



Kintavar Exploration Inc.

Unaudited Condensed Interim Consolidated Financial Statements

Six months ended June 30th, 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 June 30, 2020 \$	As at December 31, 2019 \$
Assets			
Current assets			
Cash and cash equivalents	4	3,254,932	4,106,580
Receivables	5	398,290	653,547
Stock		39,669	75,888
Prepaid expenses		121,797	147,786
Current assets		3,814,688	4,983,801
Non-current assets			
Exploration and evaluation assets	6	2,627,225	2,695,788
Property and equipment	7	2,717,732	2,769,742
Non-current assets		5,344,957	5,465,530
Total assets		9,159,645	10,449,331
Liabilities			
Current liabilities			
Bank Overdraft		-	37,266
Trade and other payables	8	261,236	610,363
Deferred revenues		40,550	11,667
Obligations under finance leases	9	14,017	15,361
Long-term debt	11	60,129	50,816
Liability related to the premium on flow-through shares	10	-	99,000
Current liabilities		375,932	824,473
Non-current liabilities			
Deferred tax liability		80,863	80,863
Obligations under finance leases	9	21,763	24,580
Long-term debt	11	987,154	991,205
Non-current liabilities		1,089,780	1,096,648
Total liabilities		1,465,712	1,921,121
Equity			
Share capital	12	17,391,097	17,391,097
Warrants	13	19,599	1,040,101
Broker options	14	-	40,830
Stock options	15	1,784,477	1,648,054
Contributed Surplus		1,148,487	87,155
Deficit		(12,649,727)	(11,679,027)
Total equity		7,693,933	8,528,210
Total liabilities and equity		9,159,645	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 June 30		Six months ended June 30	
		2020	2019	2020	2019
		\$	\$		
Sales revenue		118,267	-	558,310	-
Operating expenses					
Exploration and evaluation, net of tax credits	16	43,705	314,349	488,415	535,476
Costs of sales		45,683	-	236,394	-
Salaries and benefits		62,393	53,530	284,272	136,228
Share-based compensation		66,123	215,714	136,423	434,209
Professional fees		14,676	57,244	76,260	59,466
Travel, conference and investor relations		39,142	104,552	117,059	217,782
General expenses and maintenance		39,293	-	79,784	-
Administration		15,077	8,662	42,369	17,908
Filing fees		7,447	4,181	14,911	12,965
Rent		-	4,425	2,775	8,850
Insurance and taxes		11,475	3,317	22,974	4,452
Depreciation of property and equipment		49,776	3,115	105,821	6,231
Operating loss		(276,523)	(769,089)	(1,049,147)	(1,434,567)
Other income (expenses)					
Interest income		14,296	33,914	33,347	69,200
Finance costs		(22,958)	(236)	(53,810)	(1,706)
		(8,662)	33,678	(20,463)	67,494
Net loss before income taxes		(285,185)	(735,411)	(1,069,610)	(1,367,073)
Current income taxes		(90)	-	(90)	-
Deferred income taxes recovery	10	-	60,244	99,000	120,167
Net loss and comprehensive loss		(285,275)	(675,167)	(970,700)	(1,246,906)
Basic and diluted loss per share		(0,003)	(0,008)	(0,011)	(0,022)
Weighted average number of basic and diluted outstanding shares		91,199,324	82,044,388	91,199,324	81,271,365

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		-	-	-	-	-	-	(970,700)	(970,700)
Stock-based compensation		-	-	-	-	136,423	-	-	136,423
Expired warrants		-	-	(1,020,502)	-	-	1,020,502	-	-
Expired broker option		-	-	-	(40,830)	-	40,830	-	-
Balance as at June 30, 2020		91,199,324	17,391,097	19,599	-	1,784,477	1,148,487	(12,649,727)	7,693,933

	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		-	-	-	-	-	-	(1,246,906)	(1,246,906)
Exercised stock options		30,000	7,320	-	-	(3,120)	-	-	4,200
Exercised warrants		1,767,696	399,663	(82,277)	-	-	-	-	317,386
Exercised broker options		10,895	2,668	-	(708)	-	-	-	1,960
Stock-based compensation		-	-	-	-	434,209	-	-	434,209
Expired options		-	-	-	-	(23,659)	23,659	-	-
Expired broker options		-	-	-	(580)	-	580	-	-
Balance as of June 30, 2019		82,044,718	15,891,573	1,092,330	48,971	1,353,265	28,415	(9,379,513)	9,035,041

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

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

		Six months ended June 30	
	Note	2020	2019
		\$	\$
Operating activities			
Net loss for the period		(970,700)	(1,246,906)
Adjustments for:			
Stock-based compensation		136,423	434,209
Accrued interest on investments		(24,178)	(51,545)
Depreciation of property and equipment		105,821	6,231
Deferred income tax recovery		(99,000)	(120,167)
Gains from write-off of rental obligation		-	(4,537)
Long-term debt accretion charge		312	-
Change in non-cash working capital items	17	21,399	(33,896)
Cash flows used in operating activities		(829,923)	(1,016,611)
Investing activities			
Disposal of maturities of investments		-	1,500,000
Additions of exploration and evaluation assets		(6,437)	(50,702)
Collection of option payments on exploration and evaluation assets		75,000	-
Acquisition of fixed assets		(53,811)	-
Cash flows used in investing activities		14,752	1,449,298
Financing activities			
Repayment of bank overdraft		(37,266)	-
Exercise of warrants		-	317,386
Exercise of broker options		-	1,960
Exercise of options		-	4,200
Obligations under financial leases repayment		(4,161)	(7,924)
Increase of long-term debt		26,706	-
Repayment of long-term debt		(21,756)	-
Cash flows from (used) in financing activities		(36,477)	315,622
Net change in cash and cash equivalents		(851,648)	748,309
Cash and cash equivalents - beginning		4,106,580	1,125,844
Cash and cash equivalents - ending		3,254,932	1,874,153

Non-cash transactions (note 17)

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

Kintavar Exploration Inc.

Notes to Financial Statements

Six months ended June 30, 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 June 30, 2020, the Corporation reported a net loss of \$970,700 (\$1,246,906 as of June 30, 2019) and has an accumulated deficit of \$12,649,727. As of June 30, 2020, the Corporation had a working capital of \$3,438,756 (\$7,860,507 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 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 August 26, 2020.

Kintavar Exploration Inc.

Notes to Financial Statements

Six months ended June 30, 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 for the year ended December 31, 2019.

4. CASH AND CASH EQUIVALENTS

Short-term investments held as at June 30, 2020 and classified as cash equivalents are:

- Redeemable with no penalty guaranteed investment certificate with a 2.10% interest payable annually, maturing on August 6, 2020 and having a maturity value of \$2,645,573.
- Non-cashable with no penalty guaranteed investment certificate with a 0.60% interest payable at maturity on July 6, 2020 and whose value at maturity is \$600,316.

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 June 30, 2020). As at June 30, 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 June 30, 2020. There is therefore no longer any liability related to the premium on flow-through shares on that date.

5. RECEIVABLES

	As at June 30, 2020	As at, December 31, 2019
Accounts receivable	\$ 20,266	\$ 3,969
Sales taxes receivable	58,560	289,752
Tax credits and mining rights receivable	135,327	335,648
Grants receivable	134,707	-
Interest receivable	49,430	24,178
Amounts receivable	398,290	653,547

Kintavar Exploration Inc.

Notes to Financial Statements

Six months ended June 30, 2020

(Unaudited, in Canadian Dollars)

6. EXPLORATION AND EVALUATION ASSETS

Mining properties acquisition costs	As at Jan. 1, 2020	Additions	Impairment	Option payments received	As at June 30, 2020
	\$	\$	\$	\$	
Mitchi	940,364	3,257	-	-	944,151
Anik	1,555,654	-	-	(75,000)	1,480,654
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	6,437	-	(75,000)	2,627,225

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.

6.1 Anik

On May 27, 2020, the Corporation granted to IAMGOLD Corporation ("IAMGOLD"), an option allowing it to acquire a maximum undivided interest of 80% in the Anik gold project in consideration of the following terms:

Kintavar Exploration Inc.

Notes to Financial Statements

Six months ended June 30, 2020

(Unaudited, in Canadian Dollars)

6. EXPLORATION AND EVALUATION ASSETS (CONT'D)

	Cash payments	Work
	\$	\$
First option for an initial participation of 75%		
At the signature (completed)	75,000	-
On or before May 26, 2021	75,000	250,000
On or before May 26, 2022	100,000	500,000
On or before May 26, 2023	100,000	750,000
On or before May 26, 2024	100,000	1,000,000
On or before May 26, 2025	150,000	1,500,000
	600,000	4,000,000
Second option for an additional participation of 5%		
Delivery of a prefeasibility study in the subsequent 5 years and commitment to spend an additional \$500,000 yearly.	-	2,500,000
	600,000	6,500,000

Both options can be exercised before their respective 5-year periods, if IAMGOLD so chooses. Following either of these options, Kintavar will retain a contributing net interest of 25% or 20% as the case may be, 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.

Pursuant to the Agreement, Kintavar will receive from IAMGOLD an additional \$ 400,000 in cash upon the first declaration of at least 300,000 ounces of gold from 43-101 indicated mineral resources. In addition, and in each case, (a) upon a decision to develop a first mine and later (b) upon a decision to report commercial production on all or part of the Project, IAMGOLD will issue a payment of \$1,000,000 in cash and / or ordinary shares of IAMGOLD. In total, these additional payments could reach a total of \$2,400,000.

7. PROPERTY AND EQUIPMENT

	Net book value				Net book value
	January 1, 2020	Additions	Write-off	Depreciation	June 30, 2020
	\$	\$	\$	\$	\$
Rolling stock	170,447	10,288	-	(20,897)	159,838
Right-of-use assets	1,098	-	-	(1,098)	-
Outfitter trails ¹⁾	75,427	-	-	(1,926)	73,501
Electric line ¹⁾	150,854	-	-	(3,852)	147,002
Spawning grounds ¹⁾	75,427	-	-	(1,926)	73,501
Outfitting equipment ¹⁾	402,330	13,388	-	(21,137)	394,581
Buildings ¹⁾	1,894,159	30,135	-	(54,985)	1,869,309
	2,769,742	53,811	-	(105,821)	2,717,732

Kintavar Exploration Inc.

Notes to Financial Statements

Six months ended June 30, 2020

(Unaudited, in Canadian Dollars)

7. PROPERTY AND EQUIPMENT (CONT'D)

	Net book value				Net book value
	January 1,	Additions	Write-off	Depreciation	December 31,
	2019				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			As at
	June 30, 2020			December 31, 2019
	Cost	Accumulated	Net book value	Net book value
	\$	Depreciation	\$	\$
Rolling stock	197,438	(37,600)	159,838	170,447
Right-of-use assets	7,900	(7,900)	-	1,098
Outfitter trails ¹⁾	77,032	(3,531)	73,501	75,427
Electric line ¹⁾	154,064	(7,062)	147,002	150,854
Spawning grounds ¹⁾	77,032	(3,531)	73,501	75,427
Outfitting equipment ¹⁾	433,211	(38,630)	394,581	402,330
Buildings ¹⁾	1,957,850	(88,541)	1,869,309	1,894,159
	2,904,527	(186,795)	2,717,732	2,769,742

8. TRADE AND OTHER PAYABLES

	As at	As at
	June 30,	December 31,
	2020	2019
	\$	\$
Trade payables and accrued liabilities	160,184	422,386
Due to Geomega Resources Inc.	4,734	60,357
Accrued salaries	34,665	62,299
Accrued vacations	60,575	63,444
Government remittances	1,078	1,877
Trade and other payables	261,236	610,363

Kintavar Exploration Inc.

Notes to Financial Statements

Six months ended June 30, 2020

(Unaudited, in Canadian Dollars)

9. OBLIGATIONS UNDER FINANCE LEASE

	As at June 30, 2020	As at December 31, 2019
	\$	\$
Obligation under finance lease, at 26.9%, payable in monthly instalments of \$322, maturing in May 2020.	-	1,500
Obligation under finance lease, 17.00%, payable in monthly instalments of \$2,012, maturing in November 2021.	17,136	16,951
Obligation under finance lease, 4.99%, payable in monthly instalments of \$559, maturing in June 2023.	18,644	21,490
Current portion	(14,017)	(15,361)
Obligations under finance lease non-current portion	21,763	24,580

10. LIABILITY RELATED TO THE PREMIUM ON FLOW THROUGH SHARES

	As at June 30, 2020	As at December 31, 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

Six months ended June 30, 2020

(Unaudited, in Canadian Dollars)

11. LONG-TERM DEBT

	As at June 30, 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 4.53%. Interest and principal of \$2,778 are payable monthly, maturing in August 2034.	472,222	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.	48,580	53,133
Canadian Emergency Business Account (CERB) received in the context of the outbreak of the COVID-19 pandemic. The loan bears no interest and the principal is payable in full by December 31, 2022.	26,481	-
Current portion	(60,129)	(50,816)
Long-term debt - non-current portion	987,154	991,205

In the context of the COVID-19 pandemic, Pourvoirie Fer à Cheval, a subsidiary of the Corporation, requested and received \$40,000 under the Canadian Emergency Business Account (CERB), an interest-free loan offered to cover operating expenses. Repayment of the loan balance by December 31, 2022 will result in a loan forgiveness of \$10,000. On December 31, 2022, the Corporation has the option of extending the loan for 3 years and will bear an interest rate of 5%. To estimate fair market value, the debt component was first estimated at \$26,262, taking into account the discount and interest-free aspects. An effective rate of 5% was used, which corresponds to a rate that the Corporation would have obtained for a similar investment. The residual value of \$13,738 was recorded as a government grant presented in revenue on the statement of operations.

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 1,875,000 shares held in escrow as at June 30, 2020 (6,101,017 as at December 31, 2019).

Kintavar Exploration Inc.

Notes to Financial Statements

Six months ended June 30, 2020

(Unaudited, in Canadian Dollars)

13. WARRANTS

Changes in the Corporation's warrants are as follows:

	Six months ended June 30, 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	(8,799,091)	(1,020,502)	0,700	(1,392,692)	(52,229)	0,142
Balance, end	100,000	19,599	0,370	8,899,091	1,040,101	0,696

Warrants outstanding as at June 30, 2020 are as follows:

Number of warrants	Exercise price	Expiry date
	\$	
100,000	0.37	July 20, 2020
100,000		

14. BROKER OPTIONS

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

	Six months ended June 30, 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	(243,613)	(40,830)	0.540	(120,939)	(7,092)	0.143
Balance, end	-	-	-	243,613	40,830	0.540

Kintavar Exploration Inc.

Notes to Financial Statements

Six months ended June 30, 2020

(Unaudited, in Canadian Dollars)

15. STOCK OPTIONS

Changes in stock options are as follows:

	Six months ended June 30, 2020		2019	
	Number of options	Weighted Average Exercise Price	Number of options	Weighted Average Exercise Price
		\$		\$
Balance, beginning	8,287,500	0.32	7,546,250	0.34
Granted	1,415,000	0.10	1,235,000	0.17
Exercised	-	-	(30,000)	0.14
Forfeited	(131,250)	0.30	(321,250)	0.25
Expired	(393,750)	0.29	(142,500)	0.22
Balance, end	9,177,500	0.27	8,287,500	0.32
Balance, end exercisable	7,182,500	0.33	5,798,750	0.32

Stock options outstanding as at June 30, 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	December 29, 2022
4,850,000	4,850,000	0.40	June 27, 2023
400,000	300,000	0.35	September 17, 2023
100,000	75,000	0.17	December 10, 2023
1,060,000	530,000	0.17	June 20, 2024
100,000	25,000	0.15	November 26, 2024
1,415,000	-	0.10	June 29, 2024
9,177,500	7,182,500		

On June 29, 2020, the shareholders of the Corporation renewed the stock option plan which stipulates that the maximum number of ordinary shares in the capital of the Corporation that can be reserved for allocation under the plan is limited to 10% of the Shares outstanding.

On the same date, the Corporation granted its directors, officers, employees and consultants 1,415,000 stock options at a price of \$0.10. The fair value of these stock options is \$117,445 or a fair value of \$0.083 per option. The fair value of the options granted was estimated using the Black-Scholes model based on the following assumptions: risk-free interest rate of 0.312%, expected volatility of 139.92%, no dividend per share and expected term of the options of 3.75 years.

Kintavar Exploration Inc.

Notes to Financial Statements

Six months ended June 30, 2020

(Unaudited, in Canadian Dollars)

16. EXPLORATION AND EVALUATION EXPENSES

	Three months ended June 30		Six months ended June 30	
	2020	2019	2020	2019
	\$	\$		
Salaries and benefits	46,611	213,815	200,975	325,291
Geology and prospecting	14,630	30,652	28,147	39,693
Drilling	1,320	1,560	144,303	2,604
Analysis	394	19,213	102,403	33,898
Geophysics	3 500	-	7,079	10,500
Geochemistry	-	-	-	6,196
Metallurgy	2,633	19,383	2,633	76,928
Lodging and travel	29	20,516	40,649	24,936
Supplies	8,570	67,086	40,025	77,255
Taxes, permits and insurance	15	3,456	1,825	5,260
Exploration and evaluation expenses before tax credits	77,822	375,681	568,039	602,261
Tax credits	(34,117)	(61,332)	(79,624)	(67,085)
Exploration and evaluation expenses	43,705	314,349	488,415	535,476

17. ADDITIONAL INFORMATION RELATING TO THE STATEMENT OF CASH FLOWS

Changes in non-cash working capital items

	2020	2019
	\$	\$
Receivables	279,435	(233,953)
Stock	36,219	-
Prepaid expenses and others	25,989	(331,490)
Trade and other payables	(349,127)	346,139
Deferred revenues	28,883	-
	21,399	(219,304)

Non-cash transactions

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

18. SUBSEQUENT EVENTS

On August 13, 2020, the Corporation granted Gitennes Exploration Inc. ("Gitennes") an option to acquire up to 85% interest in the Rivière à l'Aigle ("RAL") and New Mosher properties. To earn the interests in the RAL and New Mosher properties, Gitennes will make share and cash payments to Kintavar and incur certain exploration expenditures as presented in the table below. In connection with this transaction, Gitennes will complete a share consolidation on a 10 pre-consolidation common shares for one post-consolidation share. The number of shares presented in the table are post-consolidation. Kintavar will remain the operator until the 2nd portion of the option agreement is completed on or before Sept 30, 2022.

Kintavar Exploration Inc.

Notes to Financial Statements

Six months ended June 30, 2020

(Unaudited, in Canadian Dollars)

18. SUBSEQUENT EVENTS (CONT'D)

Date of completion	Rivière à l'Aigle Property		New Mosher Property	
	Issuance of ordinary shares*	Work	Issuance of ordinary shares*	Work
Acceptance from TSX-V	150,000	N/A	150,000	N/A
At the latest Sept. 30 2021	250,000	150,000 \$	150,000	150,000 \$
At the latest Sept. 30 2022	300,000	250,000 \$	150,000	250,000 \$
At the latest Sept. 30 2022	300,000	400,000 \$	150,000	300,000 \$
At the latest Sept. 30 2022	500,000	700,000 \$	400,000	300,000 \$
Exploration and evaluation expenses	1,500,000	1,500,000 \$	1,000,000	1,000,000 \$

The RAL and New Mosher properties are under separate option agreements and the above share issuances and exploration expenditures are mutually exclusive. Upon making the above share issuances and exploration expenditures separately on each property, Gitennes will earn a 70% interest in each property. Gitennes can increase its interest to 85% on either property by either producing an inferred resource or conducting a PEA by September 30, 2025. Upon completion of an inferred resource Gitennes will pay Kintavar \$250,000 in cash or shares at Gitennes' option and pay an additional \$750,000 in cash only on delivering a PEA. Gitennes will grant to Kintavar a 1.5% NSR on each property and Kintavar will grant Gitennes the right to purchase at any time 1% for \$1.0 million CAD.