



Kintavar Exploration Inc.

Unaudited Condensed Interim Consolidated Financial Statements

Three months ended March 31, 2020

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

Kintavar Exploration Inc.

Consolidated Statements of Financial Position
(Unaudited, in Canadian Dollars)

	Note	As at March 31, 2020 \$	As at December 31, 2019 \$
Assets			
Current assets			
Cash and cash equivalents	4	3,485,649	4,106,580
Receivables	5	598,449	653,547
Stock		51,997	75,888
Prepaid expenses		131,429	147,786
Current assets		4,267,524	4,983,801
Non-current assets			
Exploration and evaluation assets	6	2,701,695	2,695,788
Property and equipment	7	2,713,697	2,769,742
Non-current assets		5,415,392	5,465,530
Total assets		9,682,916	10,449,331
Liabilities			
Current liabilities			
Bank Overdraft		-	37,266
Trade and other payables	8	571,963	610,363
Deferred revenues		46,753	11,667
Obligations under finance leases	9	15,671	15,361
Long-term debt	11	56,189	50,816
Liability related to the premium on flow-through shares	10	-	99,000
Current liabilities		690,576	824,473
Non-current liabilities			
Deferred tax liability		80,863	80,863
Obligations under finance leases	9	23,153	24,580
Long-term debt	11	975,238	991,205
Non-current liabilities		1,079,254	1,096,648
Total liabilities		1,769,830	1,921,121
Equity			
Share capital	12	17,391,097	17,391,097
Warrants	13	1,040,101	1,040,101
Broker options	14	40,830	40,830
Stock options	15	1,718,354	1,648,054
Contributed Surplus		87,155	87,155
Deficit		(12,364,451)	(11,679,027)
Total equity		7,913,086	8,528,210
Total liabilities and equity		9,682,916	10,449,331

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

Kintavar Exploration Inc.

Consolidated Statements of Loss and Comprehensive Loss (Unaudited, in Canadian Dollars)

	Note	Three months ended March 31,	
		2020 \$	2019 \$
Sales revenue		440,043	-
Operating expenses			
Exploration and evaluation, net of tax credits	16	444,710	219,744
Costs of products sold		190,711	-
Salaries and benefits		221,879	82,698
Share-based compensation		70,300	218,495
Professional fees		61,584	2,030
Travel, conference and investor relations		77,917	113,230
General expenses and maintenance		40,491	-
Administration		27,291	9,246
Filing fees		7,464	8,784
Rent		2,775	4,425
Insurance and taxes		11,499	2,135
Depreciation of property and equipment		56,045	3,116
Operating loss		(772,623)	(663,903)
Other income (expenses)			
Interest income		19,051	35,286
Finance costs		(30,852)	(1,470)
		11,801	33,816
Net loss before income taxes		(784,424)	(630,087)
Deferred income taxes recovery	10	(99,000)	59,923
Net loss and comprehensive loss		(685,424)	(572,303)
Basic and diluted loss per share		(0.01)	(0.01)
Weighted average number of basic and diluted outstanding shares		91,199,324	80,489,752

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

Kintavar Exploration Inc.

Consolidated Statements of Changes in Equity

(Unaudited, in Canadian Dollars)

	Note	Number of shares outstanding	Capital Stock \$	Warrants \$	Broker Options \$	Stock Options \$	Contributed surplus \$	Deficit \$	Total equity \$
Balance as at January 1, 2020		91,199,324	17,391,097	1,040,101	40,830	1,648,054	87,155	(11,679,027)	8,528,210
Loss and comprehensive loss for the period		-	-	-	-	-	-	(685,424)	(685,424)
Stock-based compensation		-	-	-	-	70,300	-	-	70,300
Balance as at March 31, 2020		91,199,324	17,391,097	1,040,101	40,830	1,718,354	87,155	(12,364,451)	7,913,086

	Note	Number of shares outstanding	Capital Stock \$	Warrants \$	Broker Options \$	Stock Options \$	Contributed surplus \$	Deficit \$	Total equity \$
Balance as at January 1, 2019		80,236,127	15,481,922	1,174,607	50,259	945,835	4,176	(8,132,607)	9,524,192
Loss and comprehensive loss for the period		-	-	-	-	-	-	(572,303)	(572,303)
Exercised stock options		22,500	5,490	-	-	(2,340)	-	-	3,150
Exercised warrants		1,767,696	399,663	(82,277)	-	-	-	-	317,386
Exercised broker options		10,895	2,668	-	(708)	-	-	-	1,960
Stock-based compensation		-	-	-	-	218,495	-	-	218,495
Expired broker options		-	-	-	(580)	-	580	-	-
Balance as of March 31, 2019		82,037,218	15,889,743	1,092,330	48,971	1,161,990	4,756	(8,704,910)	9,492,880

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

Kintavar Exploration Inc.
Consolidated Statements of Cash Flows
(Unaudited, in Canadian Dollars)

	Note	Three months ended March 31	
		2020	2019
		\$	\$
Operating activities			
Net loss for the period		(685,424)	(572,303)
Adjustments for:			
Stock-based compensation		70,300	218,495
Accrued interest on investments		(24,178)	(35,286)
Depreciation of property and equipment		56,045	3,116
Deferred income tax recovery		(99,000)	(59,923)
Change in non-cash working capital items	17	116,210	28,291
Cash flows used in operating activities		(566,047)	(417,610)
Investing activities			
Disposal or maturities of investments		-	1,500,000
Additions of exploration and evaluation assets		(5,907)	(32,989)
Cash flows used in investing activities		(5,907)	1,467,011
Financing activities			
Repayment of bank overdraft		(37,266)	-
Exercise of warrants		-	317,386
Exercise of broker options		-	1,960
Exercise of options		-	3,150
Obligations under financial leases repayment		(1,117)	(3,420)
Repayment of long-term debt		(10,594)	-
Cash flows from (used) in financing activities		(48,977)	319,076
Net change in cash and cash equivalents		(620,931)	1,368,477
Cash and cash equivalents - beginning		4,106,580	1,125,844
Cash and cash equivalents - ending		3,485,649	2,494,321

Non-cash transactions (note 17)

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

Kintavar Exploration Inc.

Notes to Financial Statements

Three months ended March 31, 2020

(Unaudited, in Canadian Dollars)

1. NATURE OF OPERATIONS

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 class A common shares ("Shares") are listed on the TSX Venture Exchange (the "Exchange") under the 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.

The present audited financial statements (the "Financial Statements") have been prepared on the basis of accounting principles applicable to a going concern, which contemplates the realization of assets and settlement of liabilities in the normal course of business as they come due. In assessing the validity of the principle of continuity of operations, management takes into account all available data regarding the future, which represents at least, but not limited to, the twelve months following the end of the presentation period. As at March 31, 2020, the Corporation reported a net loss of \$685,424 (\$570,356 as of March 31, 2019) and has an accumulated deficit of \$12,364,451. As of March 31, 2020, the Corporation had a working capital of \$3,576,948 (\$4,159,328 as at December 31, 2019)

Management of the Corporation believes it has sufficient funds to pay its ongoing general and administrative expenses, to pursue its budgeted exploration and evaluation expenditures, and to meet its liabilities, obligations and existing commitments for the ensuing twelve (12) months as they fall due. While management has been successful in securing financing in the past, there can be no assurance that it will be able to do so in the future or that these sources of funding or initiatives will be available to the Corporation or that they will be available on terms which are acceptable to the Corporation.

Since March 2020, the COVID-19 pandemic has had a significant and negative impact on the world financial market as well as on the price of several metals including copper, the main resource in the Corporation's portfolio of projects. The Corporation continues to monitor and assess the impact on its exploration activities and the operation of the outfitter. The potential impact is uncertain, and it is difficult to reliably measure the extent of the effect of the COVID-19 pandemic on future financial results.

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, 2019, 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 June 4, 2020.

Kintavar Exploration Inc.

Notes to Financial Statements

Three months ended March 31, 2020

(Unaudited, in Canadian Dollars)

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, 2019.

4. CASH AND CASH EQUIVALENTS

Short-term investments held as at March 31, 2020 and classified as cash equivalents are:

- Redeemable with no penalty guaranteed investment certificate with a 2.110% interest payable annually, maturing on August 6, 2020 and having a maturity value of \$2,645,573.
- Redeemable with no penalty guaranteed investment certificate with a 2.14% interest payable annually, maturing on April 13, 2020 and having a maturity value of \$705,744.

The Corporation has the following credit facility:

- Operating line of credit, which provides for advances of up to \$50,000, bearing interest at the prime rate of financial institution plus 2.35% (effective rate of 4.80% as at March 31, 2020). As at March 31, 2020, the amount outstanding at the end of this credit facility was nil.

All of the funds raised during the flow-through financing of October 17, 2019 were spent as of March 31, 2020. There is therefore no longer any liability related to the premium on flow-through shares on that date.

5. RECEIVABLES

	As at March 31, 2020	As at, December 31 2019
	\$	\$
Accounts receivable	10,011	3,969
Sales taxes receivable	154,121	289,752
Tax credits and mining rights receivable	381,155	335,648
Interest receivable	37,731	24,178
Other	15,431	-
Amounts receivable	598,449	653,547

Kintavar Exploration Inc.

Notes to Financial Statements

Three months ended March 31, 2020

(Unaudited, in Canadian Dollars)

6. EXPLORATION AND EVALUATION ASSETS

Mining properties acquisition costs	As at Jan. 1, 2020	Additions	Impairment	Transferred – held for sale	As at March 31, 2020
	\$	\$	\$	\$	
Mitchi	940,364	3,257	-	-	943,621
Anik	1,555,654	-	-	-	1,555,654
Rivière à l'aigle	129,894	-	-	-	129,894
Gaspard nord	1,786	-	-	-	1,786
Cousineau	4,757	-	-	-	4,757
New Mosher	9,797	-	-	-	9,797
Wabash	26,184	2,650	-	-	28,834
Baie Johann Beetz	27,352	-	-	-	27,352
	2,695,788	5,907	-	-	2,701,695

Mining properties acquisition costs	As at Jan. 1, 2019	Additions	Impairment	Transferred – held for sale	As at Dec. 31, 2019
	\$	\$	\$	\$	
Mitchi	931,164	26,978	(17,778) ¹⁾	-	940,364
Anik	-	21,708	(388,913) ¹⁾	1,922,859 ²⁾	1,555,654
Rivière à l'aigle	117,046	12,848	-	-	129,894
Gaspard nord	1,133	653	-	-	1,786
Cousineau	3,785	2,104	(1,132) ¹⁾	-	4,757
New Mosher	8,883	914	-	-	9,797
Wabash	25,534	650	-	-	26,184
Baie Johann Beetz	25,260	2,092	-	-	27,352
	1,112,805	67,947	(407,823)	1,922,859	2,695,788

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

²⁾ An agreement has been signed for the sale of the Anik property to a new company, Monster Exploration. Due to lack of funding, the new Company was never created, and the sale did not materialize. The property has been reclassified into exploration and evaluation assets. Refer to the consolidated financial statements of December 31, 2019 for more information.

Kintavar Exploration Inc.

Notes to Financial Statements

Three months ended March 31, 2020

(Unaudited, in Canadian Dollars)

7. PROPERTY AND EQUIPMENT

	Net book value January 1, 2020	Additions	Write-off	Depreciation	Net book value March 31, 2020
	\$	\$	\$	\$	\$
Rolling stock	170,447	-	-	(10,339)	160,108
Right-of-use assets	1,098	-	-	(658)	440
Outfitter trails ¹⁾	75,427	-	-	(963)	74,464
Electric line ¹⁾	150,854	-	-	(1,926)	148,928
Spawning grounds ¹⁾	75,427	-	-	(963)	74,464
Outfitting equipment ¹⁾	402,330	-	-	(10,496)	391,834
Buildings ¹⁾	1,894,159	-	-	(30,700)	1,863,459
	2,769,742	-	-	(56,045)	2,713,697

	Net book value January 1, 2019	Additions	Write-off	Depreciation	Net book value December 31, 2019
	\$	\$	\$	\$	\$
Rolling stock	24,586	157,650	-	(11,789)	170,447
Right-of-use assets	3,731	-	-	(2,633)	1,098
Outfitter trails ¹⁾	-	77,032	-	(1,605)	75,427
Electric line ¹⁾	-	154,064	-	(3,210)	150,854
Spawning grounds ¹⁾	-	77,032	-	(1,605)	75,427
Outfitting equipment ¹⁾	-	419,823	-	(17,493)	402,330
Buildings ¹⁾	-	1,927,716	-	(33,557)	1,894,159
	28,317	2,813,317	-	(71,892)	2,769,742

	As at March 31, 2020			As at December 31, 2019
	Cost	Accumulated Depreciation	Net book value	Net book value
	\$	\$	\$	\$
Rolling stock	187,150	(27,042)	160,108	170,447
Right-of-use assets	7,900	(7,460)	440	1,098
Outfitter trails ¹⁾	77,032	(2,568)	74,464	75,427
Electric line ¹⁾	154,064	(5,136)	148,928	150,854
Spawning grounds ¹⁾	77,032	(2,568)	74,464	75,427
Outfitting equipment ¹⁾	419,823	(27,989)	391,834	402,330
Buildings ¹⁾	1,927,716	(64,257)	1,863,459	1,894,159
	2,850,717	(137,020)	2,713,697	2,769,742

Kintavar Exploration Inc.

Notes to Financial Statements

Three months ended March 31, 2020

(Unaudited, in Canadian Dollars)

8. TRADE AND OTHER PAYABLES

	As at March 31, 2020	As at December 31, 2019
	\$	\$
Trade payables and accrued liabilities	393,881	422,386
Due to Geomega Resources Inc.	41,127	60,357
Accrued salaries	45,842	62,299
Accrued vacations	47,060	63,444
Government remittances	44,053	1,877
Trade and other payables	571,963	610,363

9. OBLIGATIONS UNDER FINANCE LEASE

	As at March 31, 2020	As at December 31, 2019
	\$	\$
Obligation under finance lease, at 26.9%, payable in monthly instalments of \$322, maturing in May 2020.	615	1,500
Obligation under finance lease, 17.00%, payable in monthly instalments of \$2,012, maturing in November 2021.	18,133	16,951
Obligation under finance lease, 4.99%, payable in monthly instalments of \$559, maturing in June 2023.	20,076	21,490
Current position	(15,671)	(15,361)
Obligations under finance lease non-current portion	23,153	24,580

10. LIABILITY RELATED TO THE PREMIUM ON FLOW THROUGH SHARES

	Three Months Ended March 31, 2020	2019
	\$	\$
Balance, beginning	99,000	120,167
Addition, net of issue costs	-	300,000
Reduction related to qualifying exploration expenditures	(99,000)	(321,167)
Liability related to the premium on flow through shares	-	99,000

Kintavar Exploration Inc.

Notes to Financial Statements

Three months ended March 31, 2020

(Unaudited, in Canadian Dollars)

11. LONG-TERM DEBT

	As at March 31, 2020	As at December 31, 2019
	\$	\$
Term loan secured by a first mortgage on the present and future movable properties of the Corporation, on the current immovable properties and on the universality of the receivables as well as by a joint guarantee of the Corporation and its subsidiary. The loan bears interest at 5.67%. Interest and principal of \$2,778 are payable monthly, maturing in August 2034.	480,556	488,888
Term loan secured by a first mortgage on the present and future movable properties of the Corporation, on the current immovable properties and on the universality of the receivables as well as by a joint guarantee of the Corporation and its subsidiary. The loan bears interest at 6.55%. Interest is payable monthly, and the payment of principal begins in August 2020 until July 2035. The loan is payable through 180 installments of \$4,369.	500,000	500,000
Term loan secured by a first mortgage on certain equipment at a rate of 7.49% and payable in installments of \$1,079, maturing in November 2024.	50,873	53,133
Current portion	(56,189)	(50,816)
Long-term debt - non-current portion	975,238	991,205

12. EQUITY

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 were 5,476,017 shares held in escrow as at March 31, 2020 (6,101,017 as at December 31, 2019).

Kintavar Exploration Inc.

Notes to Financial Statements

Three months ended March 31, 2020

(Unaudited, in Canadian Dollars)

13. WARRANTS

Changes in the Corporation's warrants are as follows:

	Three months ended March 31, 2020			2019		
	Number of warrants	Carrying Value	Weighted average exercise price	Number of warrants	Carrying Value	Weighted average exercise price
		\$	\$		\$	\$
Balance, beginning	8,899,091	1,040,101	0.696	12,059,479	1,174,607	0.557
Exercised	-	-	-	(1,767,696)	(82,277)	0.180
Expired	-	-	-	(1,392,692)	(52,229)	0.142
Balance, end	8,899,091	1,040,101	0.696	8,899,091	1,040,101	0.696

Warrants outstanding as at March 31, 2020 are as follows:

Number of warrants	Exercise price	Expiry date
	\$	
3,125,000	0.70	April 6, 2020
3,165,341	0.70	June 15, 2020
2,508,750	0.70	June 27, 2020
100,000	0.37	July 20, 2020
8,899,091		

14. BROKER OPTIONS

Changes in the Corporation's broker options are as follows:

	Three months ended March 31, 2020			2019		
	Number of broker options	Carrying Value	Weighted average exercise price	Number of broker options	Carrying Value	Weighted average exercise price
		\$	\$		\$	\$
Balance, beginning	243,613	40,830	0.540	405,053	50,259	0.383
Exercised	-	-	-	(40,501)	(2,337)	0.151
Expired	-	-	-	(120,939)	(7,092)	0.143
Balance, end	243,613	40,830	0.540	243,613	40,830	0.540

Broker options outstanding as at March 31, 2020 are as follows:

Number of broker options	Exercise price	Expiry date
	\$	
90,593	0.54	June 15, 2020
153,020	0.54	June 27, 2020
243,613		

Kintavar Exploration Inc.

Notes to Financial Statements

Three months ended March 31, 2020

(Unaudited, in Canadian Dollars)

15. STOCK OPTIONS

Changes in stock options are as follows:

	Three months ended March 31, 2020		2019	
	Number of options	Weighted Average Exercise Price	Number of options	Weighted Average Exercise Price
		\$		\$
Balance, beginning	7,546,250	0.34	7,546,250	0.34
Granted	-	-	1,235,000	0.17
Exercised	-	-	(30,000)	0.14
Forfeited	(18,750)	0.17	(321,250)	0.25
Expired	-	-	(142,500)	0.22
Balance, end	8,168,750	0.32	8,287,500	0.32
Balance, end exercisable	5,919,063	0.32	5,798,750	0.32

Stock options outstanding as at March 31, 2020 are as follows:

Number of options outstanding	Number of options exercisable	Exercise price	Expiry date
		\$	
1,102,500	1,102,500	0.14	March 23, 2022
150,000	150,000	0.14	August 28, 2022
150,000	150,000	0.14	December 29, 2022
5,150,000	3,862,500	0.40	June 27, 2023
400,000	200,000	0.35	September 17, 2023
100,000	50,000	0.17	December 10, 2023
1,116,250	283,750	0.17	June 20, 2024
100,000	-	0.15	November 26, 2024
8,168,750	5,798,750		

Kintavar Exploration Inc.

Notes to Financial Statements

Three months ended March 31, 2020

(Unaudited, in Canadian Dollars)

16. EXPLORATION AND EVALUATION EXPENSES

	Three months ended	
	March 31,	
	2020	2019
	\$	\$
Salaries and benefits	154,364	111,314
Geology and prospecting	13,519	9,041
Drilling	142,983	1,044
Analysis	102,009	14,685
Geophysics	3,579	10,500
Geochemistry	-	6,197
Metallurgy	-	57,545
Lodging and travel	40,620	4,420
Supplies	31,334	8,736
Taxes, permits and insurance	1,810	359
Exploration and evaluation expenses before tax credits	490,218	223,841
Tax credits	(45,508)	(4,097)
Exploration and evaluation expenses	444,710	219,744

17. ADDITIONAL INFORMATION RELATING TO THE STATEMENT OF CASH FLOWS

Changes in non-cash working capital items

	2020	2019
	\$	\$
Receivables	79,276	213,111
Stock	23,891	-
Prepaid expenses and others	16,357	45,933
Trade and other payables	(38,400)	(230,753)
Deferred revenues	35,086	-
	116,210	28,291

Non-cash transactions

	2020	2019
	\$	\$
Reduction of an obligation under finance lease following repayment by insurances	-	54,627

Kintavar Exploration Inc.

Notes to Financial Statements

Three months ended March 31, 2020

(Unaudited, in Canadian Dollars)

18. SUBSEQUENT EVENTS

On April 21, 2020, the Pourvoirie Fer à Cheval, a subsidiary of the Corporation, received an emergency loan of \$40,000, a measure implemented by the federal government in connection with the COVID-19 crisis. This loan does not bear interest before December 31, 2022 and 25% of the loan value will not be repayable if the balance of the loan is repaid before this date.

On May 27, 2020, the Corporation signed an option agreement with IAMGOLD Corporation ("IAMGOLD") allowing it to acquire a 75% undivided interest in the Anik gold property in consideration for: (a) staged cash payments totalling \$600,000, and (b) the completion of \$4,000,000 in exploration expenditures on the Project over a period of 5 years. Following the exercise of the first option, IAMGOLD can elect a second option to earn an additional 5% undivided interest, to hold a 80% interest in the Project, in consideration for the delivery of a pre-feasibility study during the following 5 years and a commitment to spend \$500,000 per year until the completion of the second option. Both options could be fulfilled before their respective 5 year periods, if IAMGOLD elects so. Upon completion of either of these options, Kintavar will retain a 25% or 20% contributing net interest, as the case maybe, which can be converted at Kintavar's election to a 10% non-contributing and free carried interest until commercial production is achieved. The contributing interests are subject to standard dilution conditions, which upon dilution to less than 10%, would convert to a 1.5% net smelter returns royalty ("NSR"). IAMGOLD reserved the right to buy back 0.75% of the NSR for \$2,000,000.