



Kintavar Exploration Inc.

Unaudited Condensed Interim Financial Statements

Six months ended June 30, 2018

The attached financial statements have been prepared by Management of Kintavar Exploration Inc. and have not been reviewed by the auditors

Kintavar Exploration Inc.

Statements of Financial Position

(Unaudited, in Canadian Dollars)

	Note	As at June 30, 2018 \$	As at December 31, 2017 \$
Assets			
Current assets			
Cash and cash equivalents	4	9,291,165	1,095,504
Sales tax receivable		184,676	147,301
Tax credits and mining rights receivable		313,675	117,097
Prepaid expenses and others		336,247	4,757
Current assets		10,125,763	1,364,659
Non-current assets			
Exploration and evaluation assets	5	2,982,322	2,977,810
Property and equipment	6	68,514	6,364
Non-current assets		3,050,836	2,984,174
Total assets		13,176,599	4,348,833
Liabilities			
Current liabilities			
Trade and other payables		587,053	240,914
Obligations under finance leases	7	13,502	2,305
Liability related to the premium on flow-through shares		800,567	69,227
Current liabilities		1,401,122	312,446
Non-current liabilities			
Obligations under finance leases	7	63,250	4,508
Non-current liabilities		63,250	4,508
Total liabilities		1,464,372	316,954
Equity			
Share capital	8	15,229,003	7,127,210
Warrants	9	1,194,490	234,205
Broker options	10	50,259	12,448
Stock options		130,167	100,921
Contributed surplus		4,176	176
Deficit		(4,895,868)	(3,443,081)
Total equity		11,712,227	4,031,879
Total liabilities and equity		13,176,599	4,348,833

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

Kintavar Exploration Inc.

Statements of Loss and Comprehensive Loss

(Unaudited, in Canadian Dollars)

	Note	Three months ended June 30		Six months ended June 30	
		2018 \$	2017 \$	2018 \$	2017 \$
Operating Expenses					
Exploration and evaluation, net of tax credits	12	755,260	350,729	1,125,896	760,493
Salaries and benefits		39,151	31,846	85,089	58,638
Share-based compensation		16,484	44,165	38,316	44,165
Professional fees		93,198	33,451	119,468	44,848
Travel, conference and investor relations		82,544	3,613	177,747	5,931
Administration		5,510	7,431	12,269	8,689
Filing fees		5,096	7,168	12,088	8,418
Rent		2,300		4,550	
Insurances and taxes		3,420	3,015	5,520	3,015
Depreciation of property and equipment		7,005	219	14,010	219
Listing expense		-	(10,042)	-	740,029
Operating loss		(1,009,968)	(471,595)	(1,594,953)	(1,674,445)
Other income (expenses)					
Interest income		6,822	1,734	6,876	1,734
Finance costs		(1,738)	(177)	(3,558)	(177)
		5,084	1,557	3,318	1,557
Net loss before income taxes		(1,004,884)	(470,038)	(1,591,635)	(1,672,888)
Deferred income taxes recovery		82,156	287,120	138,848	508,313
Net loss and comprehensive loss		(922,728)	(182,918)	(1,452,787)	(1,164,575)
Basic and diluted loss per share		(0.015)	(0.004)	(0.025)	(0.035)
Weighted average number of basic and diluted outstanding shares		63,184,288	46,079,160	59,082,044	32,821,917

Net loss and comprehensive loss is entirely attributable to Kintavar Exploration Inc.'s shareholders.

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

Kintavar Exploration Inc.

Statements of Changes in Equity

(Unaudited, in Canadian Dollars)

	Note	Number of shares outstanding	Capital stock	Warrants	Broker Options	Stock Options	Deficit	Total equity
			\$	\$	\$	\$	\$	\$
Balance at January 1, 2017		17,168,786	2,398,652	47,061	-	-	(1,012,327)	1,433,386
Loss and comprehensive loss for the period		-	-	-	-	-	(1,164,575)	(1,164,575)
Acquisition of mining properties from GéoMéga Resources Inc.		17,857,143	2,500,000	-	-	-	-	2,500,000
Issuances to investors of Black Springs Capital Corp. as part of the amalgamation								
• Class A common Shares		4,125,000	577,500	-	-	-	-	577,500
• Stock options		-	-	-	-	4,000	-	4,000
Issuance of shares as part of finder's fee		571,428	80,000	-	-	-	-	80,000
Issuance of shares under a private placement		5,173,293	599,112	125,149	-	-	-	724,261
Issuance of shares under a flow-through private placement		1,183,510	213,032	-	-	-	-	213,032
• Less: premium		-	(47,340)	-	-	-	-	(47,340)
Stock-based compensation		-	-	-	-	44,165	-	44,165
Share issuance costs		-	(30,510)	(4,471)	2,832	-	-	(32,149)
Balance at June 30, 2017		46,079,160	6,290,446	167,739	2,832	48,165	(2,176,902)	4,332,280

	Note	Number of shares outstanding	Capital stock	Warrants	Broker Options	Stock Options	Contributed surplus	Deficit	Total equity
			\$	\$	\$	\$	\$	\$	\$
Balance at January 1, 2018		54,406,503	7,127,210	234,205	12,448	100,921	176	(3,443,081)	4,031,879
Loss and comprehensive loss for the period		-	-	-	-	-	-	(1,452,787)	(1,452,787)
Issuance of shares under a private placement	8	17,598,182	5,734,977	1,020,502	-	-	-	-	6,755,479
Issuance of shares under a flow-through private placement	8	5,767,247	2,980,743	-	40,830	-	-	-	3,021,573
• Less: premium	8	-	(927,958)	-	-	-	-	-	(927,958)
Exercised stock options		48,750	11,895	-	-	(5,070)	-	-	6,825
Exercised warrants		1,355,109	291,340	(60,217)	-	-	-	-	231,123
Exercised broker options		48,758	10,796	-	(3,019)	-	-	-	7,777
Options cancelled		-	-	-	-	(4,000)	4,000	-	-
Stock-based compensation		-	-	-	-	38,316	-	-	38,316
Balance at June 30, 2018		79,224,549	15,229,003	1,194,490	50,259	130,167	4,176	(4,895,868)	11,712,227

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

Kintavar Exploration Inc.

Statements of Cash Flows (Unaudited, in Canadian Dollars)

		Six months ended June 30,	
	Note	2018	2017
		\$	\$
Operating activities			
Net loss for the period		(1,452,787)	(1,164,575)
Adjustments for:			
Non-cash components of listing expense		-	570,788
Stock-based compensation		38,316	44,165
Depreciation of property and equipment		14,010	219
Flow through premium		(138,848)	(268,580)
Deferred income tax recovery		-	(239,733)
Changes in non-cash working capital items			
Sales tax receivable		(37,375)	(117,232)
Tax credits and mining rights receivable		(196,578)	-
Prepaid expenses and others		(331,490)	(9,521)
Trade and other payables		346,139	196,514
Cash flows used in operating activities		(1,758,613)	(987,955)
Investing activities			
Cash acquired through the amalgamation with Black Springs		-	90,712
Addition to investment		-	(300,000)
Additions of exploration and evaluation assets		(4,512)	(48,408)
Cash flows used in investing activities		(4,512)	(257,696)
Financing activities			
Private placements	8	7,039,273	724,261
Flow-through private placements	8	3,114,314	213,032
Share issuance costs		(434,305)	(34,751)
Warrants exercised		231,123	
Broker warrants exercised		7,777	
Options exercised		6,825	
Finance costs		(6,221)	(145)
Cash flows from (used) in financing activities		9,958,786	902,397
Net change in cash and cash equivalents		8,195,661	(343,254)
Cash and cash equivalents – beginning		1,095,504	1,071,784
Cash and cash equivalents – ending		9,291,165	728,530
Additional information			
Interest received		54	-
Acquisition of exploration and evaluation assets through issuance of shares		-	2,500,000
Property and equipment acquired pursuant to capital lease obligation		76,160	7,900

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

Kintavar Exploration Inc.

Notes to the Condensed Interim Financial Statements

Six months ended June 30, 2018

(Unaudited, in Canadian Dollars)

1. STATUTE OF INCORPORATION AND NATURE OF ACTIVITIES

Kintavar Exploration Inc. (the "Corporation") was formed on March 24, 2017 upon the issuance of an amalgamation certificate under the *Business Corporations Act* (Quebec) and is engaged in the acquisition, exploration and evaluation of mining properties in Canada. The Corporation's shares are listed on the TSX Venture Exchange (the "Exchange") under symbol KTR. The address of the Corporation's registered office and principal place of business is 75, boul. de Mortagne, Boucherville, Quebec, Canada, J4B 6Y4.

The Corporation has not yet determined whether its mineral properties contain ore reserves that are economically recoverable. The recoverability of the amounts shown for exploration and evaluation assets is dependent upon the ability of the Corporation to obtain necessary financing to pursue the exploration and evaluation on its mining properties.

2. BASIS OF PRESENTATION

These Financial Statements have been prepared in accordance with the International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") applicable to the preparation of interim financial statements, including International Accounting Standard ("IAS") 34, Interim Financial Reporting. The Financial Statements should be read in conjunction with the annual financial statements for the year ended December 31, 2017, which have been prepared in accordance with IFRS. The accounting policies, methods of computation and presentation applied in these Financial Statements are consistent with those of the previous financial year.

The Board of Directors has approved the Financial Statements on August 28, 2018.

3. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The preparation of Financial Statements in conformity with IFRS requires the Corporation to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the Financial Statements and the reported amounts of revenues and expenses during the reporting period. The Corporation also makes estimates and assumptions concerning the future. The determination of estimates requires the exercise of judgement based on various assumptions and other factors such as historical experience and current and expected economic conditions. Actual results could differ from those estimates.

Estimates and assumptions are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

In preparing the Financial Statements, the significant judgements made by management in applying the Corporation's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the annual financial statements of Géomines for the year ended December 31, 2017.

4. CASH AND CASH EQUIVALENTS

The balance on flow-through financing not spent according to the restrictions imposed by the June 2018 financings represents \$2,862,123 as at June 30, 2018 and is included in cash and cash equivalents. All the exploration work imposed by the November and December 2017 flow-through financing was completed before June 30, 2018. The Corporation has to dedicate these funds to Canadian mining properties exploration.

Kintavar Exploration Inc.

Notes to the Condensed Interim Financial Statements

Six months ended June 30, 2018

(Unaudited, in Canadian Dollars)

5. EXPLORATION AND EVALUATION ASSETS

Mineral properties acquisition costs	As at Jan. 1, 2018	Additions	Disposal	Impairment	As at June 30, 2018
	\$	\$	\$	\$	\$
Mitchi	871,365	279	-	-	871,644
Anik	1,918,950	-	-	-	1,918,950
Rivière à l'aigle	160,324	-	-	-	160,324
Gaspard nord	1,133	-	-	-	1,133
Cousineau	3,785	-	-	-	3,785
New Mosher	8,883	-	-	-	8,883
Dalime	13,370	-	-	-	13,370
Wabash	-	2,564	-	-	2,564
Baie Johann Beetz	-	1,669	-	-	1,669
	2,977,810	4,512	-	-	2,982,322

Mineral properties acquisition costs	As at Jan. 1, 2017	Acquisition from GéoMégA ³⁾	Additions	Disposal	Impairment	As at Dec. 31, 2017
	\$	\$	\$	\$	\$	\$
Mitchi	932,010	-	35,388	-	(96,033) ¹⁾	871,365
Anik	-	1,949,500	1,410	-	(31,960) ¹⁾	1,918,950
McDonald	-	371,250	577	-	(371,827) ²⁾	-
Rivière à l'aigle	-	148,000	17,874	-	(5,550) ¹⁾	160,324
Gaspard	-	9,750	-	-	(9,750) ²⁾	-
Gaspard nord	-	-	1,133	-	-	1,133
Lac Storm	-	2,250	273	-	(2,523) ²⁾	-
3G	-	10,500	-	-	(10,500) ²⁾	-
Comptois	-	1,000	-	(1,000)	-	-
Maryse	-	7,750	-	-	(7,750) ²⁾	-
Cousineau	-	-	3,785	-	-	3,785
New Mosher	-	-	8,883	-	-	8,883
Dalime	-	-	13,370	-	-	13,370
	932,010	2,500,000	82,693	(1,000)	(535,893)	2,977,810

1) Some claims were dropped and the Corporation impaired partially the property.

2) The Corporation dropped the property and wrote it off.

3) GéoMégA Resources Inc.

Kintavar Exploration Inc.

Notes to the Condensed Interim Financial Statements

Six months ended June 30, 2018

(Unaudited, in Canadian Dollars)

6. PROPERTY AND EQUIPMENT

	Vehicles
	\$
2018	
Net book value – opening	6,364
Additions	76,160
Depreciation	(14,010)
Net book value – closing	68,514
As at June 30, 2018	
Cost	84,060
Accumulated depreciation	(15,546)
Net book value – closing	68,514

	Vehicles
	\$
2017	
Net book value – opening	-
Additions	7,900
Depreciation	(1,536)
Net book value – closing	6,364
As at December 31, 2017	
Cost	7,900
Accumulated depreciation	(1,536)
Net book value – closing	6,364

7. OBLIGATIONS UNDER FINANCE LEASE

	As at June 30, 2018
	\$
Obligation under finance lease, at 27%, payable in monthly installments, maturing in May 2020. At the end of the term, the Corporation may buy the equipment at a price of \$10	5,737
Obligation under finance lease, at 7.3%, payable in monthly installments, maturing in January 2023. At the end of the term, the Corporation may buy the equipment at a price of \$15,232	71,015
Current portion	(13,502)
Obligation under finance lease non-current portion	63,250

The obligation under finance lease is as follows:

	1 year	1 to 5 years	Total
	\$	\$	\$
Minimum lease payments	19,559	73,682	93,241
Interest included in minimum lease payments	(6,057)	(10,432)	(16,489)
	13,502	63,250	76,752

Kintavar Exploration Inc.

Notes to the Condensed Interim Financial Statements

Six months ended June 30, 2018

(Unaudited, in Canadian Dollars)

8. SHARE CAPITAL

8.1 Authorized

The Corporation is authorized to issue an unlimited number of class A, B, C common shares and class A, B, C and D special shares. Only class A common shares ("Shares") are issued with the following restrictions and privileges: voting, participating with dividend as declared by the Board of Directors.

There are 14,404,101 Shares held in escrow as at June 30, 2018.

8.2 Private placements

On April 6, June 15 and June 27, 2018, the Corporation closed a private placement in three tranches consisting of 5,767,247 flow through Shares at a price of \$0.54 per Share and of 17,598,182 units at a price of \$0.40 per unit for aggregate gross proceeds of \$10,153,587. Each unit being comprised of one Share and one half warrant, each whole warrant entitling the holder hereof to acquire one Share at a price of \$0.70 per Share for 2 years.

From the total proceeds received from the units of \$7,039,273, \$1,063,372 has been allocated to warrants and \$5,975,901 to capital stock, according to a pro rata allocation of the estimated fair value of each of the two components. The estimated fair value of the warrants was determined using the Black-Scholes pricing model based on the following assumptions: no expected dividend yield, an expected volatility of 100%, a risk free interest rate of 1.78% and an expected life of the warrants of 2 years.

Concerning the flow-through private placement, the Corporation's Share value at closing is deemed to be \$0.385 and \$0.375 for June 15 and 27, 2018, respectively. Therefore the residual value attributed to the benefit related to flow-through Shares renunciation is \$0.155 and \$0.165 respectively, for a total value of \$927,958 credited to the liability related to the premium on flow-through Shares.

In connection with this financing, the Corporation issued an aggregate of 243 613 finder warrants. Each finder warrant entitles the holder to purchase one Share at a price of \$0.54 for 2 years. The total compensation warrants cost amounted to \$40,830 and this fair value was estimated using the Black-Scholes model with the same assumptions as the warrants.

Share issue expenses, including the finder's fees and compensation warrants, totalled \$475,135 of which \$374,495 was allocated to capital stock, \$42,870 to warrants and \$57,770 to flow-through premium.

9. WARRANTS

Changes in the Corporation's warrants are as follow:

	Six months ended June 30, 2018			2017		
	Number of warrants	Carrying Value	Weighted average exercise price	Number of warrants	Carrying Value	Weighted average exercise price
		\$	\$		\$	\$
Balance, beginning	5,355,498	234,205	0.168	1,001,250	47,061	0.180
Issued	8,799,091	1,020,502	0.700	4,354,248	187,144	0.165
Exercised	(1,355,109)	(60,217)	0.171	-	-	-
Balance, end	12,799,480	1,194,490	0.533	5,355,498	234,205	0.168

Kintavar Exploration Inc.

Notes to the Condensed Interim Financial Statements

Six months ended June 30, 2018

(Unaudited, in Canadian Dollars)

9. WARRANTS (CONT'D)

Warrants outstanding as at June 30, 2018 are as follows:

Number of warrants	Exercise price	Expiry date
	\$	
840,000	0.18	December 30, 2018
1,747,697	0.18	March 24, 2019
28,500	0.24	July 27, 2019
454,545	0.14	November 15, 2019
929,647	0.14	December 28, 2019
3,125,000	0.70	April 20, 2020
3,165,341	0.70	June 15, 2020
2,508,750	0.70	June 27, 2020
12,799,480		

10. BROKER OPTIONS

Changes in the Corporation's broker options and finders warrants are as follow:

	Six months ended June 30, 2018			2017		
	Number of broker warrants	Carrying Value	Weighted average exercise price	Number of broker warrants	Carrying Value	Weighted average exercise price
		\$	\$		\$	\$
Balance, beginning	210,198	12,448	0.150	-	-	-
Issued	243,613	40,830	0.540	210,198	12,448	0.15
Exercised	(48,758)	(3,019)	0.159	-	-	-
Balance, end	405,053	50,259	0.383	210,198	12,448	0.15

Broker options and finders warrants outstanding as at June 30, 2018 are as follows:

Number of broker warrants	Exercise price	Expiry date
	\$	
19,810	0.18	March 24, 2019
53,830	0.14	November 28, 2019
87,800	0.14	December 28, 2019
90,593	0.54	June 15, 2020
153,020	0.54	June 27, 2020
405 053		

Kintavar Exploration Inc.

Notes to the Condensed Interim Financial Statements

Six months ended June 30, 2018

(Unaudited, in Canadian Dollars)

11. STOCK OPTIONS

Changes in stock options are as follow:

	Six months ended June 30, 2018		2017	
	Number of options	Weighted Average Exercise Price	Number of options	Weighted Average Exercise Price
		\$		\$
Balance, beginning	1,595,000	0.142	-	-
Replacement options issued upon the amalgamation	-	-	250,000	0.20
Granted	5,475,000	0.400	1,550,000	0.14
Exercised	(48,750)	0.140	-	-
Forfeited	-	-	(5,000)	0.14
Cancelled	(50,000)	0.200	-	-
Expired	-	-	(200,000)	0.20
Balance, end	6,971,250	0.344	1,595,000	0.14
Balance, end exercisable	697,500	0.140	361,250	0.15

Stock options outstanding as at June 30, 2018 are as follows:

Number of options outstanding	Number of options exercisable	Exercise price	Expiry date
		\$	
1,196,250	622,500	0.14	March 23, 2022
150,000	37,500	0.14	August 28, 2022
150,000	37,500	0.14	December 29, 2022
5,475,000	-	0.40	June 27, 2023
6,971,250	697,500		

On June 27, 2018, the shareholders of the Corporation renewed the stock option plan which provides that the maximum number of Shares in the capital of the Corporation that may be reserved for issuance under the plan is limited to a maximum of 10% of the Shares outstanding.

On June 27, 2018, the Corporation granted to its directors, officers, employees and consultants 5,475,000 options exercisable at \$0.40, valid for 5 years. The options vest 25% per 6 months from the grant date. Those options were granted at an exercise price higher than the closing market value of the Shares preceding the grant. Total stock-based compensation costs amount to \$1,522,050 for an estimated fair value of \$0.278 per option. The fair value of the options granted was estimated using the Black-Scholes model with no expected dividend yield, 100% expected volatility, 1.94% risk-free interest rate and 5 years options expected life. The expected life and expected volatility were estimated by benchmarking comparable situations for companies that are similar to the Corporation.

Kintavar Exploration Inc.

Notes to the Condensed Interim Financial Statements

Six months ended June 30, 2018

(Unaudited, in Canadian Dollars)

12. EXPLORATION AND EVALUATION EXPENSES

	Three months ended June 30,		Six months ended June 30,	
	2018	2017	2018	2017
	\$	\$	\$	\$
Salaries and benefits	232,611	131,540	343,954	248,831
Geology and prospecting	74,467	30,236	93,404	35,213
Drilling	250,261	(307)	307,093	168,553
Analysis	748	34,072	35,994	34,635
Geophysics	184,433	81,623	252,443	134,642
Lodging and travel	78,666	22,514	102,415	67,755
Supplies	121,067	49,679	152,341	65,427
Taxes, permits and insurance	9,585	1,372	34,830	5,437
Exploration and evaluation expenses before tax credits	951,838	350,729	1,322,474	760,493
Tax credits	(196,578)	-	(196,578)	-
Exploration and evaluation expenses	755,260	350,729	1,125,896	760,493

13. SUBSEQUENT EVENTS

On July 20, 2018, the Corporation signed a purchase agreement with an individual to acquire the Wabash property in the Parent region, Québec. The property is purchased under the following considerations: \$5,000 in cash, issuance of 20,000 Shares and issuance of 50,000 warrants exercisable for 24 months at \$0.37. The property is subject to a 0.25% net smelter return ("NSR") royalty. In addition, the Corporation staked additional claims.

On July 20, 2018, the Corporation signed a purchase agreement with a private company to acquire the Baie Johan Beetz ("BJB") property in the Havre-Saint-Pierre region, Québec. The property is purchased under the following considerations: \$5,000 in cash, issuance of 20,000 Shares and issuance of 50,000 warrants exercisable for 24 months at \$0.37. In addition, the Corporation staked additional claims.

On August 7, 2018, the Corporation signed an agreement with Osisko Mining Inc. to repurchase a 1% NSR royalty on 21 claims of the Mitchi property for 131,578 Shares.