Kintavar Exploration Inc.

Consolidated Financial Statements

For the years ended December 31, 2023 and 2022

Independent Auditor's Report

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, 2023 and December 31, 2022, 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, 2023 and December 31, 2022, 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.

In 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.

MNP LLP
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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 26, 2024 — Licensed Public Accountants

Kintavar Exploration Inc.

Consolidated Statements of Financial Position
As of December 31, 2023, and 2022
(In Canadian dollars)

	Note	As at December 31, 2023	As at December 31, 2022
		$	$
Assets			
Current assets			
Cash and cash equivalents	4	1,405,854	1,555,039
Receivables	7	820,740	815,679
Inventory		70,861	63,847
Investments - current	5	310,000	1,200,000
Investments in listed companies	6	51,625	48,550
Prepaid fees and other		55,888	137,909
Current assets		2,714,968	3,821,024
Non-current assets			
Investment - non-current	5	200,000	-
Exploration and evaluation assets	8	2,201,212	2,386,603
Property and equipment	9	3,912,735	4,023,151
Non-current assets		6,313,947	6,409,754
Total assets		**9,028,915**	**10,230,778**
Liabilities			
Current liabilities			
Trade and other payables	10	338,633	357,052
Deferred revenues		14,988	141,492
Deferred grants		-	10,732
Long-term debt	12	87,523	163,811
Liability related to the premium on flow-through shares	11	-	171,610
Current liabilities		441,144	844,697
Non-current liabilities			
Deferred tax liability	20	212,233	181,363
Long-term debt	12	531,043	751,763
Non-current liabilities		743,276	933,126
Total liabilities		**1,184,420**	**1,777,823**
Equity			
Share capital	13	21,860,175	21,860,175
Warrants	14	32,475	32,475
Broker warrants	15	879	49,761
Stock options	16	439,730	1,844,441
Contributed Surplus		2,865,212	1,370,834
Deficit		(17,353,976)	(16,704,731)
Total equity		**7,844,495**	**8,452,955**
Total liabilities and equity		**9,028,915**	**10,230,778**

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

On behalf of the Board

(s) Kiril Mugerman
Kiril Mugerman
Director

(s) Geneviève Ayotte
Geneviève Ayotte
Director

Kintavar Exploration Inc.

Consolidated Statements of Loss and Comprehensive Loss

For the years ended December 31, 2023 and 2022
(In Canadian dollars)

	Note	2023	2022
		$	$
Sales		3,293,527	3,519,159
Project management fees		333,511	29,456
Income		**3,627,038**	**3,548,615**
Operating expenses			
Exploration and evaluation, net of tax credits	18	557,872	1,574,802
Costs of sales		1,362,502	1,449,955
Salaries and benefits	17	1,165,805	1,005,965
Share-based compensation		40,785	107,995
Professional fees		109,042	128,362
Travel, conference and investor relations		57,399	80,199
General expenses and maintenance		356,665	313,187
Administration		176,390	140,961
Filing fees		22,514	31,177
Rent		11,100	11,100
Insurances and taxes		56,383	50,584
Impairment of exploration and evaluation assets		112,123	22,197
Depreciation of property and equipment		392,219	369,842
		4,420,799	5,286,326
Operating loss		**(793,761)**	**(1,737,709)**
Other income (expenses)			
Interest income		78,489	56,177
Finance costs		(65,363)	(87,386)
Other revenue		9,639	23,884
Gain on disposal of exploration and evaluation assets		2,250	24,096
Unrealized gain (loss) in fair value of investments in listed companies		825	(41,850)
Loss on disposal of property and equipment		(22,064)	(582)
		3,776	(25,661)
Net loss before income taxes		**(789,985)**	**(1,763,370)**
Deferred tax recovery	20	140 740	11,748
Net loss and comprehensive loss		**(649,245)**	**(1,751,622)**
Basic and diluted loss per share		(0.005)	(0.014)
Weighted average number of basic and diluted outstanding shares		**128,557,128**	**123,347,001**

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, 2023 and 2022
(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)**	**8,452,955**
Loss and comprehensive loss for the year		-	-	-	-	-	-	(649,245)	(649,245)
Stock-based compensation	16	-	-	-	-	40,785	-	-	40,785
Expired options		-	-	-	-	(1,445,496)	1,445,496	-	-
Expired broker warrants		-	-	-	(48,882)	-	48,882	-	-
Balance as at December 31, 2023		**128,557,128**	**21,860,175**	**32,475**	**879**	**439,730**	**2,865,212**	**(17,353,976)**	**7,844,495**

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, 2023 and 2022
(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		-	-	-	-	-	-	(1,751,622)	(1,751,622)
Issuance of shares under a flow-through private placement, net of issuance costs	13	5,148,750	392,253	-	879	-	-	-	393,132
• Less: premium		-	(171,610)	-	-	-	-	-	(171,610)
Stock-based compensation	16	-	-	-	-	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	14	-	-	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**	**(16,704,731)**	**8,452,955**

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, 2023 and 2022
(In Canadian dollars)

	Note	2023	2022
		$	$
Operating activities			
Net loss for the year		(649 245)	(1,751,622)
Adjustments for:			
Accrued interest on investments		(13,913)	(13,829)
Stock-based compensation		40,785	107,995
Depreciation of property and equipment		392,219	369,842
Loss on disposal of property and equipment		22,064	582
Gain on disposal of exploration and evaluation assets		(2,250)	(24,641)
Impairment of exploration and evaluation assets	8	112,123	22,197
Deferred tax recovery	20	(140 740)	(11,748)
Unrealized (gain) loss on variation of value of investments in listed companies		(825)	41,850
Accretion of long-term debt		-	4,367
Changes in non-cash working capital items	21	(71,797)	(389,816)
Cash flows used in operating activities		**(311,578)**	**(1,644,824)**
Investing activities			
Addition to investments		(510,000)	(1,200,000)
Disposal or maturities of investments		1,200,000	1,000,000
Additions of exploration and evaluation assets		(26,732)	(26,912)
Option payment received on exploration and evaluation assets		100,000	145,000
Acquisition of property and equipment		(311,367)	(34,080)
Proceeds from sale of property and equipment		7,500	-
Cash flows used in investing activities		**459,401**	**(115,992)**
Financing activities			
Flow-through private placements	13	-	411,900
Share issuance costs		-	(18,768)
Options exercised		-	70,000
Repayment of long-term debt		(297,008)	(154,781)
Obligations under financial leases repayment		-	(145,822)
Cash flows from financing activities		**(297,008)**	**162,529**
Net change in cash and cash equivalents		(149,185)	(1,598,286)
Cash and cash equivalents - beginning		1,555,039	3,153,325
Cash and cash equivalents - ending		**1,405,854**	**1,555,039**

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 consolidated 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 2023, the Corporation reported a net loss of $649 245 ($1,751,622 in 2022) and has an accumulated deficit of $17,353,976 ($16,704,731 in 2022). As at December 31, 2023, the Corporation had a working capital of $2,273,824 ($2,976,327 as of 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 on terms which are acceptable to the Corporation.

2. MATERIAL ACCOUNTING POLICIES

2.1 Statement of Compliance

These consolidated 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 consolidated financial statements were approved by the Corporation's Board of Directors on April 26, 2024.

2.2 Basis of measurement

The consolidated 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. MATERIAL ACCOUNTING POLICIES (CONT'D)

2.3 New accounting methods

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. The are no material impacts 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. There are no material impacts on the Corporation's consolidated financial statements.

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.

In June 2023 the ISSB issued IFRS S1 *General Requirements for Disclosure of Sustainability-related Financial Information*, which requires an entity to disclose information about all sustainability-related risks and opportunities that could reasonably be expected to affect the entity's cash flows, its access to finance or cost of capital. At the same time the ISSB issued IFRS S2 *Climate-related Disclosures*, with the same disclosure requirements as IFRS S1 but for climate-related risks and opportunities. For Canadian entities, there is currently no mandatory requirement to comply with the ISSB Standards. Canadian authorities including the CSSB and the CSA will decide on application in Canada. The Corporation will continue to assess the potential impact of these two new disclosure requirements which are not expected to have a significant impact on the Corporation's financial statements.

2.4 Consolidation method

The consolidated 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. MATERIAL ACCOUNTING POLICIES (CONT'D)

2.5 Functional and presentation currency

The consolidated 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.

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 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. MATERIAL ACCOUNTING POLICIES (CONT'D)

Expected Credit Loss lmpairment Model:
IFRS 9 introduced a single expected credit loss ("ECL") impairment model, which is based on changes in credit quality since initial application. Expected credit losses are measured to reflect a probability-weighted amount, the time value of money, and reasonable and supportable information regarding past event, current conditions and forecasts of future economic conditions. The Corporation's financial assets, other than financial assets measured at FVTPL, include accounts receivable, and the Corporation applies the simplified approach for accounts receivable. Using the simplified approach, the Corporation records a loss allowance equal to the ECLs resulting from all possible default events over the assets' contractual lifetime. The general approach is applied to all other financial assets to which the impairment requirements of IFRS ·9 apply.

The Corporation assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due. The Corporation considers a financial asset to be in default when the borrower is unlikely to pay its credit obligations to the Corporation in full or when the financial asset is more than 90 days past due.

The carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Corporation determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off.

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.

2.8 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. MATERIAL ACCOUNTING POLICIES (CONT'D)

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.

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.

2. MATERIAL ACCOUNTING POLICIES (CONT'D)

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
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 and comprehensive loss.

2.13 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 Corporation 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. MATERIAL ACCOUNTING POLICIES (CONT'D)

2.14 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.

2.15 Revenue Recognition

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

i) Project Management fees

When the Corporation acts as operator on a property that it has optioned out, the expenses incurred for the work carried out on the property are charged back to the partner who has optioned the property. A management fee is applied on top of the expenses recognized as the costs are incurred to carry out the work.

When the Corporation acts as operator on a property where it owns no interest in, all fees invoiced are recorded as management fees, net of costs incurred.

The project management fees are recorded as income in the statement of loss and comprehensive loss.

ii) Sales of outfitting packages

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 or service.

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

iii) Interest income

Interest Income from a financial asset Is recognized when It is probable that the economic benefits will flow to the Corporation and the amount of income can be measured reliably. Interest income is accrued on a time basis by reference to the principal outstanding and at the effective interest rate applicable.

2.16 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 loss and comprehensive 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. MATERIAL ACCOUNTING POLICIES (CONT'D)

2.17 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 consolidated 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.

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.

2.18 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 warrants 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. MATERIAL ACCOUNTING POLICIES (CONT'D)

2.19 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.

2.20 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.

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 warrants, 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.

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.

(In Canadian Dollars)

2. MATERIAL ACCOUNTING POLICIES (CONT'D)

2.21 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.

2.22 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
	$	$	$
2023			
Revenues	333,511	3,293,527	**3,627,038**
Total assets	4,544,548	4,484,367	**9,028,915**
Total liabilities	117,962	1,066,458	**1,184,420**
2022			
Revenues	32,956	3,515,659	**3,548,615**
Total assets	5,683,811	4,546,967	**10,230,778**
Total liabilities	347,204	1,430,619	**1,777,823**

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 consolidated 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.

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

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 $112,123 for 2023 ($22,197 for 2022). No reversal of impairment losses has been recognized for the reporting periods.

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.

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

The amounts recognized in the consolidated 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, mutual funds 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, 2023 and classified as cash equivalent include guaranteed investment certificates totaling $1,155,570 ($862,000 as at December 31, 2022), bearing interest with rates ranging from 4.50% to 5.15% and maturing from January 3, 2024 to November 18, 2024. Interest and principal are cashable at any time without penalties. It also includes an investment in a Canadian money market mutual fund worth $24,465 (nil as at December 31, 2022).

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, 2022), bearing interest at the financial institution's prime rate plus 2.35% (effective rate of 9.55% as at December 31, 2023). As at December 31, 2023, the amount outstanding under this credit facility was nil (nil as at December 31, 2022).

No new flow-through financing was issued in 2023 and the Corporation has spent the full amount from the December 29, 2022 flow-through financing totaling $411,900.

5. INVESTMENTS

Current

The current investments as at December 31, 2023 consist of three guaranteed investment certificates that are non-cashable prior to maturity. All three certificates totalize $310,000 in nominal value, bear interest with rates ranging from 5.30% to 5.70% and expiring dates ranging from November 4, 2024, to December 18, 2024.

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

Non-Current

The non-current investment as at December 31, 2023 consists of one guaranteed investment certificate of $200,000 that is non cashable with a rate of 5.70% and expiring on November 3, 2025.

(In Canadian Dollars)

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 investments can be summarized as follows:

	As at December 31, 2023	As at December 31, 2022
	$	$
Gitennes Exploration Inc. – 750,000 common shares *(600,000 as at December 31, 2022)*	11,250	12,000
Northern Superior Resources Inc. – 85,000 common shares *(85,000 as at December 31, 2022)*	40,375	36,550
Investments in listed companies	**51,625**	**48,550**

7. RECEIVABLES

	As at December 31, 2023	As at December 31, 2022
	$	$
Accounts receivable	640,630	244,512
Sales taxes receivable	-	51,837
Tax credits and mining rights receivable	96,681	470,670
Government grants receivable	69,516	21,407
Others	13,913	27,253
Receivables	**820,740**	**815,679**

8. EXPLORATION AND EVALUATION ASSETS

Mining properties acquisition costs	As at January 1, 2023	Additions	Impairment	Payment on options	As at December 31, 2023
	$	$	$	$	$
Mitchi	939,478	21,837	(112,123) [2]	-	849,192
Anik [1]	1,305,736	-	-	(100,000)	1,205,736
Rivière à l'aigle	99,114	-	-	-	99,114
Cousineau	5,535	1,010	-	-	6,545
New Mosher [1]	-	-	-	-	-
Wabash	36,740	-	-	-	36,740
Baie Johann Beetz	-	2,347	-	-	2,347
Genex	-	1,538	-	-	1,538
	2,386,603	**26,732**	**(112,123)**	**(100,000)**	**2,201,212**

1) Option agreements are in effect on these properties. See sections 8.1 and 8.2 for more information.

2) Certain claims were dropped and the property was partially impaired.

(In Canadian Dollars)

8. EXPLORATION AND EVALUATION ASSETS (CONT'D)

Mining properties acquisition costs	As at January 1, 2022	Additions	Impairment	Payment on options	As at December 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	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 8.1 and 8.2 for more information.
2) Certain claims were dropped, and the property was partially impaired.

8.1 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 (completed)	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)

8.2 New Mosher

On June 29, 2020, the Corporation 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 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 (completed)	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.

8.3 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.

On August 17, 2023, following the non fulfilment of the conditions of the 2nd milestone which required a cash payment of $100,000 and field work of $150,000, BRW abandoned its option on the BJB property.

9. PROPERTY AND EQUIPMENT

	Net book value January 1, 2023	Additions	Disposal	Depreciation	Net book value December 31, 2023
	$	$	$	$	$
Rolling stock	212,642	218,030	(29,564)	(98,733)	302,375
Outfitter trails	63,871	-	-	(3,851)	60,020
Electric line	268,193	-	-	(15,237)	252,956
Spawning grounds	63,871	-	-	(3,851)	60,020
Equipment	416,259	93,337	-	(61,873)	447,723
Buildings	2,998,315	-	-	(208,674)	2,789,641
	4,023,151	**311,367**	**(29,564)**	**(392,219)**	**3,912,735**

(In Canadian Dollars)

9. PROPERTY AND EQUIPMENT (CONT'D)

	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	3,206,987	-	-	(208,672)	2,998,315
	4,359,495	**34,080**	**(582)**	**(369,842)**	**4,023,151**

	As at December 31, 2023			As at December 31, 2022
	Cost	Accumulated Depreciation	Net book value	Net book value
	$	$	$	$
Rolling stock	613,519	(311,143)	302,376	212,642
Outfitter trails	77,032	(17,011)	60,021	63,871
Electric line	304,741	(51,787)	252,954	268,193
Spawning grounds	77,032	(17,011)	60,021	63,871
Equipment	678,346	(230,623)	447,723	416,259
Buildings	3,499,702	(710,062)	2,789,640	2,998,315
	5,250,372	**(1,337,637)**	**3,912,735**	**4,023,151**

10. TRADE AND OTHER PAYABLES

	As at December 31, 2023	As at December 31, 2022
	$	$
Trade payables and accrued liabilities	188,522	219,068
Due to Geomega Resources Inc. (note 19)	38,420	11,816
Accrued salaries	37,727	46,597
Accrued vacations	26,572	27,594
Government remittances	47,392	51,977
Trade and other payables	**338,633**	**357,052**

11. LIABILITY RELATED TO THE PREMIUM ON FLOW THROUGH SHARES

	2023	2022
	$	$
Balance, beginning	171,610	136,469
Addition, net of issue costs	-	171,610
Reduction related to qualifying exploration expenditures	(171,610)	(136,469)
Liability related to the premium on flow through shares	**-**	**171,610**

(In Canadian Dollars)

12. LONG-TERM DEBT

	As at December 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 at prime plus 1.75% (8.00% as of December 31, 2023). Interest and principal are payable monthly, maturing in September 2030.	222,361	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.	356,681	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.	11,437	23,057
Term loan engaged to finance rolling stock. This loan has a rate of 3.75% and is payable in monthly installments totaling $1,384 and mature on September 2025.	28,087	46,637
Canadian Emergency Business Account (CEBA) received in the context of the outbreak of the COVID-19 pandemic. The loans bore no interest and were paid in full in December 2023.	-	74,884
Current portion	(87,523)	(163,811)
Long-term debt - non-current portion	**531,043**	**751,763**

13. SHARE CAPITAL

13.1 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.

13. SHARE CAPITAL (CONT'D)

13.2 Private placements

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 warrants. Each broker warrant 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.

As part of the private placement, the Corporation issued 603,485 broker warrants. Each broker warrant allows the holder to acquire one common share at a price of $0.23 for 2 years. The total value of broker warrants 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.

13.3 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 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.

13.4 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).

(In Canadian Dollars)

14. WARRANTS

Changes in the Corporation's warrants are as follows:

	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
Expired	(3,113,149)	0.23	-	-
Balance, end	**7,855,000**	**0.12**	**10,968,149**	**0.15**

Warrants outstanding as at December 31, 2023 are as follows:

Number of warrants	Exercise price	Expiry date
	$	
5,148,750	0.10	December 29, 2024
2,706,250	0.15	December 11, 2025
7,855,000		

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 was 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.

15. BROKER WARRANTS

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

	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	(603,485)	0.23	(455,448)	0.15
Balance, end	**109,900**	**0.10**	**713,385**	**0.21**

Broker warrants outstanding as at December 31, 2023 are as follows:

Number of broker warrants	Exercise price	Expiry date
	$	
109,900	0.10	December 29, 2024
109,900		

(In Canadian Dollars)

16. STOCK OPTIONS

Changes in stock options are as follows:

	2023		2022	
	Number of options	**Weighted Average Exercise Price**	**Number of options**	**Weighted Average Exercise Price**
		$		$
Balance, beginning	11,330,000	0.28	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	(5,506,250)	0.38	(548,750)	0.14
Balance, end	**5,805,000**	**0.13**	**11,330,000**	**0.25**
Balance, end exercisable	5,273,750	0.13	9,395,000	0.28

Stock options outstanding as at December 31, 2023 are as follows:

Number of options outstanding	Number of options exercisable	Exercise price	Expiry date
		$	
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	1,593,750	0.10	June 09, 2027
5,805,000	**5,273,750**		

On June 16, 2023, 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 9, 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 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)

17. REMUNERATION

	2023	2022
	$	$
Salaries	1,432,101	1,643,788
Benefits	120,180	262,797
Salaries and benefits	**1,552,281**	**1,906,585**
Salaries and benefits presented in the exploration and evaluation expenses	(386,476)	(900,620)
Salaries and benefits presented in the statement of loss and comprehensive loss	**1,165,805**	**1,005,965**

18. EXPLORATION AND EVALUATION EXPENSES

	2023	2022
	$	$
Salaries and benefits	386,476	900,620
Resource estimate	59,743	-
Preliminary Economic Assessment	26,104	-
Geology	2,500	-
Drilling	(193)	428,657
Analysis	65,090	204,548
Geophysics	-	80,548
Geochemistry	841	1,989
Metallurgy	18,184	-
Lodging and travel	14,702	30,474
Supplies	70,482	332,371
Taxes, permits and insurance	10,624	4,684
Exploration and evaluation expenses before tax credits	**654,553**	**1,983,891**
Tax credits	(96,681)	(409,089)
Exploration and evaluation expenses	**557,872**	**1,574,802**

19. RELATED PARTY TRANSACTIONS

19.1 Transactions with Geomega Resources Inc. (“Geomega”)

As of December 31, 2023, Geomega held 13.11% of the Corporation (13.11% as at December 31, 2022).

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

	2023	2022
	$	$
Sales	(7,738)	(3,500)
Exploration and evaluation expenses	(504)	(460)
Travel, conference and investor relations	8,932	12,132
Rent	11,100	11,100
Total	**11,790**	**19,272**

(In Canadian Dollars)

19. RELATED PARTY TRANSACTIONS (CONT'D)

As of December 31, 2023, the Corporation owed $38,420 to Geomega (the Corporation owed $11,816 to Geomega as at December 31, 2022), and this due from a shareholder is non-interest bearing, unsecured and payable on demand.

19.2 In the normal course of operations

A firm in which a director is a partner charged legal professional fees amounting to $5,940 ($14,247 in 2022) recorded as legal fees, share issuance expenses and filing fees. As at December 2023, the amount owed to this company was $2,739 ($11,040 as at December 31, 2022).

During 2023, no stock options of the Corporation were awarded to officers and directors of the Corporation (1,500,000 in 2022). For the same period, no amount was recorded in the consolidated statements of loss and comprehensive loss as share-based compensation ($80,361 in 2022).

19.3 Out of the normal course of operations

During 2022, officers and directors of the Corporation exercised 500,000 options (nil during 2023) for a total of $70,000 and participated in a private placement carried out by the Corporation for a total of $5,000.

20. INCOME TAXES

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

	2023	2022
	$	$
Recovery of deferred taxes		
Premium on flow-through share issuance	171,610	136,469
Deferred taxes expense	(30,870)	(124,721)
Total - deferred taxes recovery	**140,740**	**11,748**

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

	2023	2022
	$	$
Net loss before income taxes	(789,985)	(1,763,370)
Combined federal and provincial income tax of 26.50% (26.50% in 2022)	(209,346)	(467,293)
Non-deductible expenses and other	(1,597)	34,091
Tax effect of renounced flow-through share expenditures	109,154	493,960
Amortization of flow-through share premiums	(171,610)	(136,469)
Temporary differences for which no deferred tax asset was recognized	132,658	66,963
	(140,740)	**(11,748)**

(In Canadian Dollars)

20. INCOME TAXES (CONT'D)

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

	2023	2022
	$	$
Deferred tax assets		
Non-capital losses	138,431	191,972
Total deferred tax assets	138,431	191,972
Deferred tax liabilities		
Property and equipment	(350,664)	(373,335)
Total deferred tax liabilities	(350,664)	(373,335)
Deferred tax liabilities	**(212,233)**	**(181,363)**

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:

	2023	2022
	$	$
Property and equipment	5,314	4,614
Investment in listed companies	10,756	13,108
Exploration and evaluation assets	575,223	475,266
Share issue costs	30,968	48,147
Non-capital losses	1,083,356	1,045,458
Deferred tax assets	**1,705,617**	**1,586,593**

As of December 31, 2023, 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	463,633
2043	186,407	186,407
	4,094,526	**4,079,797**

(In Canadian Dollars)

21. ADDITIONAL INFORMATION RELATING TO THE STATEMENT OF CASH FLOWS

Change in non-cash working capital items

	2023	2022
	$	$
Receivables	8,852	131,781
Inventory	(7,014)	(2,039)
Prepaid expenses and others	82,021	16,133
Trade and other payables	(18,420)	(226,301)
Deferred revenues	(126,504)	(320,122)
Deferred grants	(10,732)	10,732
	(71,797)	**(389,816)**

Non-cash transactions

	2023	2022
	$	$
Issuance of broker warrants as transaction fees on private placement	-	879
Option payment on an exploration and evaluation asset in common shares of a listed company	2,250	3,000
Warrants extended affecting the deficit	-	32,475

22. 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:

22.1 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, 2023, the Corporation's debt exposed to interest rates fluctuation amounts to $222,361. If the interest rate on this long-term debt had been 50 basis points higher (lower), the impact on the net income would be of $1,112. The Corporation's other financial liabilities do not comprise any interest rate risk since they do not bear interest.

(In Canadian Dollars)

22. FINANCIAL INSTRUMENTS AND RISKS (CONT'D)

22.2 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, 2023, 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 a credit risk on the Corporation trade receivables which increased significantly compared to the prior year. A substantial part of the receivable is derived from reputable large companies with which the Corporation has a history of regular invoicing and collections which limits the credit risk.

22.3 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.

As at December 31, 2023, 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)	338,633	-	-	338,633
Long-term debt (note 12)	126,161	382,176	294,811	803,148
	464,794	**382,176**	**294,811**	**1,141,781**

22.4 Fair value

Certain of the Corporation'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 Corporation'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:

22. FINANCIAL INSTRUMENTS AND RISKS (CONT'D)

- 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.