



Kintavar Exploration Inc.

Unaudited Condensed Interim Consolidated Financial Statements

Three and six months ended June 30, 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 June 30, 2023 | As at December 31, 2022 |
|---|------|---------------------------|-------------------------------|
| | | \$ | \$ |
| Assets | | | |
| Current assets | | | |
| Cash and cash equivalents | 5 | 753,347 | 1,555,039 |
| Receivables | 8 | 1,097,944 | 815,679 |
| Inventory | | 65,098 | 63,847 |
| Investments | 6 | 1,208,789 | 1,200,000 |
| Investments in listed companies | 7 | 48,150 | 48,550 |
| Prepaid fees and other | | 180,068 | 137,909 |
| Current assets | | 3,353,396 | 3,821,024 |
| Non-current assets | | | |
| Exploration and evaluation assets | 9 | 2,298,756 | 2,386,603 |
| Property and equipment | 10 | 3,981,769 | 4,023,151 |
| Non-current assets | | 6,280,525 | 6,409,754 |
| Total assets | | 9,633,921 | 10,230,778 |
| Liabilities | | | |
| Current liabilities | | | |
| Trade and other payables | | 462,490 | 357,052 |
| Deferred revenues | | 80,942 | 141,492 |
| Deferred grants | | 8,060 | 10,732 |
| Long-term debt | 12 | 166,462 | 163,811 |
| Liability related to the premium on flow-through shares | 11 | 11,462 | 171,610 |
| Current liabilities | | 729,416 | 844,697 |
| Non-current liabilities | | | |
| Deferred tax liability | | 181,363 | 181,363 |
| Long-term debt | 12 | 572,935 | 751,763 |
| Non-current liabilities | | 754,298 | 933,126 |
| Total liabilities | | 1,483,714 | 1,777,823 |
| Equity | | | |
| Share capital | 14 | 21,860,175 | 21,860,175 |
| Warrants | 15 | 32,475 | 32,475 |
| Broker warrants | 16 | 49,761 | 49,761 |
| Stock options | 17 | 530,380 | 1,844,441 |
| Contributed Surplus | | 2,714,173 | 1,370,834 |
| Deficit | | (17,036,757) | (16,704,731) |
| Total equity | | 8,150,207 | 8,452,955 |
| Total liabilities and equity | | 9,633,921 | 10,230,778 |

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

Kintavar Exploration Inc.

Consolidated Statements of Loss and Comprehensive Loss (Unaudited, in Canadian Dollars)

| | Note | Three months ended June 30 | | Six months ended June 30 | |
|--|------|-------------------------------|------------------|-----------------------------|------------------|
| | | 2023 \$ | 2022 \$ | 2023 \$ | 2022 \$ |
| Project management fees | | 118,700 | 1,193 | 118,700 | 29,456 |
| Sales | | 792,483 | 812,090 | 1,884,448 | 1,836,015 |
| Income | | 911,183 | 813,283 | 2,003,148 | 1,865,471 |
| Operating expenses | | | | | |
| Exploration and evaluation, net of tax credits | 18 | 131,086 | 436,095 | 361,573 | 684,227 |
| Costs of sales | | 331,485 | 354,987 | 824,422 | 787,483 |
| Salaries and benefits | | 321,320 | 257,866 | 637,702 | 570,374 |
| Share-based compensation | | 13,989 | 25,742 | 29,278 | 46,601 |
| Professional fees | | 23,585 | 28,376 | 63,335 | 79,938 |
| Travel, conference and investor relations | | 14,390 | 19,940 | 41,022 | 49,113 |
| General expenses and maintenance | | 109,399 | 48,919 | 223,101 | 178,867 |
| Administration | | 18,916 | 33,328 | 70,834 | 74,606 |
| Filing fees | | 6,895 | 8,183 | 15,030 | 15,899 |
| Rent | | 2,775 | 2,775 | 5,550 | 5,550 |
| Insurances and taxes | | 12,762 | 15,612 | 25,403 | 28,689 |
| Depreciation of property and equipment | | 94,888 | 92,357 | 188,204 | 184,122 |
| Operating loss | | (170,307) | (510,897) | (482,306) | (839,998) |
| Other income (expenses) | | | | | |
| Interest income | | 18,498 | 21,140 | 42,367 | 30,109 |
| Finance costs | | (17,250) | (16,342) | (39,153) | (38,110) |
| Other revenue | | - | (5,920) | - | 23,884 |
| Unrealized loss in fair value of investments in listed companies | | (7,650) | (29,950) | (400) | (35,050) |
| Loss on disposal of property and equipment | | (12,682) | - | (12,682) | - |
| | | (19,084) | (31,072) | (9,868) | (19,167) |
| Net loss before income taxes | | (189,391) | (541,972) | (492,174) | (859,168) |
| Deferred tax recovery | | (62,328) | (48,390) | (160,148) | (85,847) |
| Net loss and comprehensive loss | | (127,063) | (493,582) | (332,026) | (773,321) |
| Basic and diluted loss per share | | (0.001) | (0.004) | (0.003) | (0.006) |
| Weighted average number of basic and diluted outstanding shares | | 128,557,128 | 123,408,378 | 128,557,128 | 123,227,715 |

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 \$ |
|--|------|------------------------------------|------------------------|----------------|--------------------------|---------------------|------------------------------|---------------------|-----------------------|
| Balance as at January 1, 2023 | | 128,557,128 | 21,860,175 | 32,475 | 49,761 | 1,844,441 | 1,370,834 | (16,704,731) | 8,452,954 |
| Loss and comprehensive loss for the period | | - | - | - | - | - | - | (332,026) | (332,026) |
| Stock-based compensation | | - | - | - | - | 29,278 | - | - | 29,278 |
| Expired options | | - | - | - | - | (1,343,339) | 1,343,339 | - | - |
| Balance as at June 30, 2023 | | 128,557,128 | 21,860,175 | 32,475 | 49,761 | 530,380 | 2,714,173 | (17,036,757) | 8,150,207 |

| | Note | Number of shares outstanding | Capital Stock \$ | Broker Warrants \$ | Stock Options \$ | Contributed surplus \$ | Deficit \$ | Total Equity \$ |
|--|------|------------------------------------|------------------------|--------------------------|---------------------|------------------------------|---------------------|-----------------------|
| Balance as at January 1, 2022 | | 122,908,378 | 21,517,532 | 58,902 | 1,845,691 | 1,303,569 | (14,920,634) | 9,805,060 |
| Loss and comprehensive loss for the period | | - | - | - | - | - | (773,321) | (773,321) |
| Stock-based compensation | | - | - | - | 46,601 | - | - | 46,601 |
| Exercise of stock options | | 500,000 | 122,000 | - | (52,000) | - | - | 70,000 |
| Expired options | | - | - | - | (41,495) | 41,495 | - | - |
| Balance as at June 30, 2022 | | 123,408,378 | 21,639,532 | 58,902 | 1,798,797 | 1,345,064 | (15,693,955) | 9,148,340 |

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

Kintavar Exploration Inc.

Consolidated Statements of Cash Flows

(Unaudited, in Canadian Dollars)

| | Note | Six months ended June 30 | |
|--|------|-----------------------------|--------------------|
| | | 2023 \$ | 2022 \$ |
| Operating activities | | | |
| Net loss for the period | | (332,026) | (773,321) |
| Adjustments for: | | | |
| Stock-based compensation | | 29,278 | 46,601 |
| Accrued interest on investments | | (25,282) | (20,271) |
| Depreciation of property and equipment | | 188,204 | 184,122 |
| Loss on disposition of property and equipment | | 12,682 | - |
| Unrealized loss in fair value of investments in listed companies | | 400 | 35,050 |
| Deferred income tax recovery | | (160,148) | (88,519) |
| Accretion of the long-term debt | | 2,274 | 2,150 |
| Change in non-cash working capital items | 19 | (258,177) | (96,192) |
| Cash flows used in operating activities | | (542,795) | (710,380) |
| Investing activities | | | |
| Variation in investments | | (8,789) | (500,000) |
| Additions of exploration and evaluation assets | | (12,153) | (13,318) |
| Option payment received on exploration and evaluation assets | | 100,000 | 100,000 |
| Acquisition of property and equipment | | (160,504) | (29,080) |
| Proceeds from disposal of property and equipment | | 1,000 | - |
| Cash flows used in investing activities | | (80,446) | (442,398) |
| Financing activities | | | |
| Options exercised | | - | 70,000 |
| Repayment of obligations under financial leases | | - | (145,822) |
| Repayment of long-term debt | | (178,451) | (42,150) |
| Cash flows used in financing activities | | (178,451) | (117,972) |
| Net change in cash and cash equivalents | | (801,692) | (1,270,750) |
| Cash and cash equivalents - beginning | | 1,555,039 | 3,153,325 |
| Cash and cash equivalents - ending | | 753,347 | 1,882,575 |

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

Kintavar Exploration Inc.

Notes to Financial Statements

(Unaudited, in Canadian Dollars)

1. NATURE OF OPERATIONS

Kintavar Exploration Inc. (the "Corporation") was formed on March 24, 2017 upon the issuance of an amalgamation certificate under the *Business Corporations Act* (Quebec) and is engaged in the acquisition, exploration and evaluation of mining properties in Canada. The Corporation's class A common shares ("Shares") are listed on the TSX Venture Exchange (the "Exchange") under the symbol KTR. The address of the Corporation's registered office and principal place of business is 75, boul. de Mortagne, Boucherville, Quebec, Canada, J4B 6Y4.

The Corporation has not yet determined whether its mineral properties contain ore reserves that are economically recoverable. The recoverability of the amounts shown for exploration and evaluation assets is dependent upon the ability of the Corporation to obtain necessary financing to pursue the exploration and evaluation on its mining properties.

The present 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 June 30, 2023, the Corporation reported a net loss of \$332,026 (\$773,321 as of June 30, 2022) and has an accumulated deficit of \$17,036,757 (\$16,704,731 as of December 31, 2022). As of June 30, 2023, the Corporation had a working capital of \$2,618,382 (\$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.

Certain new accounting standards and interpretations have been published that are currently effective requirements or forthcoming requirements. These standards are not expected to have a material impact on the Company's current or future reporting periods and are therefore not discussed herein.

The Board of Directors has approved the Financial Statements on August 16, 2023.

Kintavar Exploration Inc.

Notes to Financial Statements

(Unaudited, in Canadian Dollars)

3. 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 |
|-----------------------------------|-------------------------------|--|-------------------|
| | \$ | \$ | \$ |
| <u>As at June 30, 2023</u> | | | |
| Revenues - Q2 | 118,700 | 792,483 | 911,183 |
| Revenues - YTD | 118,700 | 1,884,448 | 2,003,148 |
| Total assets | 5,160,045 | 4,473,876 | 9,633,921 |
| Total liabilities | 220,736 | 1,262,982 | 1,483,714 |
| <u>As at June 30, 2022</u> | | | |
| Revenues - Q2 | 1,193 | 812,090 | 813,283 |
| Revenues - YTD | 29,456 | 1,836,015 | 1,865,471 |
| Total assets | 6,476,547 | 4,644,122 | 11,120,669 |
| Total liabilities | 326,678 | 1,645,651 | 1,972,329 |

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The preparation of Financial Statements in conformity with IFRS requires the Corporation to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the Financial Statements and the reported amounts of revenues and expenses during the reporting period. The Corporation also makes estimates and assumptions concerning the future. The determination of estimates requires the exercise of judgement based on various assumptions and other factors such as historical experience and current and expected economic conditions. Actual results could differ from those estimates.

Estimates and assumptions are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

In preparing the Financial Statements, the significant judgements made by management in applying the Corporation's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the annual financial statements for the year ended December 31, 2022.

5. CASH AND CASH EQUIVALENTS

The short-term investments held as at June 30, 2023 and classified as cash equivalent include guaranteed investment certificates totaling \$513,500 (\$862,000 as at December 31, 2022), bearing interest at 4.00% and maturing between December 13, 2023 and January 24, 2024.

As at June 30, 2023, the flow-through financing balance not yet spent according to the terms of the financing completed on December 29, 2022 represents \$27,510 (outstanding balance of \$411,900 as at December 2022). The Corporation has dedicated these funds to Canadian exploration expenses to be completed before December 31, 2023.

Kintavar Exploration Inc.

Notes to Financial Statements

(Unaudited, in Canadian Dollars)

6. INVESTMENTS

The investments as at June 30, 2023 consist of 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 to February 2024.

7. INVESTMENT IN LISTED COMPANIES

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

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

| | As at June 30, 2023 | As at December 31, 2022 |
|--|---------------------------|-------------------------------|
| | \$ | \$ |
| Gitennes Exploration Inc. – 600,000 common shares <i>(600,000 as at December 31, 2022)</i> | 15,000 | 12,000 |
| Northern Superior Resources Inc. – 85,000 common shares <i>(85,000 as at December 31, 2022)</i> | 33,150 | 36,550 |
| Investment in listed companies | 48,150 | 48,550 |

8. RECEIVABLES

| | As at June 30, 2023 | As at December 31, 2022 |
|--|---------------------------|-------------------------------|
| | \$ | \$ |
| Accounts receivable | 427,574 | 244,512 |
| Sales taxes receivable | 66,692 | 51,837 |
| Tax credits and mining rights receivable | 472,384 | 470,670 |
| Government grants receivable | 45,304 | 21,407 |
| Interests receivable | 39,111 | - |
| Others | 41,481 | 27,253 |
| Receivables | 1,092,346 | 815,679 |

Kintavar Exploration Inc.

Notes to Financial Statements

(Unaudited, in Canadian Dollars)

9. EXPLORATION AND EVALUATION ASSETS

| Mining properties acquisition costs | As at January 1, 2023 | Additions | Impairment | Payment on options | As at June 30, 2023 |
|-------------------------------------|-----------------------|---------------|------------|--------------------|---------------------|
| | \$ | \$ | \$ | \$ | \$ |
| Mitchi | 939,478 | 12,153 | - | - | 951,631 |
| Anik ¹⁾ | 1,305,736 | - | - | (100,000) | 1,205,736 |
| Rivière à l'aigle | 99,114 | - | - | - | 99,114 |
| Cousineau | 5,535 | - | - | - | 5,535 |
| Wabash | 36,740 | - | - | - | 36,740 |
| | 2,386,603 | 12,153 | - | (100,000) | 2,298,756 |

¹⁾ An option agreement is in effect on this property.

| Mining properties acquisition costs | As at January 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 |
| 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 were in effect on these properties.

²⁾ Certain claims were dropped, and the Corporation partially impaired the properties.

10. PROPERTY AND EQUIPMENT

| | Net book value January 1, 2023 | | | | Net book value June 30, 2023 |
|------------------|--------------------------------|----------------|-----------------|------------------|------------------------------|
| | \$ | \$ | \$ | \$ | \$ |
| Rolling stock | 212,642 | 111,579 | (20,700) | (35,870) | 267,651 |
| Outfitter trails | 63,871 | - | - | (1,926) | 61,945 |
| Electric line | 268,193 | - | - | (7,619) | 260,574 |
| Spawning grounds | 63,871 | - | - | (1,926) | 61,945 |
| Equipment | 416,259 | 48,924 | - | (29,509) | 435,674 |
| Buildings | 2,998,315 | - | - | (104,336) | 2,893,980 |
| | 4,023,151 | 160,503 | (20,700) | (181,186) | 3,981,769 |

Kintavar Exploration Inc.

Notes to Financial Statements

(Unaudited, in Canadian Dollars)

10. PROPERTY AND EQUIPMENT (CONT'D)

| | Net book value | | | | Net book value |
|------------------|--------------------|---------------|--------------|------------------|----------------------|
| | January 1, 2022 | Additions | Disposal | Depreciation | 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 | 3,206,987 | - | - | (208,672) | 2,998,315 |
| | 4,359,495 | 34,080 | (582) | (369,842) | 4,023,151 |

| | As at June 30, 2023 | | As at December 31, 2022 | |
|-------------------------|------------------------|-----------------------------|----------------------------|------------------|
| | Cost | Accumulated Depreciation | Net book value | Net book value |
| | \$ | \$ | \$ | \$ |
| Rolling stock | 533,408 | (265,757) | 267,651 | 212,642 |
| Outfitter trails | 77,032 | (15,087) | 61,945 | 63,871 |
| Electric line | 304,741 | (44,167) | 260,574 | 268,193 |
| Spawning grounds | 77,032 | (15,087) | 61,945 | 63,871 |
| Equipment | 633,933 | (198,259) | 435,674 | 416,259 |
| Buildings ¹⁾ | 3,499,701 | (605,721) | 2,893,980 | 2,998,315 |
| | 5,125,847 | (1,144,078) | 3,981,769 | 4,023,151 |

11. TRADE AND OTHER PAYABLES

| | As at June 30, 2023 | As at December 31, 2022 |
|--|---------------------------|-------------------------------|
| | \$ | \$ |
| Trade payables and accrued liabilities | 271,708 | 219,068 |
| Due to Geomega Resources Inc. | 32,196 | 11,816 |
| Accrued salaries | 65,423 | 46,597 |
| Accrued vacations | 46,441 | 27,594 |
| Government remittances | 46,722 | 51,977 |
| Trade and other payables | 462,490 | 357,052 |

12. LIABILITY RELATED TO THE PREMIUM ON FLOW THROUGH SHARES

| | Six Months ended June 30, | |
|--|------------------------------|----------------|
| | 2023 | 2022 |
| | \$ | \$ |
| Balance, beginning | 171,610 | 136,469 |
| Addition, net of issue costs | - | 171,610 |
| Reduction related to qualifying exploration expenditures | (160,148) | (136,469) |
| Liability related to the premium on flow through shares | 11,462 | 171,610 |

Kintavar Exploration Inc.

Notes to Financial Statements

(Unaudited, in Canadian Dollars)

13. LONG-TERM DEBT

| | As at June 30, 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 at prime plus 0.7% (7.65% as of June 30, 2023). Interest and principal are payable monthly, maturing in September 2030. | 239,028 | 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. | 369,594 | 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. | 17,354 | 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. | 35,779 | 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. | 77,642 | 74,884 |
| Current portion | (166,462) | (163,811) |
| Long-term debt - non-current portion | 572,935 | 751,763 |

14. EQUITY

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

15. WARRANTS

Changes in the Corporation's warrants are as follows:

| | Six months ended | | 2022 | |
|---------------------|-----------------------|------------------------------------|-----------------------|------------------------------------|
| | June 30, 2023 | | | |
| | 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 |
| Balance, end | 10,968,149 | 0.15 | 10,968,149 | 0.15 |

Kintavar Exploration Inc.

Notes to Financial Statements

(Unaudited, in Canadian Dollars)

15. WARRANTS (CONT'D)

Warrants outstanding as at June 30, 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 |
| 10,968,149 | | |

16. BROKER WARRANTS

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

| | Six months ended June 30, 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 |
| Balance, end | 713,385 | 0.21 | 713,385 | 0.21 |

Broker warrants outstanding as at June 30, 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 |
| 713,385 | | |

17. STOCK OPTIONS

Changes in stock options are as follows:

| | Six months ended June 30, 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 | (18,750) | 0.10 | (193,750) | 0.12 |
| Expired | (5,006,250) | 0.39 | (548,750) | 0.14 |
| Balance, end | 6,305,000 | 0.14 | 11,330,000 | 0.25 |
| Balance, end exercisable | 5 242 500 | 0.15 | 9,395,000 | 0.28 |

Kintavar Exploration Inc.

Notes to Financial Statements

(Unaudited, in Canadian Dollars)

17. STOCK OPTIONS (CONT'D)

Stock options outstanding as at June 30, 2023 are as follows:

| Number of options outstanding | Number of options exercisable | Exercise price | Expiry date |
|-------------------------------|-------------------------------|----------------|--------------------|
| | | \$ | |
| 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 | 1,302,500 | 0.17 | June 10, 2026 |
| 2,125,000 | 1,062,500 | 0.10 | June 09, 2027 |
| 6,305,000 | 5,242,500 | | |

18. EXPLORATION AND EVALUATION EXPENSES

| | Three months ended June 30, | | Six months ended June 30, | |
|---|--------------------------------|----------------|------------------------------|----------------|
| | 2023 | 2022 | 2023 | 2022 |
| | \$ | \$ | \$ | \$ |
| Salaries and benefits | 63,804 | 259,457 | 205,271 | 385,532 |
| Resources estimate | 19,427 | - | 26,163 | - |
| Drilling | - | - | 3,531 | 1,440 |
| Analysis | 6,674 | 428 | 29,912 | 82,505 |
| Geophysics | - | 68,007 | - | 68,007 |
| Geochemistry | - | 360 | 841 | 390 |
| Metallurgy | - | - | 16,976 | -- |
| Lodging and travel | 4,109 | 10,751 | 5,575 | (6,052) |
| Supplies | 36,470 | 113,326 | 65,708 | 169,927 |
| Taxes, permits and insurance | 326 | 546 | 9,311 | 848 |
| Exploration and evaluation expenses before tax credits | 130,810 | 452,875 | 363,288 | 702,597 |
| Tax credits | 276 | (16,780) | (1,715) | (18,370) |
| Exploration and evaluation expenses | 131,086 | 436,095 | 361,573 | 684,227 |

19. ADDITIONAL INFORMATION RELATING TO THE STATEMENT OF CASH FLOWS

Changes in non-cash working capital items

| | Six months ended June 30 | |
|-----------------------------|-----------------------------|-----------------|
| | 2023 | 2022 |
| | \$ | \$ |
| Receivables | (256,983) | 133,039 |
| Inventory | (1,251) | (9,687) |
| Prepaid expenses and others | (42,159) | (16,326) |
| Trade and other payables | 105,438 | (19,182) |
| Deferred revenues | (60,550) | (184,036) |
| Deferred grants | (2,672) | - |
| | (258,177) | (96,192) |

Kintavar Exploration Inc.

Notes to Financial Statements

(Unaudited, in Canadian Dollars)

20. FINANCIAL INSTRUMENTS AND RISKS

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.