



# **Kintavar Exploration Inc.**

Unaudited Condensed Interim Consolidated Financial Statements

Three months ended March 31, 2023

*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 March 31, 2023	As at December 31, 2022
		\$	\$
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	4	1,136,593	1,555,039
Receivables	7	988,564	815,679
Inventory		67,084	63,847
Investments	5	1,208,789	1,200,000
Investments in listed companies	6	55,800	48,550
Prepaid fees and other		153,626	137,909
<b>Current assets</b>		<b>3,610,456</b>	<b>3,821,024</b>
<b>Non-current assets</b>			
Exploration and evaluation assets	8	2,390,303	2,386,603
Property and equipment	9	3,977,181	4,023,151
<b>Non-current assets</b>		<b>6,367,484</b>	<b>6,409,754</b>
<b>Total assets</b>		<b>9,977,940</b>	<b>10,230,778</b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables		533,800	357,052
Deferred revenues		134,179	141,492
Deferred grants		8,060	10,732
Long-term debt	12	164,531	163,811
Liability related to the premium on flow-through shares	11	73,790	171,610
<b>Current liabilities</b>		<b>914,360</b>	<b>844,697</b>
<b>Non-current liabilities</b>			
Deferred tax liability		181,363	181,363
Long-term debt	12	596,679	751,763
<b>Non-current liabilities</b>		<b>778,042</b>	<b>933,126</b>
<b>Total liabilities</b>		<b>1,692,402</b>	<b>1,777,823</b>
<b>Equity</b>			
Share capital	13	21,860,175	21,860,175
Warrants	14	32,475	32,475
Broker warrants	15	49,761	49,761
Stock options	16	1,859,488	1,844,441
Contributed Surplus		1,371,076	1,370,834
<b>Deficit</b>		<b>(16,887,437)</b>	<b>(16,704,731)</b>
<b>Total equity</b>		<b>8,285,538</b>	<b>8,452,955</b>
<b>Total liabilities and equity</b>		<b>9,977,940</b>	<b>10,230,778</b>

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 March 31,	
		2023	2022
		\$	\$
Project management fees		-	28,263
Sales		1,091,965	1,023,925
<b>Income</b>		<b>1,091,965</b>	<b>1,052,188</b>
<b>Operating expenses</b>			
Exploration and evaluation, net of tax credits	17	230,487	246,520
Costs of sales		491,966	432,496
Salaries and benefits		316,383	312,508
Share-based compensation		15,289	20,860
Professional fees		39,750	51,562
Travel, conference and investor relations		25,900	29,173
General expenses and maintenance		107,759	129,948
Administration		37,387	40,722
Filing fees		8,134	7,716
Rent		2,775	2,775
Insurances and taxes		12,641	13,077
Depreciation of property and equipment		93,316	91,765
<b>Operating loss</b>		<b>(289,822)</b>	<b>(326,934)</b>
<b>Other income (expenses)</b>			
Interest income		23,869	8,969
Finance costs		(21,822)	(21,768)
Other revenue		-	29,804
Unrealized gain (loss) in fair value of investments in listed companies		7,250	(5,100)
		9,297	11,905
<b>Net loss before income taxes</b>		<b>(280,525)</b>	<b>(315,029)</b>
Deferred tax recovery		97,820	36,902
<b>Net loss and comprehensive loss</b>		<b>(182,705)</b>	<b>(278,127)</b>
Basic and diluted loss per share		(0.001)	(0.002)
Weighted average number of basic and diluted outstanding shares		128,557,128	123,045,045

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

# Kintavar Exploration Inc.

## Consolidated Statements of Changes in Equity

(Unaudited, in Canadian Dollars)

	Note	Number of shares outstanding	Capital Stock	Warrants	Broker Warrants	Stock Options	Contributed surplus	Deficit	Total equity
			\$	\$	\$	\$	\$	\$	\$
<b>Balance as at January 1, 2023</b>		<b>128,557,128</b>	<b>21,860,175</b>	<b>32,475</b>	<b>49,761</b>	<b>1,844,441</b>	<b>1,370,834</b>	<b>(16,704,732)</b>	<b>8,452,954</b>
Loss and comprehensive loss for the year		-	-	-	-	-	-	(182,705)	(182,705)
Stock-based compensation		-	-	-	-	15,289	-	-	15,289
Expired options		-	-	-	-	(242)	242	-	-
<b>Balance as at March 31, 2023</b>		<b>128,557,128</b>	<b>21,860,175</b>	<b>32,475</b>	<b>49,761</b>	<b>1,859,488</b>	<b>1,370,076</b>	<b>(16,887,437)</b>	<b>8,285,538</b>

	Note	Number of shares outstanding	Capital Stock	Broker Warrants	Stock Options	Contributed surplus	Deficit	Total equity
			\$	\$	\$	\$	\$	\$
<b>Balance as at January 1, 2022</b>		<b>122,908,378</b>	<b>21,517,532</b>	<b>58,902</b>	<b>1,845,691</b>	<b>1,303,569</b>	<b>(14,920,634)</b>	<b>9,805,060</b>
Loss and comprehensive loss for the period		-	-	-	-	-	(278,127)	(278,127)
Stock-based compensation		-	-	-	20,859	-	-	20,859
Exercise of stock options		500,000	122,000	-	(52,000)	-	-	70,000
Expired options		-	-	-	(41,495)	41,495	-	-
<b>Balance as at March 31, 2022</b>		<b>123,408,378</b>	<b>21,639,532</b>	<b>58,902</b>	<b>1,773,055</b>	<b>1,345,064</b>	<b>(15,198,761)</b>	<b>9,617,792</b>

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	Three months ended March 31	
		2023 \$	2022 \$
<b>Operating activities</b>			
Net loss for the period		(182,705)	(278,127)
Adjustments for:			
Stock-based compensation		15,289	20,859
Accrued interest on investments		(13,579)	(5,970)
Depreciation of property and equipment		91,710	91,765
Unrealized (gain) loss in fair value of an investment in listed companies		(7,250)	5,100
Deferred income tax recovery		(97,820)	(38,969)
Accretion of the long-term debt		1,606	1,067
Change in non-cash working capital items	18	(11,497)	(688,143)
<b>Cash flows used in operating activities</b>		<b>(204,246)</b>	<b>(892,418)</b>
<b>Investing activities</b>			
Variation in investments		(8,789)	(500,000)
Additions of exploration and evaluation assets		(3,700)	(13,304)
Acquisition of property and equipment		(47,346)	(13,880)
<b>Cash flows used in investing activities</b>		<b>(59,835)</b>	<b>(527,184)</b>
<b>Financing activities</b>			
Options exercised		-	70,000
Repayment of obligations under financial leases		-	(109,160)
Repayment of long-term debt		(154,364)	(20,997)
<b>Cash flows used in financing activities</b>		<b>(154,364)</b>	<b>(60,157)</b>
<b>Net change in cash and cash equivalents</b>		<b>(418,446)</b>	<b>(1,479,759)</b>
Cash and cash equivalents - beginning		1,555,039	3,153,325
<b>Cash and cash equivalents - ending</b>		<b>1,136,593</b>	<b>1,673,566</b>

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

# Kintavar Exploration Inc.

## Notes to Financial Statements

(Unaudited, in Canadian Dollars)

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### 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 unaudited 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 March 31, 2023, the Corporation reported a net loss of \$182,705 (\$278,127 as of March 31, 2022) and has an accumulated deficit of \$16,887,437 (\$16,704,731 as of December 31, 2022). As of March 31, 2023, the Corporation had a working capital of \$2,696,096 (\$2,976,327 as at December 31, 2022)

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. 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, 2022, 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 May 25, 2023.

### 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.

# Kintavar Exploration Inc.

## Notes to Financial Statements

(Unaudited, in Canadian Dollars)

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

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, 2022.

### 4. CASH AND CASH EQUIVALENTS

The short-term investments held as at March 31, 2023 and classified as cash equivalent include a guaranteed investment certificate of \$663,500 (\$862,000 as at December 31, 2022) bearing interest at 4.00% and maturing on December 13, 2023.

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 9.05% as at March 31, 2023). As at March 31, 2023, the amount outstanding under this credit facility was nil (nil as at December 31, 2022).

The flow-through financing balance not yet spent according to the terms of the financing completed on December 29, 2022 represents \$178,732 as at March 31, 2023 (\$411,900 as at December 2022). The Corporation has dedicated these funds to Canadian exploration expenses to be completed before December 31, 2023.

### 5. INVESTMENTS

The short-term investments held as at March 31, 2023 are as follows:

- Investment in five guaranteed investment certificates that are non-cashable prior to maturity. All five certificates totalize \$1,208,789 in nominal value and bear interest with rates ranging from 4.00% to 5.09% and expiring dates ranging from October 2023, and February 2024.

### 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 March 31, 2023	As at December 31, 2022
	\$	\$
Gitennes Exploration Inc. – 600,000 common shares (600,000 as at December 31, 2022)	15,000	12,000
Northern Superior Resources Inc. – 85,000 common shares (85,000 as at December 31, 2022)	40,800	36,550
<b>Investment in listed companies</b>	<b>55,800</b>	<b>48,550</b>

# Kintavar Exploration Inc.

## Notes to Financial Statements

(Unaudited, in Canadian Dollars)

### 7. RECEIVABLES

	As at March 31, 2023	As at December 31, 2022
	\$	\$
Accounts receivable	380,676	244,512
Sales taxes receivable	38,700	51,837
Tax credits and mining rights receivable	472,661	470,670
Government grants receivable	42,829	21,407
Others	53,698	27,253
<b>Receivables</b>	<b>988,564</b>	<b>815,679</b>

### 8. EXPLORATION AND EVALUATION ASSETS

Mining properties acquisition costs	As at Jan. 1, 2023	Additions	Impairment	Payment on options	As at March 31, 2023
	\$	\$	\$	\$	\$
Mitchi	939,478	3,379	-	-	942,857
Anik <sup>1)</sup>	1,305,736	308	-	-	1,306,044
Rivière à l'aigle	99,114	-	-	-	99,114
Cousineau	5,535	-	-	-	5,535
New Mosher <sup>1)</sup>	-	13	-	-	13
Wabash	36,740	-	-	-	36,740
	<b>2,386,603</b>	<b>3,700</b>	<b>-</b>	<b>-</b>	<b>2,390,303</b>

<sup>1)</sup> Option agreements are in effect on these properties.

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) <sup>2)</sup>	-	939,478
Anik <sup>1)</sup>	1,405,654	82	-	(100,000)	1,305,736
Rivière à l'aigle	105,144	7,185	(13,215) <sup>2)</sup>	-	99,114
Cousineau	4,779	756	-	-	5,535
Wabash	36,740	-	-	-	36,740
Baie Johann Beetz <sup>1)</sup>	23,359	-	-	(23,359)	23,359
	<b>2,505,247</b>	<b>26,912</b>	<b>(22,197)</b>	<b>(123,359)</b>	<b>2,386,603</b>

<sup>1)</sup> Option agreements are in effect on these properties.

<sup>2)</sup> Certain claims were dropped, and the Corporation partially impaired the properties.



# Kintavar Exploration Inc.

## Notes to Financial Statements

(Unaudited, in Canadian Dollars)

### 9. PROPERTY AND EQUIPMENT

	Net book value				Net book value
	January 1,	Additions	Disposal	Depreciation	March 31,
	2023				2023
	\$	\$	\$	\$	\$
Rolling stock	212,642	31,845	-	(20,787)	223,700
Outfitter trails	63,871	-	-	(963)	62,908
Electric line	268,193	-	-	(3,809)	264,384
Spawning grounds	63,871	-	-	(963)	62,908
Equipment	416,259	15,500	-	(14,625)	417,134
Buildings	2,998,315	-	-	(52,168)	2,946,147
	<b>4,023,151</b>	<b>47,345</b>	-	<b>(93,315)</b>	<b>3,977,181</b>

	Net book value				Net book value
	January 1,	Additions	Disposal	Depreciation	December 31,
	2022				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	3,206,987	-	-	(208,672)	2,998,315
	<b>4,359,495</b>	<b>34,080</b>	-	<b>(369,842)</b>	<b>4,023,151</b>

	As at			As at
	March 31, 2023			December 31, 2022
	Cost	Accumulated	Net book	Net book value
	\$	Depreciation	value	\$
	\$	\$	\$	\$
Rolling stock	474,374	(250,674)	223,700	212,642
Outfitter trails	77,032	(14,124)	62,908	63,871
Electric line	304,741	(40,357)	264,384	268,193
Spawning grounds	77,032	(14,124)	62,908	63,871
Equipment	600,509	(183,375)	417,134	416,259
Buildings <sup>1)</sup>	3,499,701	(553,554)	2,946,147	2,998,315
	<b>5,033,389</b>	<b>(1,056,208)</b>	<b>3,977,181</b>	<b>4,023,151</b>

### 10. TRADE AND OTHER PAYABLES

	As at	As at
	March 31,	December 31,
	2023	2022
	\$	\$
Trade payables and accrued liabilities	323,643	219,068
Due to Geomega Resources Inc.	30,294	11,816
Accrued salaries	75,300	46,597
Accrued vacations	32,321	27,594
Government remittances	72,242	51,977
<b>Trade and other payables</b>	<b>533,800</b>	<b>357,052</b>

# Kintavar Exploration Inc.

## Notes to Financial Statements

(Unaudited, in Canadian Dollars)

### 11. LIABILITY RELATED TO THE PREMIUM ON FLOW THROUGH SHARES

	Three Months ended	
	March 31, 2023	2022
	\$	\$
Balance, beginning	171,610	136,469
Addition, net of issue costs	-	171,610
Reduction related to qualifying exploration expenditures	(97,820)	(136,469)
<b>Liability related to the premium on flow through shares</b>	<b>73,790</b>	<b>171,610</b>

### 12. LONG-TERM DEBT

	As at March 31, 2023	As at December 31, 2022
	\$	\$
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 rate 7.5%. Interest and principal are payable monthly, maturing in September 2030.	247,361	388,889
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.	375,899	382,107
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.	20,228	23,057
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.	41,232	46,637
Canadian Emergency Business Account (CEBA) received in the context of the outbreak of the COVID-19 pandemic. The loans bears no interest and the principal is payable in full by December 31, 2023.	76,490	74,884
Current portion	(164,531)	(163,811)
<b>Long-term debt - non-current portion</b>	<b>596,679</b>	<b>751,763</b>

### 13. EQUITY

The Corporation is authorized to issue an unlimited number of class A, B, C common shares and class A, B, C and D special shares. Only class A common shares ("Shares") are issued with the following restrictions and privileges: voting, participating with dividend as declared by the Board of Directors.

# Kintavar Exploration Inc.

## Notes to Financial Statements

(Unaudited, in Canadian Dollars)

### 14. WARRANTS

Changes in the Corporation's warrants are as follows:

	Three months ended March 31, 2023		2022	
	Number of warrants	Weighted average exercise price	Number of warrants	Weighted average exercise price
		\$		\$
Balance, beginning	10,968,149	0.15	5,819,399	0.19
Issued	-	-	5,148,750	0.10
Exercised	-	-	-	-
<b>Balance, end</b>	<b>10,968,149</b>	<b>0.15</b>	<b>10,968,149</b>	<b>0.15</b>

Warrants outstanding as at March 31, 2023 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
<b>10,968,149</b>		

### 15. BROKER WARRANTS

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

	Three months ended March 31, 2023		2022	
	Number of broker warrants	Weighted average exercise price	Number of broker warrants	Weighted average exercise price
		\$		\$
Balance, beginning	713,385	0.21	1,058,933	0.20
Issued	-	-	109,900	0.10
Expired	-	-	(455,448)	0.15
<b>Balance, end</b>	<b>713,385</b>	<b>0.21</b>	<b>713,385</b>	<b>0.21</b>

Broker warrants outstanding as at March 31, 2023 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
<b>713,385</b>		

# Kintavar Exploration Inc.

## Notes to Financial Statements

(Unaudited, in Canadian Dollars)

### 16. STOCK OPTIONS

Changes in stock options are as follows:

	Three months ended March 31, 2023		2022	
	Number of options	Weighted Average Exercise Price	Number of options	Weighted Average Exercise Price
		\$		\$
Balance, beginning	11,330,000	0.25	10,297,500	0.27
Granted	-	-	2,275,000	0.10
Exercised	-	-	(500,000)	0.14
Forfeited	(6,250)	0.25	(193,750)	0.12
Expired	(18,750)	0.25	(548,750)	0.14
<b>Balance, end</b>	<b>11,305,000</b>	<b>0.28</b>	<b>11,330,000</b>	<b>0.25</b>
Balance, end exercisable	9,395,000	0.31	9,395,000	0.28

Stock options outstanding as at March 31, 2023 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
2,125,000	537,500	0.10	June 09, 2027
<b>11,305,000</b>	<b>9,395,000</b>		

### 17. EXPLORATION AND EVALUATION EXPENSES

	Three months ended March 31,	
	2023	2022
	\$	\$
Salaries and benefits	141,492	126,076
Drilling	3,531	1,440
Analysis	23,238	82,077
Metallurgy	16,976	-
Resource estimate	6,736	-
Geochemistry	841	30
Lodging and travel	667	(16,803)
Supplies	30,012	54,989
Taxes, permits and insurance	8,985	302
<b>Exploration and evaluation expenses before tax credits</b>	<b>232,478</b>	<b>248,111</b>
Tax credits	(1,991)	(1,591)
<b>Exploration and evaluation expenses</b>	<b>230,487</b>	<b>246,520</b>

# Kintavar Exploration Inc.

## Notes to Financial Statements

(Unaudited, in Canadian Dollars)

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### 18. ADDITIONAL INFORMATION RELATING TO THE STATEMENT OF CASH FLOWS

*Changes in non-cash working capital items*

	Three months ending March 31	
	2023	2022
	\$	\$
Receivables	(146,170)	(548,372)
Inventory	(3,237)	3,370
Prepaid expenses and others	(15,717)	(20,746)
Trade and other payables	196,123	(48,114)
Deferred revenues	(7,313)	(74,281)
Deferred grants	(2,672)	-
	<b>7,878</b>	<b>(688,143)</b>