</b>	<b>\$ 10,000</b>	<b>\$ 25,540</b>
<b>December 31, 2025</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
Cash and cash equivalents	\$ 4,872,878	\$ -	\$ -	\$ 4,872,878
Marketable securities	\$ 20,110	\$ -	\$ 10,000	\$ 30,110

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 \$637,948 (December 31, 2025 - \$725,107) 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).

Bonterra Resources Inc.  
Notes to the Condensed Interim Financial Statements  
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**6. FINANCIAL INSTRUMENTS** (Continued)

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 March 31, 2026 equal \$22,341,401 (December 31, 2025 - \$17,803,136).

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 funds held in a foreign currency, and as a result, is exposed to 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 March 31, 2026 totalled a deficit of \$4,544,427 (December 31, 2025 – \$2,332,306 deficit).

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 three month periods ended March 31, 2026 and 2025.

**Bonterra Resources Inc.**  
**Notes to the Condensed Interim Financial Statements**  
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**7. MARKETABLE SECURITIES**

As of March 31, 2026, marketable securities consist primarily of shares in publicly traded or reporting issuer companies with a cost of \$60,000 (December 31, 2025 - \$60,000) and a fair value of \$25,540 (December 31, 2025 - \$30,110).

During the three-month period ended March 31, 2026, the Company recorded an unrealized loss on marketable securities of \$4,570 (2025 - \$4,485 loss) as the value of these securities decreased.

**8. RECEIVABLES**

<b>As at,</b>	<b>March 31, 2026</b>	<b>December 31, 2025</b>
Sales tax receivable	\$ 120,555	\$ 339,022
Exploration tax credits receivable	517,393	386,085
Other receivables	754,811	260,854
<b>Total receivables</b>	<b>\$ 1,392,759</b>	<b>\$ 985,961</b>

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

<b>As at,</b>	<b>March 31, 2026</b>	<b>December 31, 2025</b>
1 - 90 days	\$ 741,496	\$ 258,289
Over 90 days	13,315	2,565
<b>Total other receivables</b>	<b>\$ 754,811</b>	<b>\$ 260,854</b>

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 March 31, 2026, and December 31, 2025. Subsequent to March 31, 2026, the Company has received \$45,574 of sales taxes receivable, \$nil of exploration tax credits receivable and \$736,390 of the other receivable as of March 31, 2026.

**9. SECURITY AND CONTRACT DEPOSITS**

As at March 31, 2026, the Company had \$3,922,102 (December 31, 2025 - \$2,762,739) in deposits for the settlement of asset retirement obligations and security deposits, comprised of \$60,001 (December 31, 2025 - \$60,001) in deposits with Hydro-Québec and \$3,862,102 (December 31, 2025 - \$2,702,738) 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 March 31, 2026, the Company has paid a total collateral of \$1,215,440 (December 31, 2025 - \$\$1,102,719) for the Barry property and \$2,646,662 (December 31, 2025 - \$1,600,019) for the Bachelor property. The Company's collateral requirement is 40% (December 31, 2025 - 40%) of the bond value.

During the three-month period ended March 31, 2026, the Company paid \$1,159,363 related to collateral requirements.

During the year ended December 31, 2025, the Company paid \$112,781 related to collateral requirements.

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**10. PROPERTY, PLANT AND EQUIPMENT**

<b>Cost</b>	<b>Mill infrastructure and related equipment</b>	<b>Underground infrastructure and related equipment</b>	<b>Exploration and related equipment</b>	<b>Total</b>
Balance, December 31, 2024	\$ 11,623,770	4,592,300	8,771,277	24,987,347
Disposals	-	-	-	-
<b>Balance, December 31, 2025</b>	<b>\$ 11,623,770</b>	<b>\$ 4,592,300</b>	<b>\$ 8,771,277</b>	<b>\$ 24,987,347</b>
<b>Disposals</b>	<b>-</b>	<b>-</b>	<b>(769,157)</b>	<b>(769,157)</b>
<b>Balance, March 31, 2026</b>	<b>\$ 11,623,770</b>	<b>\$ 4,592,300</b>	<b>\$ 8,002,120</b>	<b>\$ 24,218,190</b>
<b>Depreciation</b>				
Balance, December 31, 2024	\$ 1,028,161	1,375,716	4,226,231	6,630,108
Depreciation	125,364	218,388	466,512	810,264
<b>Balance, December 31, 2025</b>	<b>\$ 1,153,525</b>	<b>\$ 1,594,104</b>	<b>\$ 4,692,743</b>	<b>\$ 7,440,372</b>
<b>Depreciation</b>	<b>27,807</b>	<b>49,512</b>	<b>93,765</b>	<b>171,084</b>
<b>Disposals</b>	<b>-</b>	<b>-</b>	<b>(381,332)</b>	<b>(381,332)</b>
<b>Balance, March 31, 2026</b>	<b>\$ 1,181,332</b>	<b>\$ 1,643,616</b>	<b>\$ 4,405,176</b>	<b>\$ 7,230,124</b>
Net book value, December 31, 2025	\$ 10,470,245	\$ 2,998,196	\$ 4,078,534	\$ 17,546,975
<b>Net book value, March 31, 2026</b>	<b>\$ 10,442,438</b>	<b>\$ 2,948,684</b>	<b>\$ 3,596,944</b>	<b>\$ 16,988,066</b>

Depreciation for the three-month period ended March 31, 2026 is reflected as \$93,765 (2025 - \$116,378) recorded in exploration and evaluation expenditures and \$77,319 (2025 - \$85,688) 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 the Windfall Lake project owned by Gold Fields Ltd. (“**Gold Fields**”). 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.

*(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%.

In November 2023, the Company and Gold Fields, (formerly Osisko Mining Inc., or "Osisko") signed a new earn-in and joint venture agreement which includes the Gladiator Property. See Note 11e) below.

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.

In November 2023, the Company and Osisko signed a new earn-in and joint venture agreement which includes the Barry Property. See Note 11e) below.

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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 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.

(v) *Desmaraisville*

The Company holds a 100% interest in 436 mineral claims in the town of Desmaraisville. Above the 436 claims, the Company holds 100% interest in 1 mining concession, and 1 mining lease where the Bachelor Mine and mill are located. The property is immediately south, and outside the Bachelor mining lease. In 2020, the Company staked 231 claims north and west of the Bachelor mine and are included in the 436 claims listed above.

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.

e) Joint Venture with Gold Fields Related to the Gladiator and 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 JV 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.

## 11. EXPLORATION AND EVALUATION PROPERTIES (Continued)

### e) Joint Venture with Gold Fields Related to the Gladiator and Barry Properties (continued)

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;
- Once a 70-per-cent interest in the properties is earned by Gold Fields, the properties will be operated as a JV, 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 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 of March 31, 2026, \$28,700,000 (December 31, 2025 - \$26,145,000) in work expenditures have been incurred by Gold Fields.

During the year ended December 31, 2025, the Company received \$630,983 from Gold Fields for reimbursement of remediation work incurred under the agreement.

#### **Transaction Costs**

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.

During the year ended December 31, 2023, the Company incurred an additional \$628,259 in fees in connection with 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 Ltd. (now Royal Gold Inc.), 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 three month periods ended March 31, 2026 and 2025 is as follows:

**Three months ended March 31, 2026**

	<b>Gladiator</b>	<b>Duke</b>	<b>Barry</b>	<b>Moroy</b>	<b>Desmaraisville</b>	<b>Bachelor</b>	<b>Urban</b>	<b>Other properties</b>	<b>Total</b>
	\$	\$	\$	\$	\$	\$	\$	\$	\$
Drilling and assays	2,244	-	-	-	180,336	-	-	9,488	<b>192,068</b>
Depreciation	74,879	-	18,887	-	-	-	-	-	<b>93,766</b>
Geological, consulting and wages	-	-	38,155	-	268,168	53,286	-	1,515	<b>361,124</b>
Camp costs, travel and other	-	-	30,547	4,475	297,691	-	-	8,071	<b>340,784</b>
Environmental	-	-	2,780	-	1,057	245	-	-	<b>4,082</b>
Quebec mining taxes	-	-	-	-	-	-	-	-	-
Net JV payments	-	-	-	-	-	-	-	-	-
Technical studies	-	-	-	-	271,195	-	-	-	<b>271,195</b>
Accretion	-	-	15,000	-	-	44,750	-	-	<b>59,750</b>
<b>Total exploration and evaluation expenditures</b>	<b>77,123</b>	<b>-</b>	<b>105,369</b>	<b>4,475</b>	<b>1,018,447</b>	<b>98,281</b>	<b>-</b>	<b>19,074</b>	<b>1,322,769</b>

**Three months ended March 31, 2025**

	<b>Gladiator</b>	<b>Duke</b>	<b>Barry</b>	<b>Moroy</b>	<b>Desmaraisville</b>	<b>Bachelor</b>	<b>Urban</b>	<b>Other properties</b>	<b>Total</b>
Drilling and assays	-	-	-	-	21,608	-	-	3,040	<b>24,648</b>
Depreciation	89,407	-	26,971	-	-	-	-	-	<b>116,378</b>
Geological, consulting and wages	17,619	-	97,581	-	281,445	27,762	17,696	2,132	<b>444,235</b>
Camp costs, travel and other	-	270	127,331	4,475	121,686	294	1,781	6,742	<b>262,579</b>
Environmental	-	-	141	-	616	79	-	-	<b>836</b>
Technical studies	-	-	2,467	-	201,319	-	-	-	<b>203,786</b>
Accretion	-	-	19,250	-	-	50,250	-	-	<b>69,500</b>
<b>Total exploration and evaluation expenditures</b>	<b>107,026</b>	<b>270</b>	<b>273,741</b>	<b>4,475</b>	<b>626,674</b>	<b>78,385</b>	<b>19,477</b>	<b>11,914</b>	<b>1,121,962</b>

**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 three-month period ended March 31, 2026 is depreciation of \$93,765 (2025 - \$116,378). 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 three-month period ended March 31, 2026 are net of \$nil (2025 - \$nil) in exploration tax credits receivable from Revenu Québec. As of March 31, 2026, \$517,393 is receivable (December 31, 2025 - \$386,085).

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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:

	<b>As at,</b>	
	<b>March 31, 2026</b>	December 31, 2025
Trade payables	\$ 2,208,679	\$ 1,771,066
Accrued liabilities and other payables	665,506	765,582
<b>Total trade and other payables</b>	<b>\$ 2,874,185</b>	<b>\$ 2,536,648</b>

**13. LOAN PAYABLE**

On March 23, 2026 the Company entered into a credit agreement with Wexford Capital LP (the “Lenders”), a company with a shared Director with the Company, pursuant to which the Lenders have agreed to provide a non-revolving credit facility in an aggregate amount of \$5,000,000 to be made available by way of a single advance on the closing date. The advance will bear interest at a rate per annum equal to 8.00% plus the Secured Overnight Financing Rate (“SOFR”) term rate applicable to the six-month period commencing on the closing date and ending on the maturity date of September 23, 2026. The Company paid an agent commitment fee of \$100,000 and incurred interest costs of \$12,911 resulting in an outstanding balance on March 31, 2026, of \$5,112,911 (December 31, 2025 - \$nil).

**14. RELATED PARTY TRANSACTIONS**

Key management personnel include those persons having authority and responsibility for planning, directing, and controlling the activities of the Company as a whole. The Company has determined that key management personnel consist of executive and non-executive directors and members of executive management.

The remuneration of the Company’s directors and other key management personnel during the three-month period ended March 31, 2026, and 2025 were as follows:

<b>For the three month period ended,</b>	<b>March 31, 2026</b>	March 31, 2025
Short-term compensation		
CEO salary, bonus, and related compensation	\$ 112,500	\$ 112,500
CFO salary, bonus, and related compensation	62,500	62,500
Director and related fees	97,000	103,000
	<b>272,000</b>	278,000
Share-based payments	187,000	26,000
	<b>\$ 459,000</b>	<b>\$ 304,000</b>

Included in trade and other payables at March 31, 2026, was \$30,954 (December 31, 2025 - \$51,142) 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.

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**15. 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.

<b>Balance, December 31, 2024</b>	<b>426,000</b>
Liability incurred on flow through shares issued June 2025	<b>849,000</b>
Settlement of flow-through premium liability by incurring expenditures	<b>(713,000)</b>
<b>Balance, December 31, 2025</b>	<b>\$ 562,000</b>
Settlement of flow-through premium liability by incurring expenditures	<b>(88,000)</b>
<b>Balance, March 31, 2026</b>	<b>\$ 474,000</b>

On March 31, 2026, the Company had a remaining commitment to incur exploration expenditures of approximately \$3,100,000 (December 31, 2025 - \$3,800,000) in relation to its flow-through share financing.

Details of recent flow-through shares issued is below:

*For the year ended December 31, 2025*

On June 30, 2025, the Company issued 14,583,333 flow-through units of the Company to purchasers at a price of \$0.24 per unit, as well 6,557,377 premium flow-through units at a price of \$0.305 per premium unit.

The premium paid by investors was calculated as \$0.02 per share for the flow through units and \$0.085 per share for the premium flow through units. Accordingly, \$849,000 was recorded as flow-through premium liability.

**16. 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:

<b>As at,</b>	<b>March 31, 2026</b>	<b>December 31, 2025</b>
Balance, beginning of period/year	<b>\$ 10,930,000</b>	\$ 12,466,000
Accretion expense	<b>59,750</b>	415,000
Change in estimate for asset retirement obligations	-	(1,951,000)
Balance, end of period/year	<b>\$ 10,989,750</b>	\$ 10,930,000

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16. ASSET RETIREMENT OBLIGATIONS (Continued)

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 \$16,874,000 (December 31, 2025 - \$16,874,000), which has been inflated using inflation rates of 2.17% (December 31, 2025 – 2.17%). The total provision is calculated using discount rates of 3.85% (December 31, 2025 – 3.85%). 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 2047 for the Barry site and 2053 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,	March 31, 2026	December 31, 2025
Barry site	\$ 2,787,000	\$ 2,772,000
Bachelor Mill Complex	8,202,750	8,158,000
	\$ 10,989,750	\$ 10,930,000

17. SHARE CAPITAL

a) Authorized

Unlimited number of common voting shares without par value.

b) Issued and outstanding

*During the year ended December 31, 2025*

On June 30, 2025, the Company closed a Listed Issuer Financing Exemption (“LIFE”) 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) 6,557,377 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, where two one-half warrants equal one 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, including \$218,000 reflecting the valuation of finder warrants, totalling \$1,221,802 were incurred.

In connection with the June 2025 private placement, the Company issued finder 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 4, 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 4, 2027.

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

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**17. SHARE CAPITAL (Continued)**

b) Issued and outstanding (Continued)

Restricted cash:

The Company closed a private placement in December 2024, and out of the gross proceeds raised from the 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 three month period ended March 31, 2025, \$230,000 was released.

**Warrants**

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

For the,	Three Month Period Ended March 31, 2026		Year Ended December 31, 2025	
	Number of Warrants	Weighted Average Exercise Price	Number of Warrants	Weighted Average Exercise Price
Outstanding, beginning of period/year	58,691,296	\$ 0.30	33,435,696	\$ 0.31
Issued	-	-	25,255,600	0.29
Outstanding, end of period/year	58,691,296	\$ 0.30	58,691,296	\$ 0.30

The following warrants were outstanding and exercisable as at March 31, 2026:

Expiry Date	Weighted Average Remaining Contractual Life in Years	Exercise Price	Outstanding
December 12, 2026	0.70	\$ 0.31	1,361,196
April 4, 2027	1.02	\$ 0.26	812,500
May 3, 2028	2.09	\$ 0.31	30,070,000
May 3, 2028	2.09	\$ 0.25	2,004,500
June 30, 2028	2.25	\$ 0.30	21,933,991
June 30, 2027	1.25	\$ 0.22	2,509,109
	2.07	\$ 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:

**For the year ended December 31, 2025:**

	Year Ended December 31, 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	\$0.07 - \$0.09

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17. SHARE CAPITAL (Continued)

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 March 31, 2026, the Company had 8,324,299 (December 31, 2025 - 10,299,298) options remaining available for issuance under the plan.

The following is a summary of option transactions under the Company's stock option plan for the three month period ended March 31, 2026, and December 31, 2025:

For the,	Three Month Period Ended March 31, 2026		Year Ended December 31, 2025	
	Number of Options	Weighted Average Exercise Price	Number of Options	Weighted Average Exercise Price
Outstanding and exercisable, beginning of period/year	10,940,000	\$ 0.61	11,085,000	\$ 0.79
Transactions during the year:				
Granted	1,660,000	0.18	1,875,000	0.26
Expired/Cancelled/Forfeited	(200,000)	0.60	(2,020,000)	1.30
Outstanding, end of period/year	12,400,000	\$ 0.55	10,940,000	\$ 0.61
Exercisable, end of period/year	12,400,000	\$ 0.55	10,940,000	\$ 0.61

The following table provides additional information about outstanding stock options at March 31, 2026:

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 (\$)
0.18 – 0.50	8,835,000	0.26	3.39	8,835,000	0.26
1.16 – 1.32	3,565,000	1.26	0.55	3,565,000	1.26
<b>0.20 – 1.32</b>	<b>12,400,000</b>	<b>0.55</b>	<b>2.57</b>	<b>12,400,000</b>	<b>0.55</b>

On February 17, 2026, the Company granted 1,660,000 stock options to various employees, officers and directors of the Company at an exercise price of \$0.18. These stock options have a 5-year life and vested immediately.

On April 24, 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.

During the three-month period ended March 31, 2026, 200,000 (2025 – nil) options expired unexercised with a weighted average exercise price of \$0.60 (2025 – \$nil).

Subsequent to March 31, 2026, 565,000 options were forfeited or had expired with a weighted average exercise price of \$1.16.

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**17. 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 weighted average assumptions:

<b>Three Month Period Ended March 31,</b>	<b>2026</b>
Expected life (years)	5
Risk-free interest rate	2.76%
Expected annualized volatility	69%
Dividend yield	N/A
Stock price at grant date	0.18
Exercise price	0.18
Weighted average grant date fair value	<b>\$0.106</b>
<b>Year Ended December 31,</b>	<b>2025</b>
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	<b>\$0.15</b>

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 three-month period ended March 31, 2026, amounted to \$176,000 (2025 - \$9,000).

(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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**17. 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:

	<b>Number of RSUs</b>
Balance, December 31, 2024	1,050,000
Settled	(750,000)
Balance, December 31, 2025	300,000
Granted	545,000
Settled	(300,000)
Balance, March 31, 2026	545,000

During the year ended December 31, 2025, 750,000 RSUs originally issued on January 2, 2024 vested and the corresponding common shares were issued.

On February 17, 2026, the Company granted to an officer of the company 545,000 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 three month period ending March 31, 2026, on January 26, 2026, 300,000 RSUs vested and the corresponding common shares were issued.

Share-based payment expense related to vesting of RSUs during the three month period ending March 31, 2026 amounted to \$11,553 (2025 - \$16,696).

**18. SUPPLEMENTAL DISCLOSURE WITH RESPECT TO CASH FLOWS**

<b>Three month period ended Marc 31,</b>	<b>2026</b>		<b>2025</b>	
Interest received	\$	14,746	\$	6,280
Interest paid	\$	(33,735)	\$	(2,802)

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**19. SEGMENTED DISCLOSURE**

The Company operates several exploration and evaluation properties in Québec and Ontario, 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 three month period ended March 31, 2026, and 2025, the Company's two operating segments were mining site care and maintenance and mineral exploration. All other costs are considered corporate administration costs.

<b>Three month period ended March 31, 2026</b>	<b>Mining Site</b>	<b>Exploration</b>	<b>Corporate</b>	<b>Total</b>
Mill and mine care and maintenance	\$ 155,123	\$ -	\$ -	\$ 155,123
Exploration and evaluation	-	1,322,769	-	1,322,769
Recovery of flow-through premium liability	-	(88,000)	-	(88,000)
Miscellaneous income	-	(56,073)	-	(56,073)
Administration*	-	-	1,065,855	1,065,855
<b>Net loss</b>	<b>\$ 155,123</b>	<b>\$ 1,178,696</b>	<b>\$ 1,065,855</b>	<b>\$ 2,399,674</b>

<b>Three month period ended March 31, 2025</b>	<b>Mining Site</b>	<b>Exploration</b>	<b>Corporate</b>	<b>Total</b>
Mill and mine care and maintenance	\$ 166,934	\$ -	\$ -	\$ 166,934
Exploration and evaluation	-	1,121,962	-	1,121,962
Recovery of flow-through premium liability	-	(241,000)	-	(241,000)
Administration*	-	-	766,505	766,505
<b>Net loss</b>	<b>\$ 166,934</b>	<b>\$ 880,962</b>	<b>\$ 766,505</b>	<b>\$ 1,814,401</b>

\* 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, unrealized gain on securities, and tax reassessment provision.

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**20. 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 March 31, 2026, the Company had three (December 31, 2025 – 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, 2025 – \$700,000 and US\$165,000). In the case of termination, the officers are entitled to an amount equal to \$637,500 and US\$165,000 (December 31, 2025 – \$637,500 and US\$165,000) and in the case of a change of control of the Company, the officers under certain circumstances are entitled to an amount equal to \$1,589,000 and US\$392,000 (December 31, 2025 – \$1,519,000 and US\$342,500).

- b) On September 9, 2013, the *Ministère des Ressources naturelles et des Forêts* (“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 of 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. In November 2025, the MRNF approved the restoration plan of the Bachelor Mine and bonding requirements as follows: \$2,616,606 by February 2026 (paid), \$1,308,304 by November 2026 and \$1,308,304 by November 2027.

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 (paid).

**21. PROVISION FOR TAX REASSESSMENT**

The Company has been subject to an audit by the CRA relating to the renunciation of Canadian exploration expenses (“CEE”) to subscribers of flow-through share financings completed between 2019 and 2021, which generated aggregate gross proceeds of approximately \$43 million. The CRA has indicated its intention to reclassify approximately \$11.05 million of previously renounced CEE on the basis that such expenditures do not meet the definition of Canadian exploration expenses for income tax purposes.

The Company disagrees with the proposed reassessments and has plans to file formal a objection in respect of the CRA’s position. The Company intends to continue to pursue its objections and defend its tax filings.

The CRA commenced reassessment procedures with subscribers of the flow-through share financings in respect of deductions claimed in connection with the renunciations.

Pursuant to the terms of the subscription and renunciation agreements entered into with subscribers, the Company is obligated to indemnify subscribers for tax attributable to any disallowed CEE renunciations, including related interest and penalties. In addition, the Company is subject to Part XII.6 tax under the Income Tax Act.

Based on the Company’s estimate of the potential aggregate exposure related to these indemnification obligations, together with associated interest, penalties, and estimated Part XII.6 tax, as at March 31, 2026 a provision of \$13,880,305 (December 31, 2025 - \$14,704,488) has been recognized in the consolidated statements of financial position. During the three-month period ended March 31, 2026, the Company paid \$282,000 against the amount owing.

The ultimate resolution of these matters may differ from management’s estimates and could result in adjustments to the recorded liability in future periods.