Kintavar Exploration Inc.

Consolidated Financial Statements

For the years ended December 31, 2022 and 2021

To the Shareholders of Kintavar Exploration Inc.:

Opinion

We have audited the consolidated financial statements of Kintavar Exploration Inc. and its subsidiary (the "Company"), which comprise the consolidated statements of financial position as at December 31, 2022 and December 31, 2021, and the consolidated statements of loss and comprehensive loss, changes in equity and cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Company as at December 31, 2022 and December 31, 2021, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with International Financial Reporting Standards.

Basis for Opinion

We conducted our audits in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audits of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. We have determined that there are no key audit matters to communicate in our report.

Other Information

Management is responsible for the other information. The other information comprises Management's Discussion and Analysis.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

IIn connection with our audits of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audits or otherwise appears to be materially misstated. We obtained Management's Discussion and Analysis prior to the date of this auditor's report. If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entity or business activities within the Company to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audits and significant audit findings, including any significant deficiencies in internal control that we identify during our audits.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

The engagement partner on the audit resulting in this independent auditor's report is Anand Beejan..

MNP LLP

Ottawa, Ontario	Chartered Professional Accountants
April 20, 2023	Licensed Public Accountants

Kintavar Exploration Inc.

Consolidated Statements of Financial Position
As of December 31, 2022, and 2021
(In Canadian dollars)

	Note	As at December 31, 2022	As at December 31, 2021
		$	**$**
Assets			
Current assets			
Cash and cash equivalents	4	1,555,039	3,153,325
Receivables	7	815,679	933,631
Inventory		63,847	61,808
Investments	5	1,200,000	1,000,000
Investments in listed companies	6	48,550	87,400
Prepaid fees and other		137,909	154,042
Current assets		3,821,024	5,390,206
Non-current assets			
Exploration and evaluation assets	8	2,386,603	2,505,247
Property and equipment	9	4,023,151	4,359,495
Non-current assets		6,409,754	6,864,742
Total assets		**10,230,778**	**12,254,948**
Liabilities			
Current liabilities			
Trade and other payables	10	357,052	583,353
Deferred revenues		141,492	461,614
Deferred grants		10,732	-
Obligations under finance leases	11	-	145,822
Long-term debt	13	163,811	80,648
Liability related to the premium on flow-through shares	12	171,610	136,469
Current liabilities		844,697	1,407,906
Non-current liabilities			
Deferred tax liability	21	181,363	56,642
Long-term debt	13	751,763	985,340
Non-current liabilities		933,126	1,041,982
Total liabilities		**1,777,823**	**2,449,888**
Equity			
Share capital	14	21,860,175	21,517,532
Warrants	15	32,475	-
Broker warrants	16	49,761	58,902
Stock options	17	1,844,441	1,845,691
Contributed Surplus		1,370,834	1,303,569
Deficit		(16,704,731)	(14,920,634)
Total equity		**8,452,955**	**9,805,060**
Total liabilities and equity		**10,230,778**	**12,254,948**

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

On behalf of the Board

(s) Kiril Mugerman
Kiril Mugerman
Director

(s) Mark Billings
Mark Billings
Director

Kintavar Exploration Inc.

Consolidated Statements of Loss and Comprehensive Loss
For the years ended December 31, 2022 and 2021
(In Canadian dollars)

	Note	2022	2021
		$	**$**
Project management fees		29,456	83,207
Sales		3,519,159	2,331,294
Income		**3,548,615**	**2,414,501**
Operating expenses			
Exploration and evaluation, net of tax credits	19	1,574,802	1,428,409
Costs of sales		1,449,955	933,927
Salaries and benefits	18	1,005,965	1,007,093
Share-based compensation		107,995	149,290
Professional fees		128,362	66,885
Travel, conference and investor relations		80,199	118,406
General expenses and maintenance		313,187	295,388
Administration		140,960	127,408
Filing fees		31,177	37,378
Rent		11,100	10,175
Insurances and taxes		50,584	51,589
Impairment of exploration and evaluation assets		22,197	3,993
Depreciation of property and equipment		369,842	299,413
		5,286,325	4,529,354
Operating loss		**(1,737,710)**	**(2,114,853)**
Other income (expenses)			
Interest income		56,177	15,605
Finance costs		(87,386)	(76,392)
Other revenue		23,884	86,956
Gain on disposal of exploration and evaluation assets		24,096	75,375
Unrealized loss in fair value of investments in listed companies		(41,850)	(19,150)
Gain (loss) on disposal of property and equipment		(582)	5,000
		(25,661)	87,394
Net loss before income taxes		**(1,763,371)**	**(2,027,459)**
Current tax		-	-
Deferred tax recovery	21	11,748	288,854
Net loss and comprehensive loss		**(1,751,623)**	**(1,738,605)**
Basic and diluted loss per share		(0.01)	(0.02)
Weighted average number of basic and diluted outstanding shares		**123,347,001**	**108,246,234**

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

Kintavar Exploration Inc.

Consolidated Statements of Changes in Equity
For the years ended December 31, 2022 and 2021
(In Canadian dollars)

	Note	Number of shares outstanding	Capital Stock	Warrants	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 year		-	-	-	-	-	-	(1,751,623)	(1,751,623)
Issuance of shares under a flow-through private placement, net of issuance costs	14	5,148,750	392,253	-	879	-	-	-	393,132
• Less: premium		-	(171,610)	-	-	-	-	-	(171,610)
Stock-based compensation	17	-	-	-	-	107,995	-	-	107,995
Exercise of stock options		500,000	122,000	-	-	(52,000)	-	-	70,000
Expired options		-	-	-	-	(57,245)	57,245	-	-
Expired broker warrants		-	-	-	(10,020)	-	10,020	-	-
Warrants extended	15	-	-	32,475	-	-	-	(32,475)	-
Balance as at December 31, 2022		**128,557,128**	**21,860,175**	**32,475**	**49,761**	**1,844,441**	**1,370,834**	**(16,704,732)**	**8,452,954**

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

Kintavar Exploration Inc.

Consolidated Statements of Changes in Equity
For the years ended December 31, 2022 and 2021
(In Canadian dollars)

	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**	**18,499,250**	**10,020**	**1,719,814**	**1,300,956**	**(13,182,029)**	**8,348,011**
Loss and comprehensive loss for the year		-	-	-	-	-	(1,738,605)	(1,738,605)
Issuance of shares under a private placement, net of issuance costs	14	6,226,297	987,065	48,882	-	-	-	1,035,947
Issuance of shares under a flow-through private placement, net of issuance costs	14	9,702,947	2,081,127	-	-	-	-	2,081,127
• Less: premium		-	(226,210)	-	-	-	-	(226,210)
Stock-based compensation	17	-	-	-	149,290	-	-	149,290
Exercised options		200,000	48,800	-	(20,800)	-	-	28,000
Exercised warrants		850,000	127,500	-	-	-	-	127,500
Expired options		-	-	-	(2,613)	2,613	-	-
Balance as at December 31, 2021		**122,908,378**	**21,517,532**	**58,902**	**1,845,691**	**1,303,569**	**(14,920,634)**	**9,805,060**

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

Kintavar Exploration Inc.

Consolidated Statements of Cash Flows
For the years ended December 31, 2022 and 2021
(In Canadian dollars)

	Note	2022	2021
		$	$
Operating activities			
Net loss for the year		(1,751,623)	(1,738,605)
Adjustments for:			
Accrued interest on investments		(13,829)	(819)
Stock-based compensation		107,995	149,290
Depreciation of property and equipment		369,842	299,413
(Gain) loss on disposal of property and equipment		582	(5,000)
Gain on disposal of exploration and evaluation assets		(24,641)	(76,242)
Impairment of exploration and evaluation assets	8	22,197	3,993
Deferred tax recovery	21	(11,748)	(288,854)
Unrealized loss on variation of value of investments in listed companies		41,850	19,150
Accretion of long-term debt		4,367	4,367
Changes in non-cash working capital items	22	(389,816)	488,646
Cash flows used in operating activities		**(1,644,824)**	**(1,144,661)**
Investing activities			
Addition to investments		(1,200,000)	(1,000,000)
Disposal or maturities of investments		1,000,000	150,000
Additions of exploration and evaluation assets		(26,912)	(16,058)
Option payment received on exploration and evaluation assets		145,000	75,000
Acquisition of property and equipment		(34,080)	(1,439,509)
Proceeds from sale of property and equipment		-	5,000
Cash flows used in investing activities		**(115,992)**	**(2,225,567)**
Financing activities			
Reduction in bank overdraft		-	(6,794)
Private placements	14	-	1,058,470
Flow-through private placements	14	411,900	2,231,678
Share issuance costs		(18,768)	(173,074)
Options exercised		70,000	28,000
Exercise of warrants		-	127,500
Repayment of long-term debt		(154,781)	(100,271)
Obligations under financial leases repayment		(145,822)	(285,131)
Cash flows from financing activities		**162,529**	**2,880,378**
Net change in cash and cash equivalents		(1,598,287)	(489,850)
Cash and cash equivalents - beginning		3,153,325	3,643,175
Cash and cash equivalents - ending		**1,555,038**	**3,153,325**

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

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 2022, the Corporation reported a net loss of $1,751,623 ($1,738,605 in 2021) and has an accumulated deficit of $16,704,731 ($14,920,634 in 2021). As at December 31, 2022, the Corporation had working capital of $2,976,327 ($3,982,300 as of 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.

2. SIGNIFICANT ACCOUNTING POLICIES

2.1 Statement of Compliance

These financial statements have been prepared in accordance with the *International Financial Reporting Standards* ("IFRS") as issued by the *International Accounting Standards Board* ("IASB") and IFRS Interpretations Committee ("IFRIC").

The financial statements were approved by the Corporation's Board of Directors on April 19, 2023.

2.2 Basis of measurement

The Financial Statements have been prepared on a historical cost basis except for certain assets carried at fair value. The Corporation has elected to present the statement of loss and comprehensive loss in a single statement.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.3 New accounting methods

IAS 1, Presentation of Financial Statements ("IAS 1"), was amended in January 2020. The IASB issued amendments to IAS 1 to specify the requirements for classifying liabilities as current or noncurrent. The amendments clarify the definition of a right to defer settlement and specify that the conditions which exist at the end of the reporting period are those which will be used to determine if a right to defer settlement of a liability exists. The amendments are effective for annual periods beginning on or after January 1, 2024. The amendments must be applied retrospectively in accordance with IAS 8, Accounting Policies, Changes in Accounting Estimates and Errors. Earlier application is permitted. The implementation of these amendments is not expected to have a significant impact on the Corporation's balance sheet presentation.

Disclosure of accounting policies (Amendments to IAS 1 and IFRS Practice Statement 2) – On February 12, 2021, the IASB issued amendments to IAS 1 to assist entities in determining which accounting policies to disclose in the financial statements. The amendments to IAS 1 require that an entity disclose its material accounting policies instead of its significant accounting policies and explain how an entity can identify a material accounting policy to produce financial statement disclosures for the benefit of the primary users of the financial statements. The amendments apply to annual reporting periods beginning on or after January 1, 2023. Earlier adoption is permitted. The Corporation is assessing the potential impact of the amendments; however, it does not expect them to have a material impact on the Corporation's consolidated financial statements.

Definition of accounting estimates (Amendments to IAS 8) – On February 12, 2021, the IASB issued amendments to IAS 8, Accounting Policies, Changes in Accounting Estimates and Errors, to assist entities to distinguish between accounting policies and accounting estimates. The amendments introduce a definition of "accounting estimates" and confirm that a change in an accounting estimate that results from new information or new developments is not the correction of an error, while also helping entities distinguish a change in an accounting estimate from a change in accounting policy. The amendments apply to annual reporting periods beginning on or after January 1, 2023. Earlier adoption is permitted. The Corporation is assessing the potential impact of the amendments; however, it does not expect them to have a material impact on the Corporation's consolidated financial statements.

2.4 Consolidation method

The financial statements of the Corporation include its accounts and those of its subsidiary Pourvoirie Fer à Cheval ("the Fer à Cheval") wholly owned and acquired on August 1, 2019. This subsidiary is engaged in providing lodging and hunting/fishing packages for tourists and workers in the region of the Hautes-Laurentides. Control refers to the power to direct the financial and operating policies of an entity in order to benefit from its activities. All intra-group transactions, balances, revenues and expenses are eliminated upon consolidation.

2.5 Functional and presentation currency

The Financial Statements are presented in Canadian dollars, which is the Corporation and its subsidiary's functional currency.

2.6 Financial Instruments

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

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

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 loss. The category includes the investments in listed mining exploration companies. This instrument is measured at fair market value and changes in fair market value are recognized in net loss. Fair market value is determined on the basis of stock market prices.

b) Financial liabilities

Amortized cost:
Trade and other payables, bank overdraft and long-term debt 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.

2.7 Cash and cash equivalents

Cash and cash equivalents consist of cash on hand, bank balances and short-term liquid investments with original maturities of three months or less or cashable at any time without penalties.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.8 Tax credits and mining rights receivable

The Corporation is entitled to a refundable tax credit on qualified exploration expenditures incurred and a refundable credit on duties for losses under the Mining Tax Act. These tax credits are recognized as a reduction of the exploration and evaluation expenses incurred. As the Corporation intends to realize the carrying value of its assets and settle the carrying value of its liabilities through the sale of its exploration and evaluation assets, the related deferred tax has been calculated accordingly.

2.9 Short-term investments

The Corporation considers short-term investments to be those whose terms at the time of purchase are more than 90 days but maximum one year.

2.10 Inventory

The inventory consists of gasoline, food, drink, housekeeping equipment and promotional materials that will be used to sell products or provide future outfitting services. Inventory is valued at the lower of cost and net realizable value. The cost is determined using the average cost method.

2.11 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.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

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. 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.

2.12 Property and equipment

Property and equipment are stated at cost less accumulated depreciation and accumulated impairment losses. Cost includes expenditures that are directly attributable to the acquisition of an asset. Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefit associated with the item will flow to the Corporation and the cost can be measured reliably.

The carrying amount of a replaced asset is derecognized when replaced. Repairs and maintenance costs are charged to the statement of loss and comprehensive loss during the period in which they are incurred.

Depreciation is calculated to amortize the cost of the property and equipment less their residual values over their estimated useful lives using the straight-line method and following periods by major categories:

Rolling stock	3 to 5 years
Right-of-use assets	Linear over the estimated lifespan of the underlying asset
Outfitter trails	20 years
Power line	20 years
Spawning grounds	20 years
Equipment	10 years
Buildings	20 years

The depreciation expense for each period is recognized in the statement of loss and comprehensive loss. In the case of certain items of property and equipment related to E&E activities on a project that has not reached the phase at which the Corporation capitalizes its E&E expenses, the depreciation expense is recognized in the statement of loss and comprehensive loss. Depreciation of an asset ceases when it is classified as held for sale (or included in a disposal group that is classified as held for sale) or when it is derecognized. Therefore, depreciation does not cease when the asset becomes idle or is retired from active use unless the asset is fully depreciated.

Residual values, methods of depreciation and useful lives of the assets are reviewed annually and adjusted if appropriate. Gains and losses on disposals of property and equipment are determined by comparing the proceeds with the carrying amount of the asset and are recorded in the statement of loss.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.13 Leases

The Corporation leases certain equipment. Rental contracts are typically made for fixed periods. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions.

Leases with a term in excess of twelve months and for other than low-value assets are recognized as a right-of-use asset and corresponding liability at the date of which the leased asset is available for use by the Corporation. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

Payments associated with short-term leases and leases of low-value assets are recognized on a straight-line basis as an expense in statement of loss. Low-value assets comprise IT and exploration equipment and small items of office furniture.

2.14 Impairment of non-financial assets

E&E assets and property and equipment are reviewed for impairment, by area of interest, if there is any indication that the carrying amount may not be recoverable. If any such indication is present, the recoverable amount of the asset is estimated in order to determine whether impairment exists. Where the asset does not generate cash flows that are independent from other assets, the Corporation estimates the recoverable amount of the cash generating unit ("CGU") to which the asset belongs.

An asset's recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value, using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset or CGU is estimated to be less than its carrying amount, the carrying amount is reduced to the recoverable amount. Impairment is recognized immediately in the statement of loss and comprehensive loss. Where an impairment subsequently reverses, the carrying amount is increased to the revised estimate of recoverable amount but only to the extent that this does not exceed the carrying value that would have been determined if no impairment had previously been recognized. A reversal is recognized as a reduction in the impairment charge for the period.

When claims expire on a property and the Company decides not to renew them, a devaluation expense will be taken calculated in proportion to the number of expired claims on the number of total claims preceding the expiry.

2.15 Deferred Revenues

Amounts received or receivable prior to the service delivery are classified as deferred revenues. Deferred revenues include the portion of the amounts received or charged on hunting and fishing packages for which services have not yet been rendered. Since the deposit period from customers never exceeds 12 months, all deferred revenues are classified as current liabilities.

2.16 Revenue Recognition

Revenues consists of revenue from project management fees and sales made by the subsidiary including sales of outfitting packages including leisure and worker's accommodation forfeits as well as other outfitting revenues such as promotional material, gasoline, hunting and fishing licenses, food and beverages, etc.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

When the Corporation acts as operator on a property that it has optioned, the expenses incurred for the work carried out on the property are charged to the partner who has optioned the property. A management fee is applied to the re-invoiced costs. These management fees are recognized as the costs are incurred to carry out the work. These management fees are recorded as income in the statement of loss and comprehensive loss.

Revenue from the sale of packages is recognized as services are rendered (i.e. per night consumed for leisure and worker's accommodation forfeits). Revenue from the sale of goods is recognized when control is transferred to the customer, which is realized upon delivery of the product. In 2021, the subsidiary of the Company received significant amounts from 3 clients in order to help finance expansions to support a significant influx of workers in the region of the outfitter. These amounts have been recorded as deferred revenues. The amounts received represent 25% of the revenue forecast for accommodation and meals for employees of these customers. At the time an overnight stay is consumed by the employees of these customers, 75% of the value of the package is invoiced to the customer and recorded as a sale and the balance of 25% is transferred from deferred revenue to sales to the statement of loss and of the comprehensive loss.

Revenue is measured at the fair value of the consideration received or receivable.

2.17 Government grants

The Corporation and its subsidiary received financial assistance under government incentive programs for exploration expenses and for investments in facilities. Government grants are recognized initially as government grants receivable at fair value when there is reasonable assurance that it will be received and that the Corporation will comply with the conditions associated with the grant. Grants are recognized as a reduction of the related expenditures (in the statements of financial position or statements of income (loss) depending on the nature of the expenditures).

Grants are recognized in proportion to the total costs expected to the contract. Any payment received before the associated work is performed are recorded as deferred grants in the statement of financial position.

2.18 Income taxes

Income tax on the profit or loss for the periods presented comprises current and deferred tax. Income tax is recognized in profit or loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity.

Current tax expense is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at period end, adjusted for amendments to tax payable with regards to previous years. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred tax is provided using the balance sheet liability method, providing for temporary differences between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Temporary differences are not provided for if they arise from the initial recognition of goodwill or the initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the financial position reporting date.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized.

Deferred tax assets and liabilities are presented as noncurrent and are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

2.19 Equity

Capital stock represents the amount received on the issue of shares. Warrants represent the allocation of the amount received for units issued as well as the charge recorded for the broker options relating to financing. The stock option reserve account includes charges related to stock options until they are exercised. Contributed surplus includes amounts of options and warrants that expired and not exercised. Deficit includes all current and prior period retained profits or losses.

The Corporation applied the residual value approach to allocate the proceeds received from the unit offering to their respective components. The fair value of the common shares was determined by using the trading price of the Corporation's shares at the date of issuance. The excess of the unit price over the fair value of the common shares was used to determine the residual value. The residual value is allocated to warrants.

Share and warrant issue expenses are accounted for in the year in which they are incurred and are netted against the share capital accounts for which they were incurred.

2.20 Flow-through shares

The Corporation finances some E&E expenses through the issuance of flow-through shares. The resource expenditure deductions for income tax purposes are renounced to investors in accordance with the appropriate income tax legislation. Issuance of flow-through units represents in substance an issue of common shares, warrants (if applicable) and the sale of the right to tax deductions to the investors. When the flow-through units are issued, the sale of the right to tax deductions is deferred and presented as other liabilities in the statement of financial position. The proceeds received from flow-through placements are allocated between share capital, warrants issued and the liability using the residual method. Proceeds are first allocated to shares according to the quoted price of existing shares at the time of issuance, then to warrants (if applicable) according to the fair value of the warrants at the time of issuance and any residual in the proceeds is allocated to the liability. The fair value of the warrants is estimated using the Black-Scholes valuation model. The liability component recorded initially on the issuance of shares is reversed, on renouncement of the right to tax deductions to the investors and when eligible expenses are incurred and recognized in profit or loss in deferred taxes recovery.

2.21 Stock-based compensation

The Corporation operates an equity-settled share-based remuneration plan (share options plan) for its eligible directors, officers, employees and consultants. The Corporation's plan does not feature any options for a cash settlement.

An individual is classified as an employee when the individual is an employee for legal or tax purposes (direct employee) or provides services similar to those performed by a direct employee, including directors of the Corporation. The expense is recorded over the vesting period for employees and over the period covered by the contract for non-employees.

(In Canadian Dollars)

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

All goods and services received in exchange for the grant of any share-based payment are measured at their fair values, unless that fair value cannot be estimated reliably. If the Corporation cannot estimate reliably the fair value of the goods or service received, the Corporation shall measure their value indirectly by reference to the fair value of the equity instruments granted. Where employees are rewarded using share-based payments, the fair values of employees' services are determined indirectly by reference to the fair value of the equity instruments granted. This fair value is appraised at the grant date using the Black-Scholes option pricing model and excludes the impact of non-market vesting conditions.

All equity-settled share-based payments are ultimately recognized as an expense in the statement of loss and comprehensive loss with a corresponding credit to contributed surplus, in equity. Broker options, in respect of an equity financing are recognized as share issue expense reducing the equity with a corresponding credit to warrants.

If vesting periods or other vesting conditions apply, the expense is allocated over the vesting period, based on the best available estimate of the number of share options expected to vest.

Non-market vesting conditions are included in assumptions about the number of options that are expected to become exercisable. Estimates are subsequently revised if there is any indication that the number of share options expected to vest differs from previous estimates.

Upon exercise of share options, the proceeds received net of any directly attributable transaction costs are recorded as capital stock. The accumulated charges related to the share options recorded in contributed surplus are then also transferred to capital stock.

2.22 Loss per share

Loss per share is calculated using the weighted average number of shares outstanding during the year. Diluted loss per share is calculated using the weighted average number of shares outstanding during the year for the calculation of the dilutive effect of warrants and stock options unless they have an anti-dilutive effect.

.

2.23 Segment disclosures

The Corporation currently operates in two segments – the acquisition, exploration and evaluation of exploration properties and the operation of a hunting and fishing and outdoor outfitter. All of the Corporation's activities are conducted in Canada. Segment information for the reporting periods is as follows:

	Exploration and evaluation	Outfitting (lodging, fishing and hunting)	Total
	$	$	$
2022			
Revenues	32,956	3,515,659	**3,548,615**
Total assets	5,683,811	4,546,967	**10,230,778**
Total liabilities	347,205	1,305,897	**1,653,102**
2021			
Revenues	83,207	2,331,294	**2,414,501**
Total assets	7,484,971	4,769,977	**12,254,948**
Total liabilities	291,463	2,158,425	**2,449,888**

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

The group's management team monitors the performance of these operating segments as well as deciding on the allocation of resources to them. Segmental performance is monitored using adjusted segment operating results.

3. CRITICAL ACCOUNTING ESTIMATES, JUDGMENTS AND ASSUMPTIONS

When preparing the financial statements, management undertakes a number of judgments, estimates and assumptions about recognition and measurement of assets, liabilities, income and expenses. The actual results could differ from the judgments, estimates and assumptions made by management, and will seldom equal the estimated results. Information about the significant judgments that have the most significant effect on the recognition and measurement of assets, liabilities, income and expenses are discussed below.

3.1 Impairment of E&E assets

Determining if there are any facts and circumstances indicating impairment loss or reversal of impairment losses is a subjective process involving judgment and a number of estimates and interpretations in many cases.

Determining whether to test for impairment of E&E assets requires management's judgment, among others, regarding the following: the period for which the entity has the right to explore in the specific area has expired during the period or will expire in the near future, and is not expected to be renewed; substantive expenditure on further E&E of mineral resources in a specific area is neither budgeted nor planned; exploration for and evaluation of mineral resources in a specific area have not led to the discovery of commercially viable quantities of mineral resources and the entity has decided to discontinue such activities in the specific area; or sufficient data exists to indicate that, although a development in a specific area is likely to proceed, the carrying amount of the E&E asset is unlikely to be recovered in full from successful development or by sale.

When an indication of impairment loss or a reversal of an impairment loss exists, the recoverable amount of the individual asset must be estimated. If it is not possible to estimate the recoverable amount of the individual asset, the recoverable amount of the cash-generating unit to which the asset belongs must be determined. Identifying the cash-generating units requires considerable management judgment. In testing an individual asset or cash-generating unit for impairment and identifying a reversal of impairment losses, management estimates the recoverable amount of the asset or the cash-generating unit. This requires management to make several assumptions as to future events or circumstances.

These assumptions and estimates are subject to change if new information becomes available. Actual results with respect to impairment losses or reversals of impairment losses could differ in such a situation and significant adjustments to the Corporation's assets and earnings may occur during the next period.

The total impairment loss of the E&E assets recognized is $22,197 for 2022 ($3,993 for 2021). No reversal of impairment losses has been recognized for the reporting periods.

3. CRITICAL ACCOUNTING ESTIMATES, JUDGMENTS AND ASSUMPTIONS (CONT'D)

3.2 Deferred taxes

The assessment of availability of future taxable profits involves judgment. A deferred tax asset is recognized to the extent that it is probable that taxable profits will be available against which deductible temporary differences and the carry-forward of unused tax credits and unused tax losses can be utilized. Judgment is also involved in the determination of the expected manner of realisation or settlement of the carrying amount of the Corporation's assets and liabilities which is expected to be through the sale of the Corporation's assets.

3.3 Valuation of credit on duties refundable for loss and the refundable tax credit for resources.

Refundable credit on mining duties and refundable tax credit related to resources for the current and prior periods are measured at the amount expected to be recovered from the taxation authorities using the tax rates and tax laws that have been enacted or substantively enacted at the statement of financial position date. Uncertainties exist with respect to the interpretation of tax regulations, including credit on mining duties and tax credit related to resources for which certain expenditures could be disallowed by the taxation authorities in the calculation of credits, and the amount and timing of their collection. The calculation of the Corporation's credit on mining duties and tax credit related to resources necessarily involves a degree of estimation and judgment in respect of certain items whose tax treatment cannot be finally determined until notice of assessments and payments have been received from the relevant taxation authority.

Differences arising between the actual results following final resolution of some of these items and the assumptions made, or future changes to such assumptions, could necessitate adjustments to credit on mining duties and tax credit related to resources, exploration and evaluation assets and expenses, and income tax expense in future periods.

The amounts recognized in the financial statements are derived from the Corporation's best estimation and judgment as described above. However, the inherent uncertainty regarding the outcome of these items means that eventual resolution could differ from the accounting estimates and therefore impact the Corporation's financial position and its financial performance and cash flows.

4. CASH AND CASH EQUIVALENTS

Cash and cash equivalents include available cash, bank balances and short-term liquid investments with an original maturity of up to 3 months or redeemable at any time without penalty.

The short-term investments held as of December 31, 2022 and classified as cash equivalent include a guaranteed investment certificate of $862,000 bearing interest at 4.00% and maturing on December 13, 2023. Interest and principal are cashable at any time without penalties.

The short-term investments held as at December 31, 2021 and classified as cash equivalent include an investment of $3,020,335 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 ($50,000 as at December 31, 2021), bearing interest at the financial institution's prime rate plus 2.35% (effective rate of 6.45% as at December 31, 2022). As at December 31, 2022, the amount outstanding under this credit facility was nil (nil as at December 31, 2021).

(In Canadian Dollars)

4. CASH AND CASH EQUIVALENTS

The flow-through financing balances not yet spent according to the terms of the last financings are as followed:

- December 29, 2022 financing: balance of $411,900 as at December 31, 2022.
- November 10, 2021 financing: balance of nil as at December 31, 2022 ($1,864,000 as at December 31, 2021).

The Corporation has dedicated these funds to Canadian exploration expenses to be completed before December 31, 2023.

5. INVESTMENTS

The investments as at December 31, 2022 consist of five guaranteed investment certificates that are non-cashable prior to maturity. All five certificates totalize $1,200,000 in nominal value and bear interest with rates ranging from 1.71% to 5.09% and expiring dates ranging from February 23, 2023 to December 13, 2023.

The investments as at December 31 2021 consist of 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.

6. INVESTMENTS 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 December 31, 2022	As at December 31, 2021
	$	$
Gitennes Exploration Inc. – 600,000 common shares *(450,000 as at December 31, 2021)*	12,000	20,250
Northern Superior Resources Inc. – 85,000 common shares *(85,000 as at December 31, 2021)* (note 8.1)	36,550	67,150
Investment in a listed company	**48,550**	**87,400**

(In Canadian Dollars)

7. RECEIVABLES

	As at December 31, 2022	As at December 31, 2021
	$	$
Accounts receivable	244,512	178,061
Due from Geomega Resources Inc. (note 20)	-	28,624
Sales taxes receivable	51,837	155,892
Tax credits and mining rights receivable	470,670	560,041
Government grants receivable	21,407	-
Other	27,253	11,013
Receivables	**815,679**	**933,631**

8. EXPLORATION AND EVALUATION ASSETS

Mining properties acquisition costs	As at Jan. 1, 2022	Additions	Impairment	Payment on options	As at Dec 31, 2022
	$	$	$	$	$
Mitchi	929,571	18,889	(8,982)[2]	-	939,478
Anik [1]	1,405,654	82	-	(100,000)	1,305,736
Rivière à l'aigle	105,144	7,185	(13,215)[2]	-	99,114
Cousineau	4,779	756	-	-	5,535
New Mosher [1]	-	-	-	-	-
Wabash	36,740	-	-	-	36,740
Baie Johann Beetz [1]	23,359	-	-	(23,359)	-
	2,505,247	**26,912**	**(22,197)**	**(123,359)**	**2,386,603**

1) Option agreements are in effect on these properties. See sections 8.2 and 8.3 for more information.
2) Certains claims were dropped, and the Corporation impaired partially the property.

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)[3]	-	-	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. See sections 8.2, 8.3 and 8.4 for more information.
2) This property was sold on September 14, 2021. See section 8.1 for more information.
3) Certains claims were dropped, and the Corporation impaired partially the property.

(In Canadian Dollars)

8. EXPLORATION AND EVALUATION ASSETS (CONT'D)

8.1 Gaspard Nord

On September 14, 2021, the Corporation sold the 5 claims of its Gaspard-Nord property to Northern Superior Resources Inc. (SUP.V) in exchange for a total consideration of 85,000 shares in the equity of SUP.V (see note 6). Kintavar retains a 2 % net smelter return royalty subject to a 1% partial redemption right for a purchase price of CAD $1,000,000.

At the date of the transaction, the value of the shares of Northern Superior Resources Inc. was $0.83 for a total value of $70,550. The difference between the consideration received and the value of the exploration and evaluation assets of the Gaspard Nord property has been recorded against exploration and evaluation expenses in the consolidated statement of losses and the balance as gains on disposal of exploration and evaluation assets in the consolidated statement of losses as well. No fair value was attributable to the 2 % net smelter royalty because the property is still at early stage.

8.2 Anik

On May 27, 2020, the Corporation signed an option agreement with IAMGOLD Corporation ("IAMGOLD") 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 (completed)	75,000	250,000
On or before May 26, 2022 (completed)	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 maturity at, IAMGOLD's option. If the options are exercised, the Corporation will retain a contributing net interest of 25% or 20% as the case may be, which can be converted at the Corporation'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 and, when the dilution would equal less than 10%, it would convert into a 1.5% net smelter returns royalty ("NSR"). IAMGOLD maintains a buy back right of 0.75% of the NSR for $2,000,000.

Pursuant to the agreement, the Corporation will receive 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 common share of IAMGOLD. In total, these additional payments could reach a total of $2,400,000.

(In Canadian Dollars)

8. EXPLORATION AND EVALUATION ASSETS (CONT'D)

8.3 New Mosher

On June 29, 2020, the Company granted Gitennes Exploration Inc. ("Gitennes") an option allowing it to acquire stakes of up to 85% of the interests in the New Mosher property. To earn these interests, Gitennes would make common shares and cash payments to the Corporation and incur certain exploration expenses as shown in the table below. The Corporation remained the operator until the second part of the option agreement was completed.

The terms of the option agreement with Gitennes for the New Mosher property are as followed:

	Issuance of common shares	Work
		$
First option for an initial participation of 70%		
At the approval of the TSX-V (completed)	150,000	nil
At the latest Sept. 30, 2021 (completed)	150,000	150,000
At the latest Sept. 30, 2022 (completed)	150,000	250,000
At the latest Sept. 30, 2023	150,000	300,000
At the latest Sept. 30, 2024	400,000	300,000
Total for a maximum participation of 70%	**1,000,000**	**1,000,000**

Upon making the above share issuances and exploration expenditures, Gitennes will earn a 70% interest on the New Mosher Property. Gitennes can increase its interest to 85% on the property by either producing an inferred resource estimate or conducting a preliminary economic assessment by September 30, 2025. Upon completion of an inferred resource estimate, Gitennes will pay the Corporation $250,000 in cash or shares at Gitennes' option and pay an additional $750,000 in cash only on delivering a preliminary economic assessment. Gitennes will grant to the Corporation a 1.5% NSR on the property and the Corporation will grant Gitennes the right to buy-back at any time 1% for $1,000,000 CAD.

8.4 Baie Johann Beetz

On August 16, 2022, the Corporation concluded an agreement with Brunswick Exploration Inc. (BRW) to option out the Baie Johan Beetz (BJB) property on the North Shore of Quebec.

The terms of the agreement are as follow:

	Cash Payments (1)	Work
	$	$
Option a participation for 100%		
At the signature (completed)	45,000	Nil
On or before August 16, 2023	100,000	150,000
On or before August 16, 2024	200,000	250,000
On or before August 16, 2025	300,000	400,000
On or before August 16, 2026	400,000	1,200,000
Total for a maximum participation of 100%	**1,045,000**	**2,000,000**

(1) Each anniversary payment will be a combination of cash and shares with a minimum 20% in cash and up to a maximum of 80%.

(In Canadian Dollars)

8. EXPLORATION AND EVALUATION ASSETS (CONT'D)

The terms of the agreement also include the followings:

- 2% NSR royalty of which the first 1% can be bought back for $1,000,000. BRW will retain a Right of First Refusal on the second 1% tranche.
- Additional milestone payments to Kintavar:
  - Payment of $250,000 upon completion of a Mineral Resource Estimate;
  - Payment of $750,000 upon completion of Preliminary Economic Assessment;
  - Each milestone payment will be a mixture of cash and shares with a minimum 20% in cash and up to a maximum of 80%.

9. PROPERTY AND EQUIPMENT

	Net book value January 1, 2022	Additions	Disposal	Depreciation	Net book value December 31, 2022
	$	$	$	$	$
Rolling stock	272,837	20,200	(582)	(79,813)	212,642
Outfitter trails	67,723	-	-	(3,852)	63,871
Electric line	276,019	7,380	-	(15,206)	268,193
Spawning grounds	67,723	-	-	(3,852)	63,871
Equipment	468,206	6,500	-	(58,447)	416,259
Buildings(1)	3,206,987	-	-	(208,672)	2,998,315
	4,359,495	**34,080**	**(582)**	**(369,842)**	**4,023,151**

(1) The buildings include a net book value of $567,068 that was included in the right-of-use assets as at December 31, 2021. The Corporation exercised its right to buy dorms for 1$ following the expiration of their related finance lease agreement.

	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**

(In Canadian Dollars)

9. PROPERTY AND EQUIPMENT (CONT'D)

	As at December 31, 2022			As at December 31, 2021
	Cost	Accumulated Depreciation	Net book value	Net book value
	$	$	$	$
Rolling stock	434,630	(221,988)	212,642	272,837
Right-of-use assets	-	-	-	634,443
Outfitter trails	77,032	(13,161)	63,871	67,723
Electric line	304,741	(36,548)	268,193	276,019
Spawning grounds	77,032	(13,161)	63,871	67,723
Equipment	585,009	(168,750)	416,259	468,206
Buildings(1)	3,206,987	(509,286)	2,998,315	2,572,544
	4,986,045	**(962,894)**	**4,023,151**	**4,359,495**

(1) The buildings include a net book value of $567,068 that was included in the right-of-use assets as at December 31, 2021. The Corporation exercised its right to buy dorms for 1$ following the expiration of their related finance lease agreement.

10. TRADE AND OTHER PAYABLES

	As at December 31, 2022	As at December 31, 2021
	$	$
Trade payables and accrued liabilities	219,068	397,890
Due to Geomega Resources Inc. (note 20)	11,816	-
Accrued salaries	46,597	67,731
Accrued vacations	27,594	63,881
Government remittances	51,977	53,851
Trade and other payables	**357,052**	**583,353**

11. OBLIGATIONS UNDER FINANCE LEASE

	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	**-**	**-**

During fiscal 2021, the Corporation entered into a capital lease agreement to acquire dormitory trailers in order to support the increased demand for worker accommodation at the Fer à Cheval outfitter. The contract includes the addition of 22 "VIP" type rooms and 22 regular rooms payable in 12 monthly installments of $36,800 starting in May 2021. Transportation, installation and other related costs were charged separately from the capital lease. At the end of the rental contract which occurred in June 2022, the Corporation purchased the facilities for the sum of $1.

(In Canadian Dollars)

12. LIABILITY RELATED TO THE PREMIUM ON FLOW THROUGH SHARES

	2022	2021
	$	$
Balance, beginning	136,469	212,745
Addition, net of issue costs	171,610	226,210
Reduction related to qualifying exploration expenditures	(136,469)	(302,486)
Liability related to the premium on flow through shares	**171,610**	**136,469**

13. LONG-TERM DEBT

	As at December 31, 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 1.75% (6.45% as of December 31, 2022). Interest and principal are payable monthly, maturing in August 2034.	388,889	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 are payable monthly, maturing in October 2033.	382,107	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.	23,057	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.	46,637	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.	74,884	70,989
Current portion	(163,811)	(80,648)
Long-term debt - non-current portion	**751,763**	**985,340**

14. SHARE CAPITAL

14.1 Authorized

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 shares are issued with the following restrictions and privileges: voting, participating with dividend as declared by the Board of Directors.

There are no shares held in escrow as at December 31, 2022 and December 31, 2021.

14.2 Private placements

a) December 2022

On December 29, 2022, the Corporation closed a private placement consisting of 5,148,750 units issued at a price of $0.08 per unit. Each unit is composed of one (1) flow through share and one (1) common share purchase warrant, each whole warrant entitling the holder hereof to acquire one (1) common share at a price of $0.10 per share until December 29, 2024. A total of $19,648 of issue costs were engaged for this transaction. These issue costs were split proportionally between the share capital and the liability related to the premium on flow-through shares.

All of the gross proceeds from the issue of the 5,148,750 units were allocated to share capital using the residual value method. As the value of the share at closing was lower than the issue price, no value was attributed to the warrants. The value of the share of the Corporation is deemed to be the value of the share at closing of $0.045. Thus, the residual value attributed to the flow-through share renunciation is $0.035, for a total value of $180,206, which has been credited to liability related to the premium on flow-through shares.

As part of the private placement, the Corporation issued 109,900 broker options. Each broker option allows the holder to acquire one common share at a price of $0.10 for 2 years. The total value of broker options is $879, which has been estimated using the Black-Scholes model based on the following assumptions: no dividend per share, expected volatility of 71.50% as well as a 3.92% risk-free interest rate and an expected term of 2 years.

b) November 2021

On November 10, 2021, the Corporation closed a private placement consisting of 9,702,447 flow-through shares issued at a price of $0.23 per share and 6,226,297 units at a price of $0.17 per unit for total gross proceeds of $3,290,148. Each unit is composed of one share and half a warrant, each whole warrant entitling the holder to acquire one share at a price of $0.23 per share for 2 years. A total of $221,957 of issue costs were engaged for this transaction. These issue costs were split proportionally between the share capital and the liability related to the premium on flow-through shares.

All of the gross proceeds from the issue of the 6,226,297 units were allocated to share capital using the residual value method. As the value of the share at closing was lower than the issue price, no value was attributed to the warrants.

Regarding the flow-through private placement, the value of the share of the Corporation is deemed to be the value of the share at closing of $0.205. Thus, the residual value attributed to the flow-through share renunciation is $0.025, for a total value of $242,574, which has been credited to liability related to the premium on flow-through shares.

(In Canadian Dollars)

14. SHARE CAPITAL (CONT'D)

As part of the private placement, the Corporation issued 603,485 broker options. Each broker option allows the holder to acquire one common share at a price of $0.23 for 2 years. The total value of broker options is $48,882, which has been estimated using the Black-Scholes model based on the following assumptions: no dividend per share, expected volatility of 78.69% as well as a 1.00% risk-free interest rate and an expected term of 2 years.

14.3 Loss per share

The calculation of basic loss per share is based on the loss for the year divided by the weighted average number of shares in circulation during the year. In calculating the diluted loss per share, potential common shares such as stock options, broker options and warrants have not been included, as they would have the effect of decreasing the loss per share from continuing operations. Decreasing the loss per share from continuing operations would be antidilutive.

14.4 Capital management

The Corporation's objective in managing capital is to safeguard its ability to continue its operations as well as its E&E programs. The Corporation manages its capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Corporation may issue new shares and acquire or sell mining rights to improve its financial performance and flexibility. The Corporation's capital is composed of equity and balances thereof and changes therein are depicted in the statement of changes in shareholders' equity.

The Corporation is not subject to externally imposed capital requirements neither regulatory nor contractual requirements to which it is subject, unless the Corporation closes a flow-through private placement in which case the funds are reserved in use for exploration expenses (and the Corporation was in compliance during both years).

15. WARRANTS

Changes in the Corporation's warrants are as follows:

	2022		2021	
	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	5,148,750	0.10	3,113,149	0.23
Exercised	-	-	(850,000)	0.15
Expired	-	-	-	-
Balance, end	**10,968,149**	**0.15**	**5,819,399**	**0.19**

(In Canadian Dollars)

15. WARRANTS (CONT'D)

Warrants outstanding as at December 31, 2022 are as follows:

Number of warrants	Exercise price	Expiry date
	$	
3,113,149	0.23	November 10, 2023
5,148,750	0.10	December 29, 2024
2,706,250	0.15	December 11, 2025
10,968,149		

On December 5, 2022, the 2,706,250 warrants due to expire on December 11, 2022 have been extended for three (3) years. The estimated fair value of the warrant extension is $32,475 which has been recorded under warrants and the offsetting entry is recorded in the deficit. This fair value was estimated using the Black-Scholes model calculated for the difference between the extended period and the remaining period when the decision was taken to extend the warrants. The assumptions used were as follow for the two periods respectively: no expected dividend yield, 75.71% and 42.49% expected volatility, 3.40% and 4.11% risk-free interest rate and 3.02 and 0.02 years warrant expected life.

16. BROKER OPTIONS

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

	2022		2021	
	Number of broker options	Weighted average exercise price	Number of broker options	Weighted average exercise price
		$		$
Balance, beginning	1,058,933	0.20	455,448	0.15
Issued	109,900	0.10	603,485	0.23
Exercised	-	-	-	-
Expired	(455,448)	0.15	-	-
Balance, end	**713,385**	**0.21**	**1,058,933**	**0.20**

Broker options outstanding as at December 31, 2022 are as follows:

Number of broker options	Exercise price	Expiry date
	$	
603,485	0.23	November 10, 2023
109,900	0.10	December 29, 2024
713,385		

(In Canadian Dollars)

17. STOCK OPTIONS

Changes in stock options are as follows:

	2022		2021	
	Number of options	Weighted Average Exercise Price	Number of options	Weighted Average Exercise Price
		$		$
Balance, beginning	10,297,500	0.27	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	(193,750)	0.12	(38,750)	0.11
Expired	(548,750)	0.14	(26,250)	0.14
Balance, end	**11,330,000**	**0.25**	**10,297,500**	**0.27**
Balance, end exercisable	9,395,000	0.28	8,768,750	0.29

Stock options outstanding as at December 31, 2022 are as follows:

Number of options outstanding	Number of options exercisable	Exercise price	Expiry date
		$	
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	1,357,500	0.10	June 29, 2025
100,000	100,000	0.09	December 15, 2025
1,302,500	980,000	0.17	June 10, 2026
2,150,000	537,500	0.10	June 09, 2027
11,330,000	**9,395,000**		

On June 9, 2022, 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 June 09, 2022, the Corporation granted 2,275,000 stock options to employees and directors, at a price of $0.10. The fair value of the options granted was estimated using the Black-Scholes model based on the following assumptions: risk-free interest rate of 3.112%, expected volatility of 79.79%, no dividend per share and expected term of the options of 3.75 years.

All options granted have the same conditions. From the date of grant, the options are earned in increments of 25% every 6 months, are valid for 5 years and were granted at a value equal to or greater than that of the market at the close preceding the grant.

The expected duration of the stock purchase options has been estimated by considering comparable situations for companies similar to the Corporation. The expected volatility is determined by calculating the historical volatility of the price of the Corporation’s common shares preceding the date of issue and for a period corresponding to the expected life of the options.

(In Canadian Dollars)

18. REMUNERATION

	2022	2021
	$	$
Salaries	1,643,788	1,765,010
Benefits	262,797	138,156
Canada Emergency Wages Subsidy	-	(290,711)
Salaries and benefits	**1,906,585**	**1,612,455**
Salaries and benefits presented in the exploration and evaluation expenses	(900,620)	(605,362)
Salaries and benefits presented in the statement of loss	**1,005,965**	**1,007,093**

19. EXPLORATION AND EVALUATION EXPENSES

	2022	2021
	$	$
Salaries and benefits	900,620	605,362
Geology and prospecting	-	49,497
Drilling	428,657	453,454
Analysis	204,548	79,394
Geophysics	80,548	235,605
Geochemistry	1,989	3,905
Lodging and travel	30,474	11,758
Supplies	332,371	286,209
Taxes, permits and insurance	4,684	11,335
Exploration and evaluation expenses before tax credits	**1,983,891**	**1,736,519**
Tax credits	(409,089)	(308,110)
Exploration and evaluation expenses	**1,574,802**	**1,428,409**

20. RELATED PARTY TRANSACTIONS

20.1 Transactions with Geomega

As of December 31, 2022, Geomega held 13.11% of the Corporation (13.72% as at December 31, 2021).

The following transaction occurred in the normal course of operations between the Corporation and Geomega or its subsidiary:

	2022	2021
	$	$
Sales	(3,500)	-
Exploration and evaluation expenses	(460)	(1,120)
Travel, conference and investor relations	12,132	19,149
Rent	11,100	10,175
Total	**19,272**	**28,204**

As of December 31, 2022, the Corporation owes $11,816 to Geomega (Geomega owed $28,624 to the Corporation as at December 31, 2021), and this due from a shareholder with significant influence is non-interest bearing, unsecured and payable on demand.

(In Canadian Dollars)

20. RELATED PARTY TRANSACTIONS (CONT'D)

20.2 In the normal course of operations

A firm in which a director is a partner charged legal professional fees amounting to $14,247 ($22,145 in 2021) recorded as legal fees, share issuance expenses and listing fees. As at December 2022, the amount owed to this company was $11,040 ($13,680 as at December 31, 2021).

During Fiscal 2022, officers and directors of the Corporation have been awarded a total of 1,500,000 stock options of the Corporation (1,000,000 during Fiscal 2021). For the same period, an amount of $80,361 was recorded in the consolidated statements of loss and comprehensive loss as share-based compensation for stock options issued to officers and directors ($99,049 in Fiscal 2021).

20.3 Out of the normal course of operations

During Fiscal 2022, officers and directors of the Corporation exercised 500,000 options for a total of $70,000 and participated in a private placement carried out by the Corporation for a total of $5,000.

During Fiscal 2021, officers and directors of the Corporation participated in a private placement carried out by the Corporation for a total of $132,000.

21. INCOME TAXES

The income tax expense is made up of the following components:

	2022	2021
	$	$
Recovery of deferred taxes		
Premium on flow-through share issuance	136,469	302,486
Deferred taxes expense	(124,721)	(13,632)
Total - deferred taxes recovery	**11,748**	**288,854**

The provision for income taxes presented in the financial statements is different from what would have resulted from applying the combined Canadian Statutory tax rate as a result of the following:

	2022	2021
	$	$
Net loss before income taxes	(1,763,371)	(2,027,459)
Combined federal and provincial income tax of 26.50% (26.50% in 2021)	(467,293)	(537,277)
Non-deductible expenses and other	34,091	7,203
Tax effect of renounced flow-through share expenditures	493,960	425,830
Amortization of flow-through share premiums	(136,469)	(302,486)
Temporary differences for which no deferred tax asset was recognized	63,963	117,876
	(11,748)	**(288,854)**

(In Canadian Dollars)

21. INCOME TAXES (CONT'D)

Significant components of the Corporation's deferred tax assets and liabilities are as follows:

	2022	2021
	$	$
Deferred tax assets		
Non-capital losses	191,972	309,464
Obligations under finance leases	-	38,643
Total deferred tax assets	191,972	348,107
Deferred tax liabilities		
Property and equipment	(373,335)	(404,749)
Total deferred tax liabilities	(373,335)	(404,749)
Deferred tax liabilities	**(181,363)**	**(56,642)**

The ability to realize the tax benefits the Corporation is dependent upon a number of factors, including the sale of properties. Deferred tax assets are recognized only to the extent that it is probable that sufficient taxable profits will be available to allow the asset to be recognized. Accordingly, some deferred tax assets have not been recognized.

As of December 31, the Corporation had unrecognized deferred tax assets as follows:

	2022	2021
	$	$
Property and Equipment	4,614	3,256
Investment in listed companies	13,108	5,320
Exploration and evaluation assets	475,266	508,588
Share issue costs	48,147	88,997
Non-capital losses	1,045,458	911,095
Deferred tax assets	**1,586,593**	**1,517,256**

(In Canadian Dollars)

21. INCOME TAXES (CONT'D)

As of December 31, 2022, the Corporation has the following loss carryforwards for which no deferred tax asset has been recognized, with the following expiration dates:

	Federal	Provincial
	$	$
2030	10,596	10,596
2031	103,771	103,771
2032	88,758	88,758
2033	93,911	93,911
2034	168,249	168,144
2035	210,340	210,234
2036	60,304	60,241
2037	331,823	331,682
2038	1,103,835	1,095,584
2039	228,450	223,445
2040	514,159	513,101
2041	530,290	530,290
2042	463,633	563,633
	3,908,119	**3,993,390**

22. ADDITIONAL INFORMATION RELATING TO THE STATEMENT OF CASH FLOWS

Change in non-cash working capital items

	2022	2021
	$	$
Receivables	131,781	(238,763)
Inventory	(2,039)	(34,004)
Prepaid expenses and others	16,133	(34,775)
Trade and other payables	(226,301)	343,955
Deferred revenues	(320,122)	452,233
Deferred grants	10,732	-
	(389,816)	**488,646**

Non-cash transactions

	2022	2021
	$	$
Issuance of broker options as transaction fees on private placement	879	-
Option payment on an exploration and valuation asset in common shares of a listed company	3,000	-
Warrants extended affecting the deficit	32,475	
Sale of an exploration and evaluation asset for shares of a listed company	-	1,808
Acquisition of property and equipment financed through lease agreements	-	430,953

23. FINANCIAL INSTRUMENTS AND RISKS

The Corporation is exposed to various financial risks resulting from both its operations and its investment activities. The Corporation's management manages financial risks. The Corporation does not enter into financial instrument agreements including derivative financial instruments for speculative purposes. The Corporation's main financial risk exposure and its financial risk management policies are as follows:

23.1 Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Corporation monitors its exposure to interest rate and has not entered into any derivative financial instruments to manage this risk.

Since the guaranteed investment certificates are at fixed rates, the Corporation is not exposed to interest rate risk on the instruments themselves. The Corporation's other financial assets do not comprise any interest rate risk since they do not bear interest.

The Corporation is exposed to interest rate risk on one of its long-term debt, for which the interest rate charged fluctuate based on the bank's prime rate. As at December 31, 2022, the Corporation's debt exposed to interest rates fluctuation amounts to $388,889. If the interest rate on the credit facility had been 50 basis points higher (lower), related to this long-term debt as at December 31, 2022, the impact on the net income would be of $1,944. The Corporation's other financial liabilities do not comprise any interest rate risk since they do not bear interest.

23.2 Credit Risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Corporation is subject to concentrations of credit risk through cash and cash equivalents, investments and accounts receivable. The carrying value of the financial assets represent the maximum credit exposure. The Corporation reduces its credit risk by maintaining part of its cash and cash equivalents and its investments in financial instruments held with a Canadian chartered bank or with, with a broker which is a subsidiary of a Canadian chartered bank or with an independent investment dealer member of the Canadian Investor Protection Fund.

As at December 31,2022, both the cash and cash equivalents and the investments include guaranteed investment certificates issued by Canadian banks or guaranteed by the Canadian Investor Protection Fund.

There is also a credit risk on the Corporation's receivables. However, most of the receivables consist of amounts due from the government, for which the credit risk is very low. Credit risk is therefore limited to trade receivables, which are not significant as of December 31, 2022. Credit risk on receivables is therefore considered low.

23.3 Liquidity Risk

Liquidity risk is the risk that the Corporation will not be able to meet the obligations associated with its financial liabilities. Management believes that it has sufficient funds to finance its operations and meet its obligations as they come due.

(In Canadian Dollars)

23. FINANCIAL INSTRUMENTS AND RISKS (CONT'D)

As at December 31, 2022, the Corporation is committed to future minimum payments of principal and interest on the debt, as follows:

	Up to 1 year	1 to 5 years	More than 5 years	Total
	$	$	$	$
Trade and accrued liabilities (note 10)	357,052	-	-	357,052
Long-term debt (note 13)	163,811	292,155	459,608	915,574
	520,863	**292,155**	**459,608**	**1,272,626**

23.4 Fair value

Certain of the Company's accounting policies and disclosures require the determination of fair value. Fair value represents the amount at which a financial instrument could be exchanged between willing parties, based on current markets for instruments with the same risk, principal and remaining maturity. Fair value estimates are based on quoted market values and other valuation methods. Fair values have been determined for measurement and/or disclosure purposes based on the fair value hierarchy contained in the Company's financial instrument accounting policy. When applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability. Financial instruments that are measured at fair value subsequent to initial recognition are grouped into a hierarchy based on the degree to which the fair value is observable as follows:

- Level 1 – Fair value measurements are quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 – Fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3 – Fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The investments in listed companies measured at fair value in the consolidated statement of financial position was classified in Level 1. Guaranteed investments certificates recorded in investments are classified as Level 2 as fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices). For all other financial assets and liabilities, their net carrying amount is a reasonable approximation of fair value given their relatively short maturities.