



Kintavar Exploration Inc.

Unaudited Condensed Interim Consolidated Financial Statements

Six months ended June 30, 2022

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, 2022 \$	As at December 31, 2021 \$
Assets			
Current assets			
Cash and cash equivalents	4	1,882,575	3,153,325
Receivables	7	799,773	932,812
Inventory		71,495	61,808
Investments	5	1,521,090	1,000,819
Investments in listed companies	6	52,350	87,400
Prepaid fees and other		170,368	154,042
Current assets		4,497,651	5,390,206
Non-current assets			
Exploration and evaluation assets	8	2,418,565	2,505,247
Property and equipment	9	4,204,453	4,359,495
Non-current assets		6,623,018	6,864,742
Total assets		11,120,669	12,254,948
Liabilities			
Current liabilities			
Trade and other payables	10	564,171	583,353
Deferred revenues		277,578	461,614
Obligations under finance leases		-	145,822
Long-term debt	13	84,517	80,648
Liability related to the premium on flow-through shares	11	47,950	136,469
Current liabilities		973,571	1,407,906
Non-current liabilities			
Deferred tax liability	12	56,642	56,642
Long-term debt	13	941,471	985,340
Non-current liabilities		998,113	1,041,982
Total liabilities		1,972,329	2,449,888
Equity			
Share capital	14	21,639,532	21,517,532
Broker warrants	16	58,902	58,902
Stock options	17	1,798,797	1,845,691
Contributed Surplus		1,345,064	1,303,569
Deficit		(15,693,955)	(14,920,634)
Total equity		9,148,340	9,805,060
Total liabilities and equity		11,120,669	12,254,948

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	
		2022	2021	2022	2021
		\$	\$	\$	\$
Project management fees		1,193	59,899	29,456	76,100
Sales		812,090	299,472	1,836,015	601,546
Income		813,283	359,371	1,865,471	677,646
Operating expenses					
Exploration and evaluation, net of tax credits	18	436,095	249,446	684,227	339,172
Costs of sales		354,987	114,743	787,483	253,986
Salaries and benefits		257,866	174,422	570,374	342,285
Share-based compensation		25,742	27,672	46,601	46,353
Professional fees		28,376	283	79,938	59,547
Travel, conference and investor relations		19,940	15,359	49,113	22,349
General expenses and maintenance		48,919	101,636	178,867	173,068
Administration		33,328	32,284	74,606	51,669
Filing fees		8,183	15,163	15,899	25,021
Rent		2,775	2,775	5,550	5,550
Insurances and taxes		15,612	14,227	28,689	22,447
Depreciation of property and equipment		92,357	65,107	184,122	123,745
Operating loss		(510,897)	(453,746)	(839,998)	(787,546)
Other income (expenses)					
Interest income		21,140	3,627	30,109	8,753
Finance costs		(16,342)	(8,692)	(38,110)	(30,062)
Other revenue		(5,920)	79,505	23,884	87,212
Unrealized loss in fair value of investments in listed companies		(29,950)	(3,000)	(35,050)	(4,500)
Gain on disposal of property and equipment		-	-	-	5,000
		(31,072)	71,440	(19,167)	66,403
Net loss before income taxes		(541,972)	(382,306)	(859,168)	(721,143)
Deferred tax recovery	12	(48,390)	(107,095)	(85,847)	(146,011)
Net loss and comprehensive loss		(493,582)	(275,211)	(773,321)	(575,132)
Basic and diluted loss per share		(0.004)	(0.003)	(0.006)	(0.005)
Weighted average number of basic and diluted outstanding shares		123,408,378	105,929,134	123,227,715	105,929,134

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	Broker Warrants	Stock Options	Contributed surplus	Deficit	Total equity
			\$	\$	\$	\$	\$	\$
Balance as at January 1, 2022		122,908,378	21,517,532	58,902	1,845,691	1,303,569	(14,920,634)	9,805,060
Loss and comprehensive loss for the period		-	-	-	-	-	(773,321)	(773,321)
Stock-based compensation		-	-	-	46,601	-	-	46,601
Exercise of stock options		500,000	122,000	-	(52,000)	-	-	70,000
Expired options		-	-	-	(41,495)	41,495	-	-
Balance as at June 30, 2022		123,408,378	21,639,532	58,902	1,773,055	1,345,064	(15,693,955)	9,148,340

	Note	Number of shares outstanding	Capital Stock	Broker Warrants	Stock Options	Contributed surplus	Deficit	Total equity
			\$	\$	\$	\$	\$	\$
Balance as at January 1, 2021		105,929,134	18,449,250	10,020	1,719,814	1,300,956	(13,182,029)	8,348,011
Loss and comprehensive loss for the period		-	-	-	-	-	(575,132)	(575,132)
Stock-based compensation		-	-	-	46,353	-	-	46,353
Expired options		-	-	-	(2,613)	2,613	-	-
Balance as at June 30, 2021		105,929,134	18,499,250	10,020	1,763,554	1,303,569	(13,757,161)	7,819,232

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	Six months ended June 30	
		2022 \$	2021 \$
Operating activities			
Net loss for the period		(773,321)	(575,132)
Adjustments for:			
Stock-based compensation		46,601	46,353
Accrued interest on investments		(20,271)	(5,282)
Depreciation of property and equipment		184,122	123,745
Gains on disposal of property and equipment		-	(5,000)
Unrealized loss in fair value of an investment in listed companies		35,050	4,500
Deferred income tax recovery		(88,519)	(145,455)
Accretion of the long-term debt		2,150	2,150
Change in non-cash working capital items	19	(96,192)	803,283
Cash flows used in operating activities		(710,380)	249,162
Investing activities			
Acquisition of investments		(500,000)	(33,348)
Additions of exploration and evaluation assets		(13,318)	(6,030)
Option payment received on exploration and evaluation assets		100,000	75,000
Acquisition of property and equipment		29,080	(1,102,912)
Proceeds from sale of property and equipment		-	5,000
Cash flows used in investing activities		(442,398)	(1,062,290)
Financing activities			
Reduction in bank overdraft		-	(6,794)
Options exercised		70,000	-
Repayment of obligations under financial leases		(145,822)	(35,173)
Repayment of long-term debt		(42,150)	(45,294)
Cash flows used in financing activities		(117,972)	(87,261)
Net change in cash and cash equivalents		(1,270,750)	(900,389)
Cash and cash equivalents - beginning		3,153,325	3,643,175
Cash and cash equivalents - ending		1,882,575	2,742,786

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

Kintavar Exploration Inc.

Notes to Financial Statements

(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. As at June 30, 2022, the Corporation reported a net loss of \$773,321 (\$575,132 as of June 30, 2021) and has an accumulated deficit of \$15,693,955 (\$14,920,634 as of December 31, 2021). As of June 30, 2022, the Corporation had a working capital of \$3,523,435 (\$3,982,300 as at December 31, 2021)

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. Despite volatile financial market, the company has successfully raised shares through private placements and has also increased its revenue from the operations of the outfitter.

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, 2021, 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 25, 2022.

Kintavar Exploration Inc.

Notes to Financial Statements

(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, 2021.

4. CASH AND CASH EQUIVALENTS

The short-term investments held as at June 30, 2022 and classified as cash equivalent include an investment of \$1,628,971 in a high interest exchange trading fund.

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 6.25% as at June 30, 2022). As at June 30, 2022, the amount outstanding under this credit facility was \$26,348 (nil as at December 31, 2021).

The flow-through financing balance not yet spent according to the terms of the financing completed on November 10, 2021 represents \$1,066,368 as at June 30, 2022 (\$1,864,001 as at December 2021). The Corporation has dedicated these funds to Canadian exploration expenses to be completed before December 31, 2022.

5. INVESTMENTS

The short-term investments held as at June 30, 2022 are as follows:

- Investment in three guaranteed investment certificates that are non-cashable prior to maturity. All three certificates totalize \$1,000,000 in nominal value and bear interest at 1.35%, payable at maturity on December 12, 2022.
- Investment of \$500,000 in a guaranteed investment certificates that is non-cashable prior to maturity, bearing interest at 1.71% and payable at maturity on February 23, 2023.

Kintavar Exploration Inc.

Notes to Financial Statements

(Unaudited, in Canadian Dollars)

6. INVESTMENT IN LISTED COMPANIES

The Corporation holds marketable securities. The investments are listed on the Exchange and valued at fair value based on quoted market prices.

The shares are listed on the Exchange. The total amount of the investment can be summarized as follows:

	As at June 30, 2022	As at December 31, 2021
	\$	\$
Gitennes Exploration Inc. – 450,000 common shares (450,000 as at December 31, 2021)	9,000	20,250
Northern Superior Resources Inc. – 85,000 common shares (85,000 as at December 31, 2021)	43,350	67,150
Investment in listed companies	52,350	87,400

7. RECEIVABLES

	As at June 30, 2022	As at December 31, 2021
	\$	\$
Accounts receivable	366,080	178,061
Due from Geomega Resources Inc.	-	28,624
Sales taxes receivable	81,146	155,892
Tax credits and mining rights receivable	348,413	560,041
Others	4,133	10,194
Receivables	799,773	932,812

8. EXPLORATION AND EVALUATION ASSETS

Mining properties acquisition costs	As at Jan. 1, 2022	Additions	Payment on options	As at June 30, 2022
	\$	\$	\$	\$
Mitchi	929,571	5,364	-	934,935
Anik ¹⁾	1,405,654	13	(100,000)	1,305,667
Rivière à l'aigle	105,144	7,185	-	112,329
Cousineau	4,779	756	-	5,535
New Mosher ¹⁾	-	-	-	-
Wabash	36,740	-	-	36,740
Baie Johann Beetz	23,359	-	-	23,359
	2,505,247	13,318	(100,000)	2,418,565

Kintavar Exploration Inc.

Notes to Financial Statements

(Unaudited, in Canadian Dollars)

8. EXPLORATION AND EVALUATION ASSETS (CONT'D)

Mining properties acquisition costs	As at Jan. 1, 2021	Additions	Impairment	Disposal	Payment on options	As at Dec 31, 2021
	\$	\$	\$	\$	\$	\$
Mitchi	921,463	8,108	-	-	-	929,571
Anik ¹⁾	1,480,654	-	-	-	(75,000)	1,405,654
Rivière à l'aigle	105,144	-	-	-	-	105,144
Gaspard nord ²⁾	1,786	22	-	(1,808)	-	-
Cousineau	4,757	22	-	-	-	4,779
New Mosher ¹⁾	-	-	-	-	-	-
Wabash	28,834	7,906	-	-	-	36,740
Baie Johann Beetz	27,352	-	(3,993)	-	-	23,359
	2,569,990	16,058	(3,993)	(1,808)	(75,000)	2,505,247

¹⁾ Option agreements are in effect on these properties.

²⁾ This property was sold on September 14, 2021.

9. PROPERTY AND EQUIPMENT

	Net book value January 1, 2022	Additions	Disposal	Depreciation	Net book value June 30, 2022
	\$	\$	\$	\$	\$
Rolling stock	272,837	15,200	-	(39,150)	248,887
Right-of-use assets	634,443	-	-	(33,688)	600,755
Outfitter trails	67,723	-	-	(1,925)	65,798
Electric line	276,019	7,380	-	(7,589)	275,810
Spawning grounds	67,723	-	-	(1,925)	65,798
Equipment	468,206	6,500	-	(29,196)	445,510
Buildings	2,572,544	-	-	(70,649)	2,501,895
	4,359,495	29,080	-	(150,432)	4,204,453

	Net book value January 1, 2021	Additions	Disposal	Depreciation	Net book value December 31, 2021
	\$	\$	\$	\$	\$
Rolling stock	296,443	52,813	-	(76,419)	272,837
Right-of-use assets	-	673,753	-	(39,310)	634,443
Outfitter trails	71,575	-	-	(3,852)	67,723
Electric line	143,151	143,298	-	(10,430)	276,019
Spawning grounds	71,575	-	-	(3,852)	67,723
Equipment	385,340	132,501	-	(49,635)	468,206
Buildings	1,820,362	868,097	-	(115,915)	2,572,544
	2,788,446	1,870,462	-	(299,413)	4,359,495

Kintavar Exploration Inc.

Notes to Financial Statements

(Unaudited, in Canadian Dollars)

9. PROPERTY AND EQUIPMENT (CONT'D)

	As at June 30, 2022		As at December 31, 2021	
	Cost	Accumulated Depreciation	Net book value	Net book value
	\$	\$	\$	\$
Rolling stock	431,130	(152,743)	248,887	272,837
Right-of-use assets	681,653	(80,898)	600,755	634,443
Outfitter trails	77,032	(11,234)	65,798	67,723
Electric line	304,741	(28,931)	275,810	276,019
Spawning grounds	77,032	(11,234)	65,798	67,723
Equipment	585,009	(139,499)	445,510	468,206
Buildings	2,825,948	(324,053)	2,501,895	2,572,544
	4,982,545	(778,092)	4,204,453	4,359,495

10. TRADE AND OTHER PAYABLES

	As at June 30, 2022	As at December 31, 2021
	\$	\$
Trade payables and accrued liabilities	401,571	397,890
Accrued salaries	62,671	67,731
Accrued vacations	47,820	63,881
Government remittances	42,109	53,851
Trade and other payables	564,171	583,353

11. OBLIGATIONS UNDER FINANCE LEASE

	Six Months ended June 30,	
	2022	2021
	\$	\$
Balance, beginning	145,822	-
New contract signed during period	-	430,953
Reimbursement of lease obligation	(145,822)	(285,131)
Balance	-	145,822
Current portion	-	(145,822)
Non-current portion	-	-

Kintavar Exploration Inc.

Notes to Financial Statements

(Unaudited, in Canadian Dollars)

12. LIABILITY RELATED TO THE PREMIUM ON FLOW THROUGH SHARES

	Six Months ended June 30,	
	2022	2021
	\$	\$
Balance, beginning	136,469	212,745
Addition, net of issue costs	-	226,210
Reduction related to qualifying exploration expenditures	(88,519)	(302,486)
Liability related to the premium on flow through shares	47,950	136,469

13. LONG-TERM DEBT

	As at June 30, 2022	As at December 31, 2021
	\$	\$
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 prime plus 0.80% (4.50% as of June 30, 2022). Interest and principal of \$4,165 are payable monthly, maturing in August 2034.	405,555	422,222
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 6.3%. Interest and principal of \$4,081 are payable monthly, maturing in July 2035.	461,479	471,247
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.	28,548	33,843
Term loans engaged to finance rolling stock. These loans hold rates from 3.75% to 4.99%, are payable in monthly installments totaling \$1,943 and mature between June 2023 to September 2025.	57,267	67,687
Canadian Emergency Business Account (CEBA) received in the context of the outbreak of the COVID-19 pandemic. The loans bear no interest and the principal is payable in full by December 31, 2023.	73,139	70,989
Current portion	(84,517)	(80,648)
Long-term debt - non-current portion	941,571	985,340

Kintavar Exploration Inc.

Notes to Financial Statements

(Unaudited, in Canadian Dollars)

14. 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.

15. WARRANTS

Changes in the Corporation's warrants are as follows:

	Six months ended		2021	
	June 30, 2022			
	Number of warrants	Weighted average exercise price	Number of warrants	Weighted average exercise price
Balance, beginning	5,819,399	\$ 0.19	3,556,250	\$ 0.15
Issued	-	-	3,113,149	0.23
Exercised	-	-	(850,000)	0.15
Balance, end	5,819,399	0.19	5,819,399	0.19

Warrants outstanding as at June 30, 2022 are as follows:

Number of warrants	Exercise price	Expiry date
	\$	
2,706,250	0.15	December 11, 2022
3,113,149	0.23	November 10, 2023
5,819,399		

16. BROKER WARRANTS

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

	Six months ended		2021	
	June 30, 2022			
	Number of broker warrants	Weighted average exercise price	Number of broker warrants	Weighted average exercise price
Balance, beginning	1,058,933	\$ 0.20	455,448	\$ 0.15
Issued	-	-	603,485	0.23
Balance, end	1,058,933	0.20	1,058,933	0.20

Broker warrants outstanding as at June 30, 2022 are as follows:

Number of broker options	Exercise price	Expiry date
	\$	
455,448	0.15	December 11, 2022
603,485	0.23	November 10, 2023
1,058,933		

Kintavar Exploration Inc.

Notes to Financial Statements

(Unaudited, in Canadian Dollars)

17. STOCK OPTIONS

Changes in stock options are as follows:

	Six months ended June 30, 2022		2021	
	Number of options	Weighted Average Exercise Price	Number of options	Weighted Average Exercise Price
		\$		\$
Balance, beginning	8,972,500	0.28	8,972,500	0.28
Granted	2,275,000	0.10	1,590,000	0.17
Exercised	(500,000)	0.14	(200,000)	0.14
Forfeited	(68,750)	0.16	(38,750)	0.11
Expired	(398,750)	0.14	(26,250)	0.14
Balance, end	11,605,000	0.25	10,297,500	0.27
Balance, end exercisable	8,653,750	0.29	8,768,750	0.29

Stock options outstanding as at June 30, 2022 are as follows:

Number of options outstanding	Number of options exercisable	Exercise price	Expiry date
		\$	
150,000	150,000	0.14	December 29, 2022
200,000	200,000	0.16	May 27, 2023
25,000	25,000	0.17	June 10, 2023
4,775,000	4,775,000	0.40	June 27, 2023
400,000	400,000	0.35	September 17, 2023
100,000	100,000	0.17	December 10, 2023
920,000	920,000	0.17	June 20, 2024
1,357,500	1,327,500	0.10	June 29, 2025
100,000	75,000	0.09	December 15, 2025
1,302,500	651,250	0.17	June 10, 2026
2,275,000	-	0.10	June 09, 2027
11,605,000	8,653,650		

Kintavar Exploration Inc.

Notes to Financial Statements

(Unaudited, in Canadian Dollars)

18. EXPLORATION AND EVALUATION EXPENSES

	Three months ended June 30,		Six months ended June 30,	
	2022	2021	2022	2021
	\$	\$	\$	\$
Salaries and benefits	259,457	110,151	385,532	110,151
Geology and prospecting	-	16,594	-	18,602
Drilling	-	-	1,440	-
Analysis	428	-	82,505	14,158
Geophysics	68,007	-	68,007	14,917
Geochemistry	360	2,205	390	3,905
Metallurgy	-	-	-	-
Lodging and travel	10,751	18,201	(6,052)	19,645
Supplies	113,326	107,682	169,927	116,721
Taxes, permits and insurance	546	5,232	848	9,692
Exploration and evaluation expenses before tax credits	452,875	260,065	702,597	350,163
Tax credits	(16,780)	(10,619)	(18,370)	(10,991)
Exploration and evaluation expenses	436,095	249,446	684,227	339,172

19. ADDITIONAL INFORMATION RELATING TO THE STATEMENT OF CASH FLOWS

Changes in non-cash working capital items

	Six months ending June 30	
	2022	2021
	\$	\$
Receivables	133,039	(382,438)
Inventory	(9,687)	(9,233)
Prepaid expenses and others	(16,326)	(13,384)
Trade and other payables	(19,182)	516,553
Deferred revenues	(184,036)	691,785
	(96,192)	803,283

Transactions with no effect of cash flow

	2022	2021
	\$	\$
	Acquisition of property and equipment financed through lease obligations	-