

Kintavar Exploration Inc. (KTR-V)

Anik smartly optioned

Event: Kintavar announced on May 28, 2020 an option to farm out up to to 80% of the Anik Project in the Chibougamau-Chapais area to IAMGOLD.

Impact: Positive. The Anik gold project option to IAMGOLD permits a consolidation of the sector with the 3.2M oz Au Nelligan project to the SW. Up to \$6.5M work commitment and potential to receive up to \$3M payment. A free carried interest of 10% should be a very big upside for Kintavar shareholders.

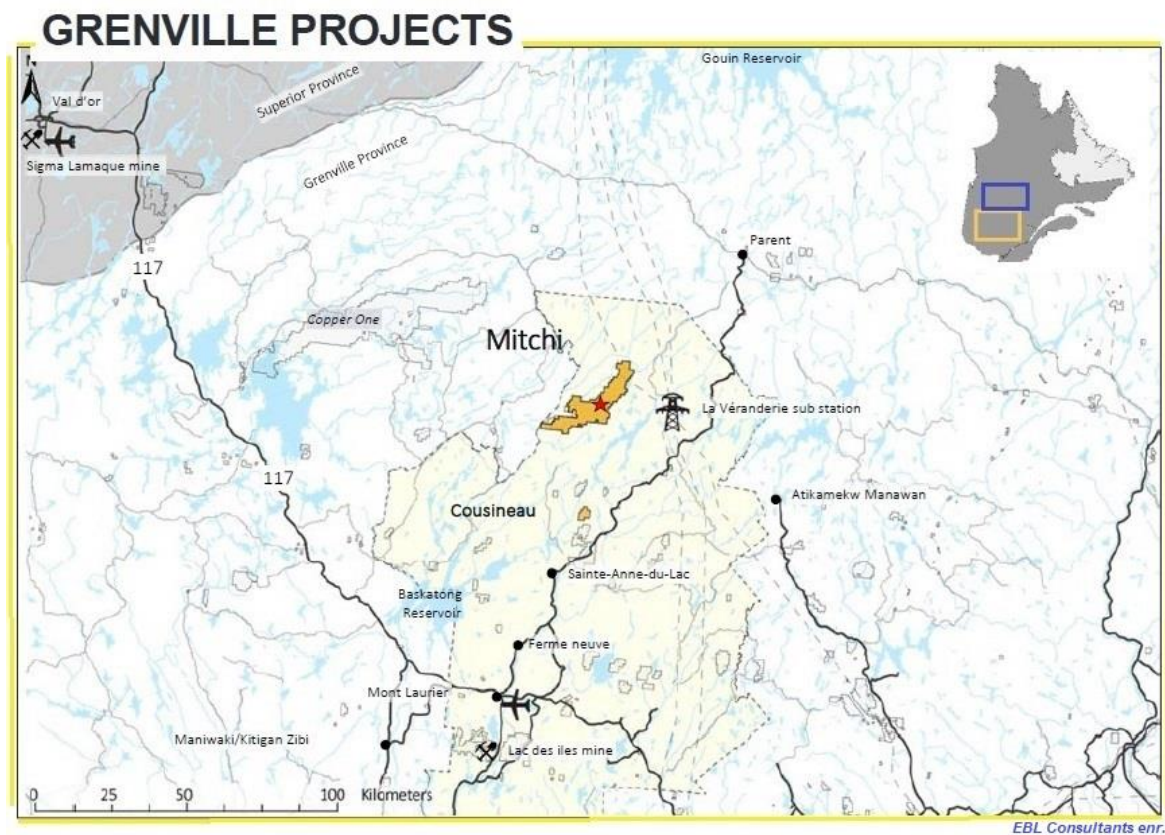
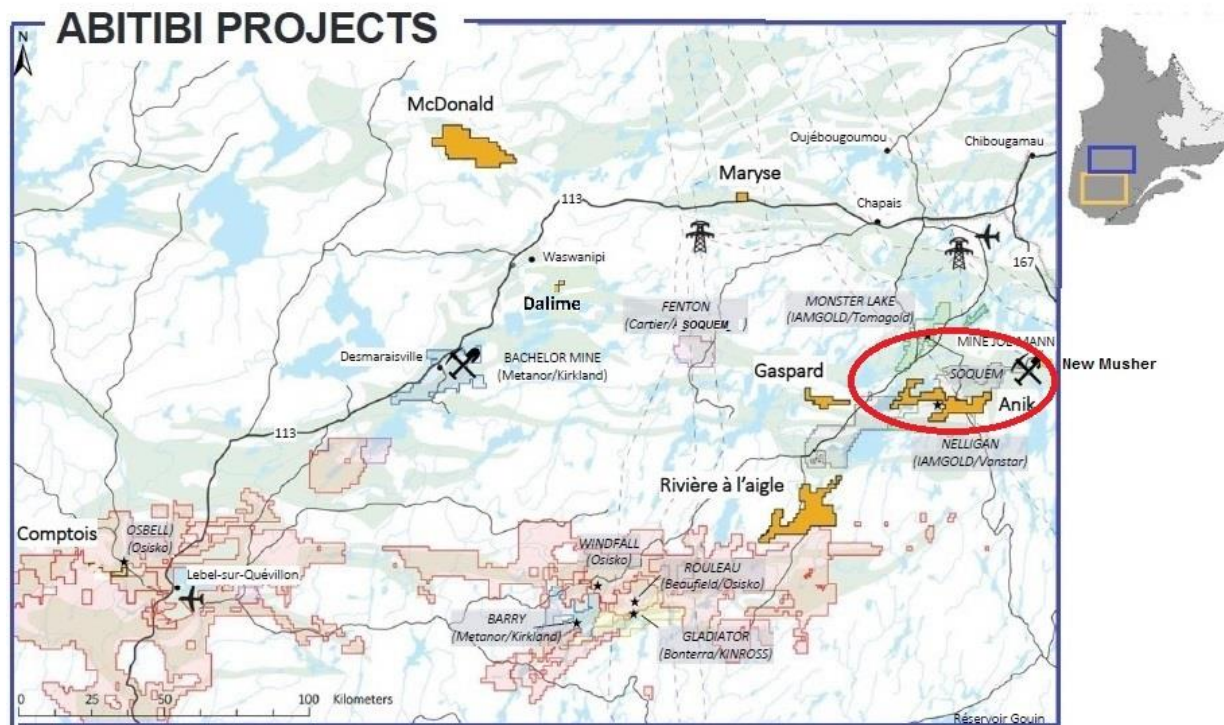
Analysis

- **On May 28, 2020 Kintavar announced that it has executed an Option Agreement with IAMGOLD Corporation for the Anik Project.** The Anik gold project is now composed of 96 mining claims (5.400 ha) and is located 40km to the SE of the town of Chapais and 55km to the South of the town of Chibougamau in the Province Québec (please see pages 7 and 31 in https://kintavar.com/wp-content/uploads/2018/02/Kintavar_EL_22%20fevrier%202018.pdf). It is located very proximal to the Nelligan deposit of IAMGOLD/Vanstar Mining Resources Inc. (VSR-V). Recall the Nelligan deposit (Renard – Liam – Dan and 36 zones) is host to an Inferred Resource of 3.2M oz Au (96.9Mt @ 1.02 g/t Au) with > \$12M invested since 2013. IAMGOLD currently owns 75% of the Nelligan property (but can acquire up to 80% by completing a feasibility study with Vanstar keeping a 20% Net Carried Interest + 1% NSR). Nelligan was the 2019 AEMQ Quebec Mineral Exploration Association 'Discovery of the Year' award. On the Eastern side of the property, Anik is adjacent to Dore Copper Mining (DMMC-V) which owns the past producing Joe Mann mine.
- **Favorable option terms considering the limited amount of work done on the Anik Project:** Under the terms of the Agreement, Kintavar has granted IAMGOLD an option to earn up to an 80% interest in the Anik Project. Per the agreement, IAMGOLD has a first option to earn 75% undivided interest in consideration for: (i) staged cash payments totalling \$600,000, and (ii) the completion of \$4M in exploration expenditures over a 5-year period. Following the exercise of the first option, IAMGOLD may elect a second option to earn an additional 5% undivided interest 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 (up to \$2.5M). Upon completion of either of these options, Kintavar shall retain a 25% or 20% contributing net interest, as the case maybe, which can be converted 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 <10%, would convert to a 1.5% NSR royalty (with IAMGOLD may buy back 0.75% of the NSR for \$2M). Kintavar shall also be paid by IAMGOLD \$400,000 in cash upon the first declaration of a minimum 300,000oz. Au in a qualifying NI 43-101 indicated mineral resources. In addition, IAMGOLD shall issue a payment of \$1M in cash and/or common shares of IAMGOLD upon (a) a decision to develop a first mine and later (b)

a decision to declare commercial production on all or part of the Anik Project (total additional payments amounting to \$2.4M). We estimate the Anik gold property valued at 100% basis at \$11.9M proximal to our 2018 valuation of \$8.8M.

- **Comparing with the Vanstar deal from 2014:** This deal resembles somewhat to the initial transaction between Vanstar and IAMGOLD in November 2014. Nelligan had fairly more drilling and gold intersections at the time but the value of the deal was fixed at \$1M in cash, \$4M in work and a Feasibility Study to earn up to 80% interest. Vanstar would then have a 20% free carried interest and a 1.5% NSR. In February 2018, as IAMGOLD started putting together wider intersections and more mineralized zones, the deal was modified to \$5.3M in cash with the rest of the terms mostly the same. We understand that IAMGOLD paid \$2.5M in cash and \$4.17M in exploration expenditures on Nelligan for the acquisition of the initial 51% interest and subsequently a total of ~\$15.2M for 80% interest. It took over ~5 years for IAMGOLD to demonstrate the project potential. With Kintavar getting an eventual 10% free carried interest but a lot of the work already done on Nelligan to bring a mine in the area, Kintavar could see the upside faster. IAMGOLD is now getting much more land flexibility to target multiple proximal mineralized zones that could all be fed to a central mill complex.
- **Likely better than previous deal:** Recall on January 25, 2019 Kintavar had entered into a letter of intent with an arm's length party, with respect to the acquisition by Monster Exploration of 100% interests in the Anik gold project for \$5M in shares. Monster Exploration was the proposed spin-out of TomaGold Corporation (LOT-V) of all its interests in the Monster Lake (joint venture with IAMGOLD – 50%) and Irene Lake exploration projects. The transaction never materialized. The Anik gold project had been locked with the Monster Exploration spin-out in a failed transaction and no work has been done for the last 2 years to our knowledge.
- **Mitchi Copper Project in Grenville still main focus:** Recall on March 31, 2020 Kintavar reported additional results from the 5,750m drilling program on Mitchi following the January 20, 2020 reporting of the initial results from the vertical drilling program that started in November 2019. The Mitchi project (~30,000ha) is located ~100km north of the town of Mont-Laurier in west central Québec. (Please see: <https://www.linkedin.com/pulse/kintavar-exploration-inc-ktr-v-drilling-sherlock-advances-lemieux/> and <https://www.linkedin.com/pulse/kintavar-exploration-inc-ktr-v-drilling-results-sherlock-eric-lemieux/>). With a mineralized envelope of 50 to 75m wide (comprised of 3 to 4 horizons) and a 300m linear N-S axis, the Sherlock zone continues to deliver certain thickness, grade and size. We await assay results from the 2,280m that were drilled in the Conan/Elementary area.

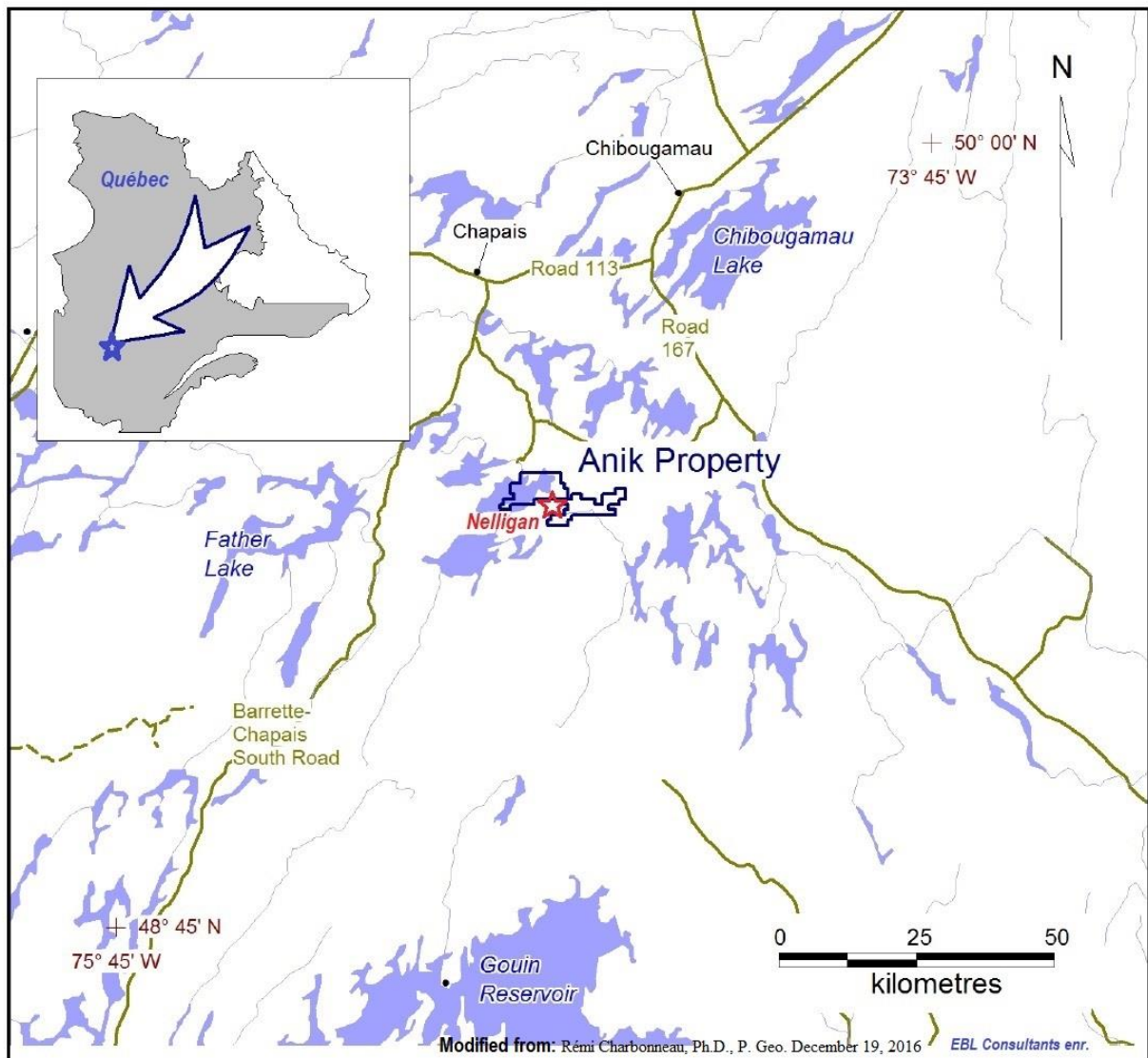
Please see: <https://www.linkedin.com/pulse/kintavar-exploration-inc-ktr-v-anik-smartly-optioned-eric-lemieux/?published=t>

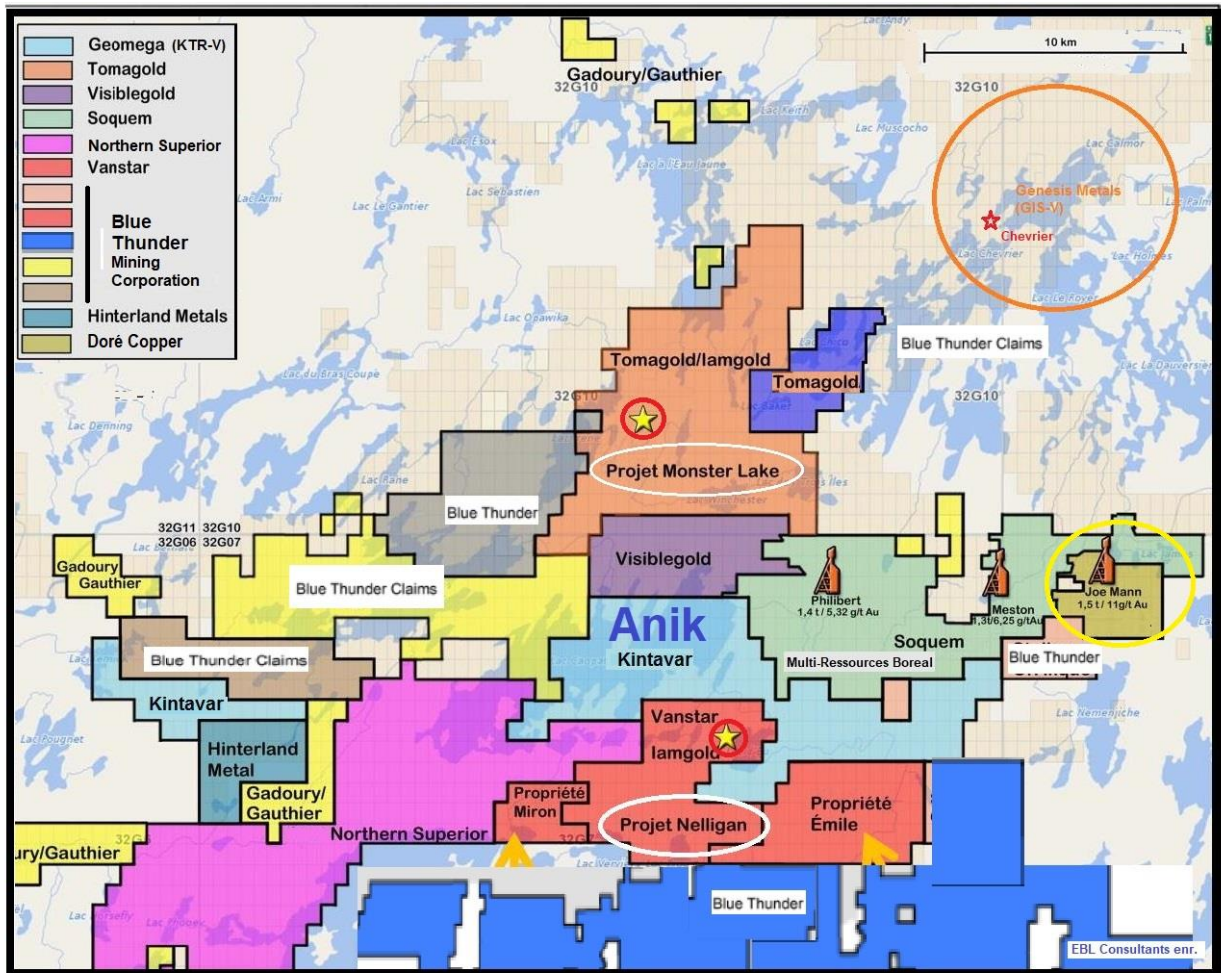


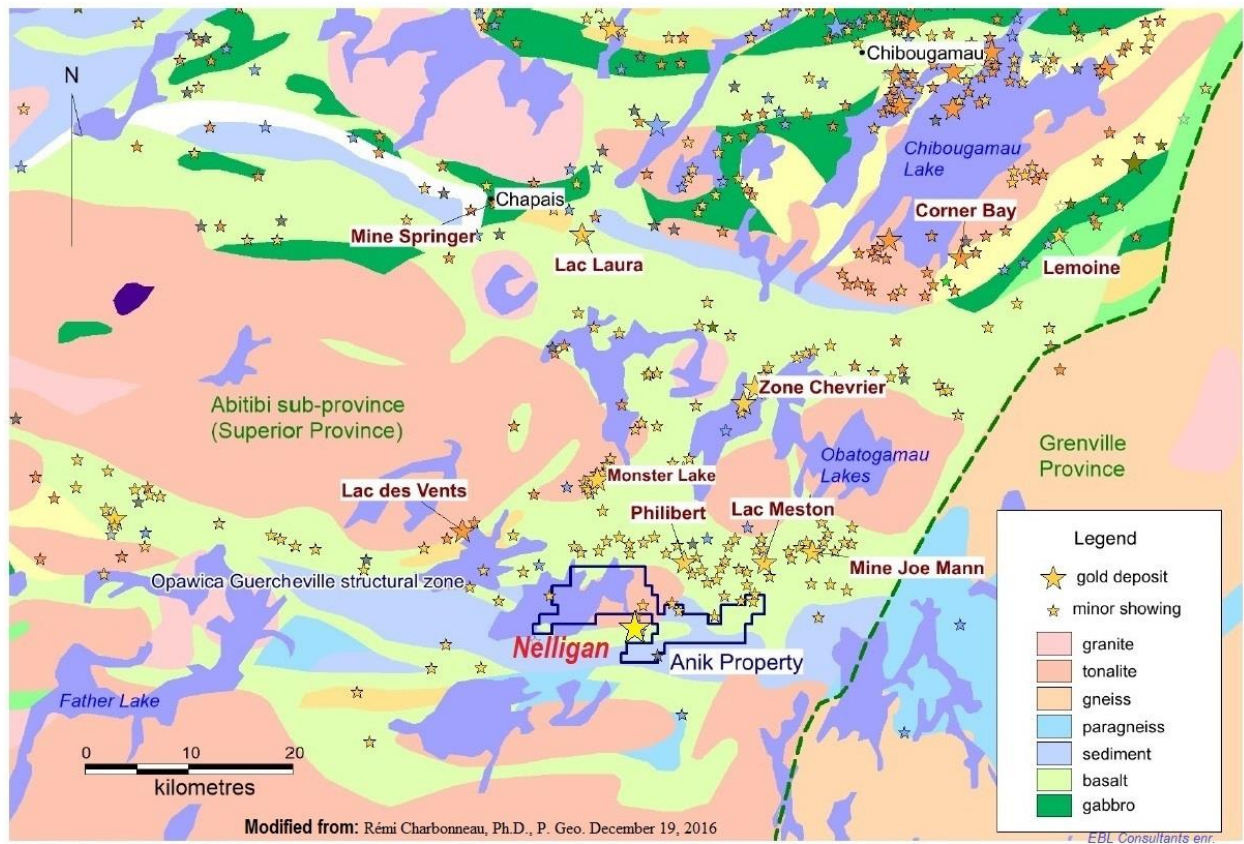
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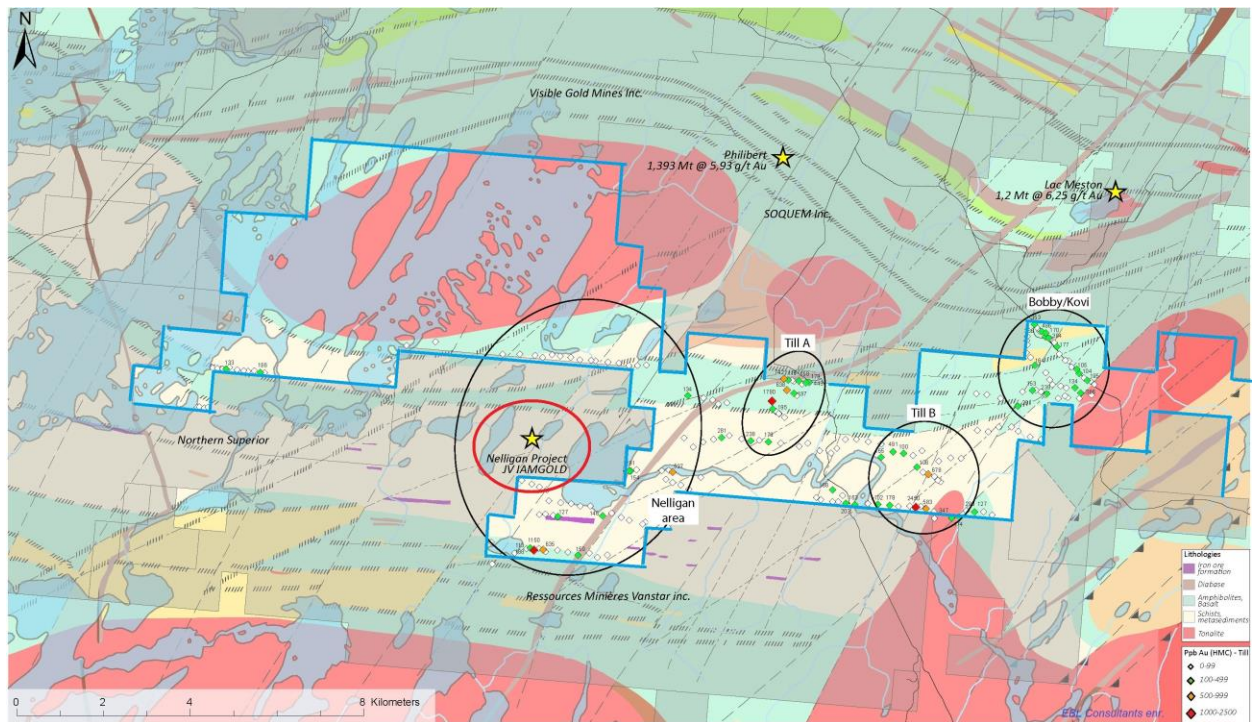
May 29, 2020

EBL Consultants enr.











Important Disclosures

Company	Ticker	Disclosures*
Kintavar Exploration Inc.	KTR-V	C, V, Q, R

* Legend

- A The Mining Analyst, in his own account or in a family related account, owns securities in excess of 1,000 shares of the issued and outstanding equity securities of this issuer.
- B The Mining Analyst, in his own account or in a family related account, owns securities in excess of 10,000 shares of the issued and outstanding equity securities of this issuer.
- C The Mining Analyst, in his own account or in a family related account, owns securities in excess of 30,000 shares of the issued and outstanding equity securities of this issuer.
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- F The Mining Analyst, in his own account or in a family related account, owns securities in excess of 250,000 shares of the issued and outstanding equity securities of this issuer.
- V The Mining Analyst has visited material operations of this issuer, namely the Mitchi project on October 26, 2017, August 21, 2018 and October 25, 2019.
- P This issuer paid a portion of the travel-related expenses incurred by the Mining Analyst to visit material operations of this issuer.
- Q This issuer had directly paid the Mining Analyst for the 2018 Analyst Report.
- R This issuer has indirectly paid the Mining Analyst.

Mining Analyst Certification

I, Éric Lemieux, Mining Analyst, hereby certify that the comments and opinions expressed in this report accurately reflect my personal views about the subject and the issuer.

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