



Bonterra Resources Inc.

Condensed Interim Consolidated Financial Statements

For the Three Month Periods Ended March 31, 2025 and 2024

(Expressed in Canadian Dollars)



Bonterra Resources Inc.

For the Three Month Periods Ended March 31, 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-Andre Pelletier” (signed)

\_\_\_\_\_  
Chief Executive Officer

“Pier-Elise 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, 2025 and 2024 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, 2025</b>	<b>December 31, 2024</b>
<b>Assets</b>		
<b>Current</b>		
Cash	\$ 573,559	\$ 1,211,478
Restricted cash (note 16)	358,973	588,973
Marketable securities (note 7)	17,120	21,605
Receivables (note 8)	557,184	1,154,476
Prepays	323,379	221,003
	<b>1,830,215</b>	<b>3,197,535</b>
Security and contract deposits (note 9)	2,762,739	2,649,958
Property, plant and equipment (note 10)	18,155,173	18,357,239
	<b>\$ 22,748,127</b>	<b>\$ 24,204,732</b>
<b>Liabilities</b>		
<b>Current</b>		
Trade and other payables (notes 12 and 13)	\$ 2,847,202	\$ 2,570,705
Flow-through premium liability (note 14)	185,000	426,000
	<b>3,032,202</b>	<b>2,996,705</b>
Asset retirement obligations (note 15)	12,535,500	12,466,000
	<b>15,567,702</b>	<b>15,462,705</b>
<b>Shareholders' Equity</b>		
Share capital (note 16)	283,116,851	282,963,101
Shares to be issued (note 16)	227,103	-
Share-based payments reserve (note 16)	24,903,099	25,031,153
Deficit	(301,066,628)	(299,252,227)
	<b>7,180,425</b>	<b>8,742,027</b>
	<b>\$ 22,748,127</b>	<b>\$ 24,204,732</b>

Going Concern (note 2)

Commitments and Contingent Liabilities (note 19)

Subsequent Events (notes 8, 16 and 21)

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)

<b>For the three month period ended March 31,</b>	<b>2025</b>	<b>2024</b>
<b>Expenses</b>		
Exploration and evaluation (notes 10, 11 and 15)	\$ 1,121,962	\$ 934,553
Mill and mine care and maintenance (note 10)	166,934	181,517
Salaries, management and director fees (note 13)	381,235	415,662
Office, general and other	83,314	188,036
Professional fees	45,057	38,292
Rent	16,737	16,250
Share-based payments (notes 13 and 16)	25,696	421,490
Shareholder communications and investor relations	164,445	21,295
Transfer agent and filing fees	23,032	11,103
Travel	25,982	24,526
<b>Loss Before Other Items</b>	<b>(2,054,394)</b>	<b>(2,252,724)</b>
<b>Other Items</b>		
Miscellaneous income (note 11)	-	183,157
Unrealized loss on marketable securities (note 7)	(4,485)	-
Recovery of flow-through premium liability (note 14)	241,000	-
Net interest income	3,478	25,676
<b>Net Loss and Comprehensive Loss for the period</b>	<b>\$ (1,814,401)</b>	<b>\$ (2,043,891)</b>
<b>Basic and Diluted Loss Per Share</b>	<b>\$ (0.01)</b>	<b>\$ (0.02)</b>
<b>Weighted Average Number of Common Shares Outstanding – Basic and Diluted (000's)</b>	<b>166,892</b>	<b>127,358</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  
(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	
<b>Funds received for shares to be issued, net of costs</b>	-	-	<b>227,103</b>	-	-	<b>227,103</b>	
<b>Issued pursuant to RSU Plan</b>	<b>750,000</b>	<b>153,750</b>	-	<b>(153,750)</b>	-	-	
<b>Share-based payments</b>	-	-	-	<b>25,696</b>	-	<b>25,696</b>	
<b>Net loss and comprehensive loss for the period</b>	-	-	-	-	<b>(1,814,401)</b>	<b>(1,814,401)</b>	
<b>Balance, March 31, 2025</b>	<b>166,900,006</b>	<b>\$ 283,116,851</b>	<b>\$ 227,103</b>	<b>\$ 24,903,099</b>	<b>\$ (301,066,628)</b>	<b>\$ 7,180,425</b>	
Balance, December 31, 2023	127,357,615	\$ 277,530,901	\$ -	\$ 20,962,388	\$ (289,727,490)	\$ 8,765,799	
Share-based payments	-	-	-	421,490	-	421,490	
Net loss and comprehensive loss for the period	-	-	-	-	(2,043,891)	(2,043,891)	
Balance, March 31, 2024	127,357,615	\$ 277,530,901	\$ -	\$ 21,383,878	\$ (291,771,381)	\$ 7,143,398	

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,</b>	<b>2025</b>	<b>2024</b>
<b>Operating Activities</b>		
Net loss for the period	\$ (1,814,401)	\$ (2,043,891)
Items not involving cash		
Unrealized loss on marketable securities	4,485	-
Depreciation	202,066	228,000
Share-based payments	25,696	421,490
Recovery of flow-through premium liability	(241,000)	-
Accretion expense	69,500	85,750
Changes in non-cash working capital		
Receivables	597,292	529,432
Prepays	(102,376)	(69,688)
Security and contract deposits	(112,781)	82,300
Trade and other payables	276,497	(1,177,669)
<b>Cash Used in Operating Activities</b>	<b>(1,095,022)</b>	<b>(1,944,276)</b>
<b>Investing Activities</b>		
Change in restricted cash	230,000	-
<b>Cash Provided by Investing Activities</b>	<b>230,000</b>	<b>-</b>
<b>Financing Activities</b>		
Funds received for shares to be issued	230,000	-
Share issue costs	(2,897)	-
<b>Cash Provided by Financing Activities</b>	<b>227,103</b>	<b>-</b>
<b>Outflow of Cash</b>	<b>(637,919)</b>	<b>(1,944,276)</b>
<b>Cash, Beginning of Period</b>	<b>1,211,478</b>	<b>2,793,796</b>
<b>Cash, End of Period</b>	<b>\$ 573,559</b>	<b>\$ 849,520</b>

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 Month Periods Ended March 31, 2025 and 2024**  
**(Expressed in Canadian Dollars)**

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**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 \$1,814,401 for the three month period ended March 31, 2025 (Year ended December 31, 2024 - \$9,524,737) and has an accumulated deficit of \$301,066,628 at March 31, 2025 (December 31, 2024 - \$299,252,227). As at March 31, 2025, the Company had working capital deficiency of \$1,201,987 (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 May 14, 2025.

**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**

**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.

**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**  
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**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 March 31, 2025 and December 31, 2024:

<b>March 31, 2025</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
<b>Cash</b>	\$ 573,559	\$ -	\$ -	\$ 573,559
<b>Restricted cash</b>	\$ 358,973	\$ -	\$ -	\$ 358,973
<b>Marketable securities</b>	\$ 7,120	\$ -	\$ 10,000	\$ 17,120

  

<b>December 31, 2024</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
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 \$498,154 (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 March 31, 2025, equal \$3,032,202 (December 31, 2024 - \$2,996,705).

Bonterra Resources Inc.  
Notes to the Condensed Interim Financial Statements  
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**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 March 31, 2025 totalled \$7,180,425 (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 three month period ended March 31, 2025 and 2024.

**7. MARKETABLE SECURITIES**

As at March 31, 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 \$17,120 (December 31, 2024 - \$21,605).

During the three month period ended March 31, 2025, the Company recorded an unrealized loss on marketable securities of \$4,485 (2024 - \$nil) as the value of these securities decreased.

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

As at,	March 31, 2025	December 31, 2024
Sales tax receivable	\$ 114,164	\$ 193,574
Exploration tax credits receivable	383,990	383,990
Other receivables	59,030	576,912
Total receivables	\$ 557,184	\$ 1,154,476

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

As at,	March 31, 2025	December 31, 2024
1 - 90 days	\$ 59,030	\$ 599,147
Over 90 days	-	17,765
Total other receivables	\$ 59,030	\$ 576,912

At March 31, 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 March 31, 2025 and December 31, 2024. Subsequent to March 31, 2025, the Company has received \$88,875 of sales taxes receivable, \$nil of exploration tax credits receivable and \$1,361 of the other receivable as at March 31, 2025.

**9. SECURITY AND CONTRACT DEPOSITS**

As at March 31, 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 March 31, 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 three month period ended March 31, 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  
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**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)
<b>Balance, December 31, 2024</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>-</b>	<b>-</b>
<b>Balance, March 31, 2025</b>	<b>\$ 11,623,770</b>	<b>\$ 4,592,300</b>	<b>\$ 8,771,277</b>	<b>\$ 24,987,347</b>
<b>Depreciation</b>				
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)
<b>Balance, December 31, 2024</b>	<b>1,028,161</b>	<b>1,375,716</b>	<b>4,226,231</b>	<b>6,630,108</b>
<b>Depreciation</b>	<b>31,341</b>	<b>54,347</b>	<b>116,378</b>	<b>202,066</b>
<b>Disposals</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Balance, March 31, 2025</b>	<b>\$ 1,059,502</b>	<b>\$ 1,430,063</b>	<b>\$ 4,342,609</b>	<b>\$ 6,832,174</b>
Net book value, December 31, 2024	\$ 10,595,609	\$ 3,216,584	\$ 4,545,046	\$ 18,357,239
<b>Net book value, March 31, 2025</b>	<b>\$ 10,564,268</b>	<b>\$ 3,162,237</b>	<b>\$ 4,428,668</b>	<b>\$ 18,155,173</b>

Depreciation for the three month period ended March 31, 2025 is reflected as \$116,378 (2024 - \$131,000) recorded in exploration and evaluation expenditures and \$85,688 (2024 - \$97,000) 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 CAD. 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 adviser 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 December 31, 2024, \$18,000,000 in work expenditures have been incurred by Gold Fields.

**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%.

**Exploration and evaluation expenditures:**

A summary of exploration and evaluation expenditures for the three month periods ended March 31, 2025 and 2024 is as follows:

**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>

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**11. EXPLORATION AND EVALUATION PROPERTIES** (Continued)

**Three months ended March 31, 2024**

	Gladiator	Duke	Barry	Moroy	Desmaraisville	Bachelor	Urban	Other properties	Total
Drilling and assays	-	-	-	-	29,286	-	-	-	29,286
Depreciation	98,500	-	32,500	-	-	-	-	-	131,000
Geological, consulting and wages	41,796	3,153	132,249	-	290,696	47,239	21,550	3,152	539,835
Camp costs, travel and other	6,784	-	42,551	27,281	90,338	-	1,147	6,532	174,633
Environmental	-	-	758	-	32	267	-	-	1,057
JV payments	-	-	(27,008)	-	-	-	-	-	(27,008)
Accretion	-	-	23,750	-	-	62,000	-	-	85,750
<b>Total exploration and evaluation expenditures</b>	<b>147,080</b>	<b>3,153</b>	<b>204,800</b>	<b>27,281</b>	<b>410,352</b>	<b>109,506</b>	<b>22,697</b>	<b>9,684</b>	<b>934,553</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, 2025 is depreciation of \$116,378 (2024 - \$131,000). 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 the Company's flow-through expenditure requirements. The exploration and evaluation expenditures for the three month period ended March 31, 2025 are net of \$nil (2024 - \$nil) in exploration tax credits receivable from Revenu Québec. As at March 31, 2025, \$383,990 is receivable (December 31, 2024 - \$383,990).

**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,	
	March 31, 2025	December 31, 2024
Trade payables	\$ 2,187,296	\$ 1,778,229
Accrued liabilities and other payables	659,906	792,476
<b>Total trade and other payables</b>	<b>\$ 2,847,202</b>	<b>\$ 2,570,705</b>

**13. RELATED PARTY TRANSACTIONS**

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

<b>For the three month period ended,</b>	<b>March 31, 2025</b>	<b>March 31, 2024</b>
Short-term compensation		
Salaries, management and director fees	\$ 278,000	262,181
	<b>278,000</b>	262,181
Share-based payments	26,000	354,000
	<b>\$ 304,000</b>	<b>\$ 616,181</b>

Included in trade and other payables at March 31, 2025 was \$56,623 (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.

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**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.

<b>Balance, December 31, 2023</b>	<b>\$ -</b>
Liability incurred on flow through shares issued May 2024	<b>1,024,000</b>
Liability incurred on flow through shares issued December 2024	<b>372,000</b>
Settlement of flow-through premium liability by incurring expenditures	<b>(970,000)</b>
<b>Balance, December 31, 2024</b>	<b>\$ 426,000</b>
Settlement of flow-through premium liability by incurring expenditures	<b>(241,000)</b>
<b>Balance, March 31, 2025</b>	<b>\$ 185,000</b>

At March 31, 2025, the Company had a remaining commitment to incur exploration expenditures of approximately \$543,000 (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.

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:

<b>As at,</b>	<b>March 31, 2025</b>	December 31, 2024
Balance, beginning of period/year	<b>\$ 12,466,000</b>	\$ 11,100,000
Accretion expense	<b>69,500</b>	343,000
Change in estimate for asset retirement obligations	-	1,023,000
Balance, end of period/year	<b>\$ 12,535,500</b>	\$ 12,466,000

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**15. 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 \$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:

<b>As at,</b>	<b>March 31, 2025</b>	<b>December 31, 2024</b>
Barry site	\$ 3,289,250	\$ 3,270,000
Bachelor Mill Complex	9,246,250	9,196,000
	<b>\$ 12,535,500</b>	<b>\$ 12,466,000</b>

**16. SHARE CAPITAL**

a) Authorized

Unlimited number of common voting shares without par value.

b) Issued and outstanding

***During 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 flow-through units ("FT Unit") 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 (each, a "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 (each, a "Unit") 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 (each, a "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.

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).

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**16. SHARE CAPITAL (Continued)**

b) Issued and outstanding (Continued)

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 three month period ended March 31, 2025, \$230,000 was released, and \$358,973 remain in Restricted Funds as at March 31, 2025.

c) Warrants

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

For the,	Three Month Period Ended March 31, 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	-	-	33,435,696	0.31
Outstanding, end of period/year	33,435,696	\$ 0.31	33,435,696	\$ 0.31

The following warrants were outstanding and exercisable as at March 31, 2025:

Expiry Date	Weighted Average Remaining Contractual Life in Years	Exercise Price	Outstanding
May 3, 2028	3.34	\$ 0.31	30,070,000
May 3, 2028	3.34	\$ 0.25	2,004,500
December 12, 2026	1.95	\$ 0.31	1,361,196
	3.03	\$ 0.31	33,435,696

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, 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.

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16. 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, 2025, the Company had 5,605,000 (December 31, 2024 - 5,530,000) 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, 2025, and December 31, 2024:

For the,	Three Month Period Ended March 31, 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	-	-	3,620,000	0.23
Expired/Cancelled/Forfeited	-	-	(290,000)	1.70
Outstanding, end of period/year	11,085,000	\$ 0.79	11,085,000	\$ 0.79
Exercisable, end of period/year	10,960,000	\$ 0.78	10,335,000	\$ 0.77

The following table provides additional information about outstanding stock options at March 31, 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	5,740,000	0.29	3.70	5,615,000	0.25
1.16 – 1.54	5,345,000	1.33	1.19	5,345,000	1.33
<b>0.20 – 1.54</b>	<b>11,085,000</b>	<b>0.79</b>	<b>2.49</b>	<b>10,960,000</b>	<b>0.78</b>

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 three month period ended March 31, 2025, nil (2024 – 210,000) options expired unexercised with a weighted average exercise price of \$nil (2024 – \$1.96).

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16. SHARE CAPITAL (Continued)

d) Stock options (Continued)

Subsequent to March 31, 2025, 790,000 options were forfeited.

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:

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 three month period ended March 31, 2025, amounted to \$9,000 (2024 - \$384,000).

(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.

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.

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**16. SHARE CAPITAL** (Continued)

(e) Restricted share units (Continued)

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

	<b>Number of RSUs</b>
Balance, December 31, 2023	-
Granted	1,050,000
Balance, December 31, 2024	1,050,000
Exercised	(750,000)
Balance, March 31, 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 three month period ended March 31, 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 three month period ended March 31, 2025 amounted to \$16,696 (2024 - \$37,490).

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

<b>Three month period ended,</b>	<b>2025</b>		<b>2024</b>	
Interest received	\$	<b>6,280</b>	\$	26,990
Interest paid	\$	<b>(2,802)</b>	\$	(1,314)

**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 three month period ended March 31, 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.

<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	\$	<b>166,934</b>	\$	-	\$	-	\$	<b>166,934</b>
Exploration and evaluation		-		<b>1,121,962</b>		-		<b>1,121,962</b>
Recovery of flow-through premium liability		-		<b>(241,000)</b>		-		<b>(241,000)</b>
Administration*		-		-		<b>766,505</b>		<b>766,505</b>
Net loss	\$	<b>166,934</b>	\$	<b>880,962</b>	\$	<b>766,505</b>	\$	<b>1,814,401</b>

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**18. SEGMENTED DISCLOSURE** (Continued)

<b>Three month period ended March 31, 2024</b>	<b>Mining Site</b>	<b>Exploration</b>	<b>Corporate</b>	<b>Total</b>
Mill and mine care and maintenance	\$ 181,517	\$ -	\$ -	\$ 181,517
Exploration and evaluation	-	934,553	-	934,553
Miscellaneous income	-	(183,157)	-	(183,157)
Administration*	-	-	1,110,978	1,110,978
Net loss	\$ 181,517	\$ 751,396	\$ 1,110,978	\$ 2,043,891

\* 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 March 31, 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.

**20. SUBSEQUENT EVENTS**

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

**21. SUBSEQUENT EVENTS**

On April 7, 2025, the Company closed a non-brokered private placement pursuant to which the Company sold 1,625,000 units of the Company at a price of \$0.20 per unit for gross proceeds of \$325,000. 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 for a period of two years from the date of closing. Finders' fees in the amount of \$19,500 were paid to an arms' length finder.

The gross proceeds from the private placement will be used to fund exploration activities on the Company's projects and for general working capital.

As at March 31, 2025, the Company received \$230,000 (\$227,103 net of issue costs) related to the private placement. The amount has been recorded as shares to be issued as at March 31, 2025.

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.