



Kintavar Exploration Inc.

Unaudited Condensed Interim Consolidated Financial Statements

Nine months ended September 30, 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 September 30, 2020 \$	As at December 31, 2019 \$
Assets			
Current assets			
Cash and cash equivalents	4	3,156,169	4,106,580
Receivables	5	300,179	653,547
Stock		27,804	75,888
Prepaid expenses		107,323	147,786
Current assets		3,591,475	4,983,801
Non-current assets			
Exploration and evaluation assets	7	2,592,678	2,695,788
Investment in a listed company	6	42,000	-
Property and equipment	8	2,833,280	2,769,742
Non-current assets		5,467,958	5,465,530
Total assets		9,059,433	10,449,331
Liabilities			
Current liabilities			
Bank overdraft		12,314	37,266
Trade and other payables	9	285,266	610,363
Deferred revenues		52,736	11,667
Obligations under finance leases	10	28,921	15,361
Long-term debt	12	61,854	50,816
Liability related to the premium on flow-through shares	11	-	99,000
Current liabilities		441,091	824,473
Non-current liabilities			
Deferred tax liability		80,863	80,863
Obligations under finance leases	10	76,357	24,580
Long-term debt	12	971,8002	991,205
Non-current liabilities		1,129,022	1,096,648
Total liabilities		1,570,113	1,921,121
Equity			
Share capital	13	17,391,097	17,391,097
Warrants	14	-	1,040,101
Broker options	15	-	40,830
Stock options	16	1,705,808	1,648,054
Contributed Surplus		1,272,626	87,155
Deficit		(12,880,211)	(11,679,027)
Total equity		7,489,320	8,528,210
Total liabilities and equity		9,059,433	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 September 30		Nine months ended September 30	
		2020	2019	2020	2019
		\$	\$		
Sales revenue		345,986	176,049	905,759	176,049
Operating expenses					
Exploration and evaluation, net of tax credits	17	101,824	504,319	589,328	1,038,412
Costs of sales		87,377	33,383	323,771	33,383
Salaries and benefits		198,001	164,711	483,736	300,939
Share-based compensation		25,871	151,271	162,294	585,480
Professional fees		2,140	109,359	78,400	168,825
Travel, conference and investor relations		9,329	89,465	126,388	307,247
General expenses and maintenance		48,820	11,363	128,604	11,363
Administration		19,771	10,204	62,151	27,810
Filing fees		4,447	21,222	19,414	34,187
Rent		5,550	3,875	8,325	12,725
Insurance and taxes		16,074	8,935	39,048	14,387
Depreciation of property and equipment		51,453	26,103	157,274	32,334
Operating loss		(224,671)	(958,161)	(1,272,974)	(2,391,043)
Other income (expenses)					
Interest income		6,143	22,569	39,490	91,769
Finance costs		(21,753)	(14,555)	(75,563)	(16,261)
Gain on disposal of exploration and evaluation assets		14,953	-	14,953	-
Net loss in fair value of an investment in a listed company		(7,500)	-	(7,500)	-
Gain on disposal of property, plant and equipment		1,500	-	1,500	-
		(6,657)	8,014	(27,120)	75,508
Net loss before income taxes		(231,328)	(950,147)	(1,300,094)	(2,315,535)
Current income taxes		-	-	90	-
Deferred income taxes recovery	10	-	-	(99,000)	(120,167)
Net loss and comprehensive loss		(231,328)	(950,147)	(1,201,184)	(2,195,368)
Basic and diluted loss per share		(0,002)	(0,011)	(0,013)	(0,027)
Weighted average number of basic and diluted outstanding shares		91,199,324	82,105,158	91,199,324	82,218,795

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		-	-	-	-	-	-	(1,201,184)	(1,201,184)
Stock-based compensation	16	-	-	-	-	162,294	-	-	162,294
Expired option		-	-	-	-	(104,540)	104,540	-	-
Expired warrants		-	-	(1,040,101)	-	-	1,040,101	-	-
Expired broker options		-	-	-	(40,830)	-	40,830	-	-
Balance as at September 30, 2020		91,199,324	17,391,097	-	-	1,705,808	1,272,626	(12,880,211)	7,489,320

	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		-	-	-	-	-	-	(2,195,368)	(2,195,368)
Shares issued as part of a business acquisition		3,125,000	593,750	-	-	-	-	-	593,750
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		-	-	-	-	585,480	-	-	585,480
Expired options		-	-	-	-	(23,659)	23,659	-	-
Expired warrants		-	-	(1,852)	-	-	1,852	-	-
Expired broker options		-	-	-	(580)	-	580	-	-
Balance as of September 30, 2019		85,169,718	15,891,573	1,090,478	48,971	1,504,536	30,267	(10,327,975)	8,831,600

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

Kintavar Exploration Inc.

Consolidated Statements of Cash Flows

Nine months ended September 30, 2020

(Unaudited, in Canadian Dollars)

		Nine months ended September 30	
	Note	2020	2019
		\$	\$
Operating activities			
Net loss for the period		(1,201,184)	(2,195,368)
Adjustments for:			
Stock-based compensation		162,294	585,480
Accrued interest on investments		(24,178)	(40,015)
Depreciation of property and equipment		157,276	32,146
Net loss in fair value of an investment in a listed company		7,500	-
Gain on disposal of exploration and evaluation assets		(14,953)	-
Deferred income tax recovery		(99,000)	(120,167)
Gain from write-off of rental obligation		-	(4,537)
Gain on disposal of property, plant and equipment		(1,500)	-
Long-term debt accretion charge		552	-
Change in non-cash working capital items	18	182,065	242,213
Cash flows used in operating activities		(831,128)	(1,500,248)
Investing activities			
Business acquisition, net of acquired cash and cash equivalents		-	(1,795,854)
Disposal of maturities of investments		-	5,000,000
Additions of exploration and evaluation assets		(6,437)	-
Collection of option payments on exploration and evaluation assets		75,000	-
Acquisition of fixed assets		(145,196)	(55,149)
Sale of fixed assets		1,500	-
Cash flows used in investing activities		(75,133)	3,148,997
Financing activities			
Repayment of bank overdraft		(24,952)	(2,167)
Exercise of warrants		-	317,386
Exercise of broker options		-	1,960
Exercise of options		-	4,200
Obligations under financial leases repayment		(10,281)	(16,366)
Increase of long-term debt		26,262	1,000,000
Repayment of long-term debt		(35,179)	(4,317)
Cash flows from (used) in financing activities		44,150	1,300,696
Net change in cash and cash equivalents		(950,411)	2,949,445
Cash and cash equivalents - beginning		4,106,580	1,125,844
Cash and cash equivalents - ending		3,156,169	4,075,289

Non-cash transactions (note 18)

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

Kintavar Exploration Inc.

Notes to the Condensed Interim Consolidated Financial Statements

Nine months ended September 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 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 September 30, 2020, the Corporation reported a net loss of \$231,328 (\$950,147 as of September 30, 2019) and has an accumulated deficit of \$12,880,211. As of September 30, 2020, the Corporation had a working capital of \$3,150,384 (\$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 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, except for the new accounting policies described below.

Kintavar Exploration Inc.

Notes to the Condensed Interim Consolidated Financial Statements

Nine months ended September 30, 2020

(Unaudited, in Canadian Dollars)

2. BASIS OF PRESENTATION (CONT'D)

2.1 Financial Instruments

Financial assets and financial liabilities are recognized when the Corporation becomes a party to the contractual provisions of the financial instrument.

Financial assets are derecognized when the contractual rights to receive the cash flows from the financial asset have expired, or when the financial asset and all substantial risks and rewards have been transferred. A financial liability is derecognized when it is extinguished, discharged, cancelled or when it expires.

a) Financial assets

Financial assets are initially measured at fair value. If the financial asset is not subsequently accounted for at fair value through profit or loss, then the initial measurement includes transaction costs that are directly attributable to the asset's acquisition or origination. On initial recognition, the Corporation classifies its financial instruments in the following categories depending on the purpose for which the instruments were acquired.

Amortized cost:

Financial assets at amortized cost are non-derivative financial assets with fixed or determinable payments constituted solely of payments of principal and interest that are held within a "held to collect" business model. Financial assets at amortized cost are initially recognized at the amount expected to be received, less, when material, a discount to reduce the financial assets to fair value. Subsequently, financial assets at amortized cost are measured using the effective interest method less a provision for expected losses. The Corporation's cash and cash equivalents, investments and accounts receivable are classified within this category.

Financial assets at fair value through profit or loss:

Investments in equity are subsequently measured at fair market value and changes are recognized in net income. The category includes the investment in a listed mining exploration company. This instrument is measured at fair market value and changes in fair market value are recognized in net income. Fair market value is determined on the basis of stock market prices.

b) Financial liabilities

Amortized cost:

Accounts payable and accrued liabilities are initially measured at the amount required to be paid, less, when material, a discount to reduce the payables to fair value. Subsequently, financial liabilities are measured at amortized cost using the effective interest method.

c) Impairment of financial assets

Amortized cost:

The expected loss is the difference between the amortized cost of the financial asset and the present value of the expected future cash flows, discounted using the instrument's original effective interest rate. The carrying amount of the asset is reduced by this amount either directly or indirectly through the use of an allowance account. Provisions for expected losses are adjusted upwards or downwards in subsequent periods if the amount of the expected loss increases or decreases.

Kintavar Exploration Inc.

Notes to the Condensed Interim Consolidated Financial Statements

Nine months ended September 30, 2020

(Unaudited, in Canadian Dollars)

2. BASIS OF PRESENTATION (CONT'D)

2.2 Exploration and evaluation expenses

Exploration and evaluation (“E&E”) assets include rights in exploration properties, paid or acquired through a business combination or an acquisition of assets. Mining rights are recorded at acquisition cost less accumulated impairment losses. Mining rights and options to acquire undivided interests in mining rights are depreciated only as these properties are put into commercial production.

E&E expenses include costs related to the initial search for mineral deposits with economic potential or to obtain more information about existing mineral deposits. E&E expenses also include costs associated with prospecting, sampling, trenching, drilling and other work involved in searching for ore such as topographical, geological, geochemical and geophysical studies. Expenditures relating to E&E activities are expensed as incurred.

E&E include costs related to establishing the technical and commercial viability of extracting a mineral resource identified through exploration or acquired through a business combination or asset acquisition. E&E include the cost of:

- establishing the volume and grade of deposits through drilling of core samples, trenching and sampling activities in an ore body that is classified as either a mineral resource or a proven and probable reserve;
- determining the optimal methods of extraction and metallurgical and treatment processes, including the separation process, for the Corporation’s mining properties;
- studies related to surveying, transportation and infrastructure requirements;
- permitting activities; and
- economic evaluations to determine whether development of the mineralized material is commercially justified, including scoping, prefeasibility and final feasibility studies.

The E&E expenses are recorded in the statement of loss and comprehensive loss until such time as the technical feasibility and commercial viability has been established that supports the future development of the property, and such development receives the Board of Directors approval, at which time the mine project moves into the development phase.

E&E include overhead expenses directly attributable to the related activities.

From time to time, the Corporation may acquire or dispose of a property pursuant to the terms of an option agreement. Due to the fact that options are exercisable entirely at the discretion of the option holder, the amounts payable or receivable are not recorded. Option payments are recorded when they are made or received. Proceeds on the sale of exploration properties are applied by property in reduction of the exploration properties and any residual is recorded in the statement of comprehensive loss unless there is contractual work required in which case the residual gain is deferred and will reduce the contractual disbursements when done.

Disposal of interest relating to option agreements

When disposing of interest in connection with option agreements, the Corporation does not recognize exploration and evaluation expenses incurred on the properties by the purchaser. In addition, the consideration received in cash or in shares from the acquirer are recorded in order as a reduction of the book value of previously capitalized expenses, from the book value of exploration and evaluation expenses in profit or loss, any excess being recognized as a gain on disposal of exploration and evaluation assets in profit or loss.

The Board of Directors has approved the Financial Statements on November 26, 2020.

Kintavar Exploration Inc.

Notes to the Condensed Interim Consolidated Financial Statements

Nine months ended September 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 September 30, 2020 and classified as cash equivalents are:

- Guaranteed investment certificate of \$400,000 at 0.90% interest expiring July 22, 2021. Interest and principal are cashable at any time.
- Investment of \$2,500,000 in a mutual fund at a rate of 0.25%. Interest and principal are cashable at any time.

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 September 30, 2020). As at September 30, 2020, the amount the amount used under this credit facility was \$12,314.

All the funds raised during the flow-through financing of October 17, 2019 were spent as of September 30, 2020. There is therefore no liability related to the premium on flow-through shares on that date.

5. RECEIVABLES

	As at September 30, 2020	As at, December 31, 2019
Accounts receivable	\$ 50,892	\$ 3,969
Sales taxes receivable	14,495	289,752
Tax credits and mining rights receivable	170,249	335,648
Grants receivable	63,826	-
Interest receivable	717	24,178
Amounts receivable	300,179	653,547

Kintavar Exploration Inc.

Notes to the Condensed Interim Consolidated Financial Statements

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(Unaudited, in Canadian Dollars)

6. INVESTMENT IN A LISTED COMPANY

The Company holds marketable securities. The investment is valued at fair market value.

The shares are listed on the Toronto Venture Exchange, therefore the price of the shares is available. The total amount of the investment can be summarized as follows:

	As at September 30, 2020	As at December 31, 2019
	\$	\$
Gitennes Exploration Inc. – 300,000 regular shares (nil as at December 31, 2019)	42,000	-
Investment in a listed company	42,000	-

7. EXPLORATION AND EVALUATION ASSETS

Mining properties acquisition costs	As at Jan. 1, 2020	Additions	Impairment	Option payments received	As at September 30, 2020
	\$	\$	\$	\$	
Mitchi	940,364	3,787	-	-	944,151
Anik	1,555,654	-	-	(75,000)	1,480,654
Rivière à l'aigle	129,894	-	-	(24,750)	105,144
Gaspard nord	1,786	-	-	-	1,786
Cousineau	4,757	-	-	-	4,757
New Mosher	9,797	-	-	-	-
Wabash	26,184	2,650	-	-	28,834
Baie Johann Beetz	27,352	-	-	-	27,352
	2,695,788	6,437	-	(109,547)	2,592,678

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 the Condensed Interim Consolidated Financial Statements

Nine months ended September 30, 2020

(Unaudited, in Canadian Dollars)

7. EXPLORATION AND EVALUATION ASSETS (CONT'D)

7.1 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:

	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
Total for a maximum participation of 80%	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.

7.2 Rivière à l'aigle and New Mosher

On August 13, 2020, the Company granted Gitennes Exploration Inc. ("Gitennes") an option allowing it to acquire stakes of up to 85% of the interests in the Rivière à l'Aigle properties ("RAL") and New Mosher. To earn these interests in the RAL and New Mosher properties, Gitennes will make stock and cash payments to Kintavar and incur certain exploration expenses as shown in the table below. The number of shares presented in the table is post-consolidation. Kintavar will remain the operator until Part 2 of the option agreement is completed, no later than September 30, 2022.

Kintavar Exploration Inc.

Notes to the Condensed Interim Consolidated Financial Statements

Nine months ended September 30, 2020

(Unaudited, in Canadian Dollars)

7. EXPLORATION AND EVALUATION ASSETS (CONT'D)

Date of completion	Rivière à l'Aigle property		New Mosher property	
	Issuance of ordinary stocks	Work	Issuance of ordinary stocks	Work
Approval of the TSX-V (completed)	150,000	nil	150,000	nil
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.

8. PROPERTY AND EQUIPMENT

	Net book value January 1,				Net book value September 30,
	2020	Additions	Write-off	Depreciation	2020
	\$	\$	\$	\$	\$
Rolling stock	170,447	168,940	-	(33,468)	305,919
Right-of-use assets	1,098	-	-	(1,098)	-
Outfitter trails	75,427	-	-	(2,889)	72,538
Electric line	150,854	-	-	(5,777)	145,077
Spawning grounds	75,427	-	-	(2,889)	72,538
Outfitting equipment	402,330	21,739	-	(32,074)	391,995
Buildings	1,894,159	30,135	-	(79,081)	1,845,213
	2,769,742	220,814	-	(157,276)	2,833,280

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

Kintavar Exploration Inc.

Notes to the Condensed Interim Consolidated Financial Statements

Nine months ended September 30, 2020

(Unaudited, in Canadian Dollars)

8. PROPERTY AND EQUIPMENT (CONT'D)

	As at September 30, 2020		As at December 31, 2019	
	Cost	Accumulated Depreciation	Net book value	Net book value
	\$	\$	\$	\$
Rolling stock	363,987	(58,068)	305,919	170,447
Right-of-use assets	7,900	(7,900)	-	1,098
Outfitter trails ¹⁾	77,032	(4,494)	72,538	75,427
Electric line ¹⁾	154,064	(8,987)	145,077	150,854
Spawning grounds ¹⁾	77,032	(4,494)	72,538	75,427
Outfitting equipment ¹⁾	441,562	(49,567)	391,995	402,330
Buildings ¹⁾	1,957,850	(112,637)	1,845,213	1,894,159
	3,079,427	(238,247)	2,833,280	2,769,742

9. TRADE AND OTHER PAYABLES

	As at September 30, 2020	As at December 31, 2019
	\$	\$
Trade payables and accrued liabilities	116,548	422,386
Due to Geomega Resources Inc.	17,983	60,357
Accrued salaries	63,278	62,299
Accrued vacations	39,999	63,444
Government remittances	47,456	1,877
Trade and other payables	285,265	610,363

10. OBLIGATIONS UNDER FINANCE LEASE

	As at September 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.	12,466	16,951
Obligation under finance lease, 4.99%, payable in monthly instalments of \$559, maturing in June 2023.	17,194	21,490
Obligation under finance lease, 3.75%, payable in monthly instalments of \$1,384, maturing in September 2025.	75,618	-
Current portion	(28,921)	(15,361)
Obligations under finance lease non-current portion	76,357	24,580

Kintavar Exploration Inc.

Notes to the Condensed Interim Consolidated Financial Statements

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11. LIABILITY RELATED TO THE PREMIUM ON FLOW THROUGH SHARES

	As at September 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

12. LONG-TERM DEBT

	As at September 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.	463,889	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.	496,711	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.	46,242	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.	26,814	-
Current portion	(61,854)	(50,816)
Long-term debt - non-current portion	971,802	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, considering 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.

Kintavar Exploration Inc.

Notes to the Condensed Interim Consolidated Financial Statements

Nine months ended September 30, 2020

(Unaudited, in Canadian Dollars)

13. 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 1,250,000 shares held in escrow as at September 30, 2020 (6,101,017 as at December 31, 2019).

14. WARRANTS

Changes in the Corporation’s warrants are as follows:

	Nine months ended September 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	(8,899,091)	(1,040,101)	0,696	(1,392,692)	(52,229)	0,142
Balance, end	-	-	-	8,899,091	1,040,101	0,696

15. BROKER OPTIONS

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

	Nine months ended September 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.

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16. STOCK OPTIONS

Changes in stock options are as follows:

	Nine months ended September 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	(153,750)	0.16	(321,250)	0.25
Expired	(501,250)	0.30	(142,500)	0.22
Balance, end	9,047,500	0.27	8,287,500	0.32
Balance, end exercisable	7,092,500	0.33	5,798,750	0.32

Stock options outstanding as at September 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	400,000	0.35	September 17, 2023
100,000	75,000	0.17	December 10, 2023
1,030,000	515,000	0.17	June 20, 2024
1,415,000	-	0.10	June 29, 2024
9,047,500	7,092,500		

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 the Condensed Interim Consolidated Financial Statements

Nine months ended September 30, 2020

(Unaudited, in Canadian Dollars)

17. EXPLORATION AND EVALUATION EXPENSES

	Three months ended September 30		Nine months ended September 30	
	2020	2019	2020	2019
	\$	\$	\$	\$
Salaries and benefits	111,181	382,794	312,156	707,874
Geology and prospecting	6,025	63,441	34,170	101,014
Drilling	-	-	144,303	2,604
Analysis	23,050	90,263	125,574	124,161
Geophysics	-	1,109	7,079	11,609
Geochemistry	-	-	-	6,196
Metallurgy	-	-	2,633	76,928
Lodging and travel	7,984	117,122	45,824	142,058
Supplies	42,657	100,214	84,461	175,887
Taxes, permits and insurance	1,551	1,497	3,376	5,312
Exploration and evaluation expenses before tax credits	192,448	756,440	759,576	1,353,273
Tax credits	(90,624)	(252,121)	(170,248)	(315,231)
Exploration and evaluation expenses	101,824	504,219	589,328	1,038,412

18. ADDITIONAL INFORMATION RELATING TO THE STATEMENT OF CASH FLOWS

Changes in non-cash working capital items

	Nine months ending September 30,	
	2020	2019
	\$	\$
Receivables	377,546	122,734
Stock	48,084	11,750
Prepaid expenses and others	40,463	46,296
Trade and other payables	(325,097)	63,639
Deferred revenues	41,069	(2,206)
	182,065	242,213

Non-cash transactions

	Nine months ending September 30,	
	2020	2019
	\$	\$
Shares issued as part of a business acquisition	-	593,750
Collection of an option payment in shares of a listed company	34,547	-
Acquisition of a fixed asset with an obligation under finance lease agreement	75,618	-
Reduction of an obligation under finance lease following repayment by insurances	-	54,627