



Kintavar Exploration Inc.

Unaudited Condensed Interim Financial Statements

Six months ended June 30, 2017

The attached financial statements have been prepared by Management of Kintavar Exploration Inc. and have not been reviewed by the auditors

Kintavar Exploration Inc.

Statements of Financial Position

(Unaudited, in Canadian Dollars)

	Note	As at June 30, 2017 \$	As at December 31, 2016 \$
Assets			
Current assets			
Cash and cash equivalents	5	728,530	1,071,784
Investment	6	300,000	-
Sales tax receivable		127,640	10,408
Prepaid expenses and others		9,521	-
Current assets		1,165,691	1,082,192
Non-current assets			
Exploration and evaluation assets	7	3,480,418	932,010
Property and equipment	8	7,681	-
Non-current assets		3,488,099	932,010
Total assets		4,653,790	2,014,202
Liabilities			
Current liabilities			
Trade and other payables	16	254,890	58,376
Obligations under finance leases	9	2,018	-
Liability related to the premium on flow-through shares	10	58,865	282,707
Current liabilities		315,773	341,083
Non-current liabilities			
Obligations under finance leases	9	5,737	-
Deferred taxes		-	239,733
Non-current liabilities		5,737	239,733
Total Liabilities		321,510	580,816
Equity			
Share capital	4	6,290,446	2,398,652
Warrants	12	167,739	47,061
Broker options	13	2,832	-
Stock options		48,165	-
Deficit		(2,176,902)	(1,012,327)
Total equity		4,332,280	1,433,386
Total liabilities and equity		4,653,790	2,014,202

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

Kintavar Exploration Inc.

Statements of Loss and Comprehensive Loss

(Unaudited, in Canadian Dollars)

	Note	Three months ended June 30		Six months ended June 30	
		2017	2016	2017	2016
		\$	\$	\$	\$
Operating Expenses					
Salaries, benefits and share-based compensation		76,011	-	102,803	-
Exploration and evaluation, net of tax credits	15	350,729	13,893	760,493	18 759
Professional fees		33,451	4,150	44,848	4 150
Travel, conference and investor relations		3,613	351	5,931	351
Administration		7,431	1,008	8,689	1 999
Filing fees		7,168	-	8,418	-
Insurances and taxes		3,015	200	3,015	200
Listing expense	4	(10,042)	-	740,029	-
Depreciation of property and equipment	8	219	-	219	-
Operating loss		(471,595)	(19,602)	(1,674,445)	(25 459)
Other income (expenses)					
Interest income		1,734	164	1,734	166
Finance costs		(177)	-	(177)	-
		1,557	164	1,557	166
Net loss before income taxes		(470,038)	(19,438)	(1,672,888)	(25 293)
Deferred income taxes recovery		287,120	-	508,313	-
Net loss and comprehensive loss		(182,918)	(19,438)	(1,164,575)	(25 293)
Basic and diluted loss per share		(0.004)	(0.002)	(0.035)	(0.002)
Weighted average number of basic and diluted outstanding shares		46,079,160	10,247,093	32,821,917	10,247,093

Net loss and comprehensive loss is entirely attributable to Kintavar Exploration Inc.'s shareholders.

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

Kintavar Exploration Inc.

Statements of Changes in Equity

(Unaudited, in Canadian Dollars)

	Note	Number of shares outstanding	Share Capital	Stock options	Deficit	Total equity
			\$	\$	\$	\$
Balance at January 1, 2016		10,247,093	1,341,110	55,500	(705,267)	691,343
Loss and comprehensive loss		-	-	-	(25,293)	(25,293)
Balance at June 30, 2016		10,247,093	1,341,110	55,500	(730,560)	666,050

	Note	Number of shares outstanding	Capital stock	Warrants	Broker Options	Stock Options	Deficit	Total equity
			\$	\$	\$	\$	\$	\$
Balance at January 1, 2017		17,168,786	2,398,652	47,061	-	-	(1,012,327)	1,433,386
Loss and comprehensive loss for the period		-	-	-	-	-	(1,164,575)	(1,164,575)
Acquisition of mining properties from GéoMéga Resources Inc.		17,857,143	2,500,000	-	-	-	-	2,500,000
Issuances to investors of Black Springs Capital Corp. as part of the amalgamation								
• Class A common Shares		4,125,000	577,500	-	-	-	-	577,500
• Stock options		-	-	-	-	4,000	-	4,000
Issuance of shares as part of finder's fee		571,428	80,000	-	-	-	-	80,000
Issuance of shares under a private placement		5,173,293	599,112	125,149	-	-	-	724,261
Issuance of shares under a flow-through private placement		1,183,510	213,032	-	-	-	-	213,032
• Less: premium		-	(47,340)	-	-	-	-	(47,340)
Stock-based compensation		-	-	-	-	44,165	-	44,165
Share issuance costs		-	(30,510)	(4,471)	2,832	-	-	(32,149)
Balance at June 30, 2017		46,079,160	6,290,446	167,739	2,832	48,165	(2,176,902)	4,332,280

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

Kintavar Exploration Inc.

Statements of Cash Flows (Unaudited, in Canadian Dollars)

	Note	Six months ended June 30,	
		2017	2016
		\$	\$
Operating activities			
Net loss for the period		(1,164,575)	(25,293)
Adjustments for:			
Non-cash components of listing expense		570,788	-
Stock-based compensation		44,165	-
Depreciation of property and equipment		219	-
Finance costs		(145)	-
Flow through premium		(268,580)	-
Deferred income tax recovery		(239,733)	-
Changes in non-cash working capital items			
Sales tax receivable		(117,232)	4,771
Prepaid expenses and others		(9,521)	-
Trade and other payables		196,514	(4,404)
Cash flows used in operating activities		(988,100)	(24,926)
Investing activities			
Cash acquired through the amalgamation with Black Springs		90,712	-
Addition to investment		(300,000)	-
Additions of exploration and evaluation assets		(48,408)	(2,885)
Cash flows from (used) in investing activities		(257,696)	(2,885)
Financing activities			
Private placements		724,261	-
Flow-through private placements		213,032	-
Share issuance costs		(34,751)	-
Cash flows from (used) in financing activities		902,542	-
Net change in cash and cash equivalents		(343,254)	(27,811)
Cash and cash equivalents – beginning		1,071,784	59,260
Cash and cash equivalents – ending		728,530	31,449
Additional information			
Interest received		-	2
Acquisition of exploration and evaluation assets through issuance of shares		2,500,000	-
Property and equipment acquired pursuant to capital lease obligation		7,900	-

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

Kintavar Exploration Inc.

Notes to the Condensed Interim Financial Statements

Six months ended June 30, 2017

(Unaudited, in Canadian Dollars)

1. NATURE OF OPERATIONS AND GOING CONCERN

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 shares are listed on the TSX Venture Exchange (the "Exchange") under 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 unaudited condensed interim financial statements (the "Financial Statements") have been prepared on the basis of accounting principles applicable to a going concern, which contemplates the realization of assets and settlement of liabilities in the normal course of business as they come due. In assessing whether the going concern assumption is appropriate, management takes into account all available information about the future, which is at least, but not limited to twelve months from the end of the reporting period. For the six months ended June 30, 2017, the Corporation reported a net loss of \$1,164,575 and has accumulated a deficit of \$2,176,902 up to that date. As at June 30, 2017, the Corporation had working capital of \$849,918 (\$741,109 as at December 31, 2016). From this working capital, the Corporation has to dedicate \$256,221 to Canadian mining properties exploration, pursuant to the restrictions imposed by the December 30, 2016 and March 24, 2017 flow-through financings completed by Groupe Ressources Géomines Inc. ("Géomines") (a predecessor of the Corporation) and the Corporation respectively.

Management estimates that the working capital will not be sufficient to meet the Corporation's obligations and commitments and budgeted expenditures through June 30, 2018. These circumstances lend a significant doubt as to the ability of the Corporation to ensure its continuity of operation and, accordingly, the appropriateness of the use of accounting principles applicable to a going concern. Management is aware, in making its assessment, of material uncertainties related to events and conditions that may cast a significant doubt upon the Corporation's ability to continue as a going concern as described in the preceding paragraph, and accordingly, the appropriateness of the use of accounting principles applicable to a going concern. The Financial Statements do not reflect the adjustment to the carrying values of assets and liabilities, expenses and financial position classifications that would be necessary if the going concern assumption was not appropriate. These adjustments could be material.

Any funding shortfall may be met in the future in a number of ways including but not limited to, the issuance of new equity or debt financing. 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. If management is unable to obtain new funding, the Corporation may be unable to continue its operations, and amounts realized for assets might be less than amounts reflected in the Financial Statements.

Kintavar Exploration Inc.

Notes to the Condensed Interim Financial Statements

Six months ended June 30, 2017

(Unaudited, in Canadian Dollars)

2. SIGNIFICANT ACCOUNTING POLICIES

2.1 Statement of Compliance

These unaudited condensed interim financial statements (the "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*. Accordingly, the Financial Statements do not include all of the information and footnotes required by IFRS for complete financial statements for year-end reporting purposes.

The Financial Statements were approved by the Corporation's Board of Directors on August 28, 2017.

2.2 Basis of Presentation

The Financial Statements should be read in conjunction with the annual financial statements of Géomines for the year ended December 31, 2016, which have been prepared in accordance with IFRS. The accounting policies, methods of computation and presentation applied in the Financial Statements are consistent with those of Géomines' previous financial year ended December 31, 2016, except for the policies described below.

a) Property and equipment

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

Repairs and maintenance costs are charged to the statement of loss and comprehensive loss during the period in which they are incurred.

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

Vehicles	3 years
Field equipment and base camp related to E&E activities	3 to 5 years

The depreciation expense for each period is recognized in the statement of 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. 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.

Kintavar Exploration Inc.

Notes to the Condensed Interim Financial Statements

Six months ended June 30, 2017

(Unaudited, in Canadian Dollars)

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

b) Leases

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments under operating leases (net of any incentives received from the lessor) are charged to the statement of loss, on a straight-line basis over the period of the lease. Related expenses, such as maintenance and insurance expenses are charged to the statement of loss as incurred.

The Corporation leases certain equipment. Leases of equipment for which the Corporation has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalized at the lease's commencement at the lower of the fair value of the leased equipment or the present value of the minimum lease payments.

Each finance lease payment is allocated between the liability and finance costs. The corresponding rental obligations, net of finance charges, are included in obligation under finance leases. The interest element of the finance cost is charged to the statement of loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. Depreciation methods and useful lives for assets held under finance lease agreements correspond to those applied to comparable assets which are legally owned by the Corporation.

3. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

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

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

In preparing the Financial Statements, the significant judgements made by management in applying the Corporation's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the annual financial statements of Géomines for the year ended December 31, 2016.

4. AMALGAMATION AND RELATED TRANSACTIONS

Pursuant to the terms and conditions of the Amalgamation Agreement dated January 3, 2017, between Black Springs Capital Corp. ("Black Springs") and Géomines, Black Springs and Géomines were amalgamated on March 24, 2017. The amalgamated entity is named Kintavar Exploration Inc.

Immediately prior to the amalgamation, Géomines acquired from GéoMéga Ressources Inc. ("GéoMéga") mineral claims on gold bearing prospects, including the claims comprising the Anik, MacDonald, Rivière à l'aigle, Gaspard, Lac Storm, 3G, Comptois and Maryse properties, located in the Province of Québec in consideration of the issuance of 17,857,143 Géomines shares.

Kintavar Exploration Inc.

Notes to the Condensed Interim Financial Statements

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(Unaudited, in Canadian Dollars)

4. AMALGAMATION AND RELATED TRANSACTIONS (CONT'D)

Upon the amalgamation, the following instruments of the Corporation were issued to the respective instrument holders:

Black Springs	4,125,000 class A common shares ¹⁾ 250,000 replacement stock options ¹⁾
Existing shareholders of Géomines	17,168,786 class A common shares ²⁾ 1,001,250 replacement warrants ²⁾
GéoMéga	17,853,143 class A common shares ²⁾

¹⁾ Reflects an exchange ratio of two Black Springs common share for one Corporation Class A common share

²⁾ Reflects an exchange ratio of one Géomines common share for one Corporation Class A common share

This transaction is accounted for as the successive acquisitions by Géomines of GéoMéga's mining claims and 100% of the issued and outstanding shares of Black Springs. Consequently, these financial statements reflect only the assets, liabilities, operations and cash flows of Géomines for dates and periods prior to March 24, 2017 and include also GéoMéga's mining claims and Black Spring's assets and liabilities since March 24, 2017.

Neither of the acquisitions meet the definition of a business combination under IFRS 3 *Business Combinations*; accordingly, the purchase of GéoMéga's mining claims and Black Springs' net assets is accounted for as an equity-settled share-based payment under IFRS 2 *Share-based Payment*.

In accordance with IFRS 2, equity instruments issued were recognized at fair value of net assets acquired and services received. Services received by the Corporation consist in the listing of Black Springs as a publicly listed entity on the Exchange and are measured at the amount of the excess of the fair value of equity instruments issued to Black Springs' shares and stock options holders at the time of the amalgamation over Black Springs' net assets acquired. The transaction with Black Springs is thus recognized in substance as if Géomines had proceeded to the issuance of shares and stock options to acquire Black Springs' net assets.

In connection with the transaction with Black Springs, the Corporation paid a finder's fee of \$80,000 by the issuance of 571,428 class A common shares of the Corporation and incurred transaction costs of \$117,897.

The acquisition of Black Springs has been accounted for as follows:

	\$
Net assets of Black Springs acquired	
Cash	90,712
Accounts payables and accrued liabilities	(51,344)
	39,368
Consideration paid	
4,125,000 class A common shares to Black Springs' shareholders	577,500
250,000 replacement options to Black Springs' option holders	4,000
571,428 class A common shares as finder's fee	80,000
Transaction costs paid	117,897
	779,397
Listing expense	(740,029)

Kintavar Exploration Inc.

Notes to the Condensed Interim Financial Statements

Six months ended June 30, 2017

(Unaudited, in Canadian Dollars)

4. AMALGAMATION AND RELATED TRANSACTIONS (CONT'D)

The amount for the replacement options was determined by measuring the fair value of Black Springs' stock options outstanding at the time of the amalgamation. Since 200,000 of the replacement options expired in April, 2017, their fair value was considered nil. The fair value of \$4,000 for the 50,000 replacement options expiring on July 2, 2020 was estimated using the Black & Scholes valuation model using the following average assumptions: expected life of 3.25 years, a volatility of 100%, a risk-free interest rate of 0.95%, an exercise price of \$0.20 and a share price of \$0.14. The expected volatility was estimated by benchmarking comparable situations for companies that are similar to the Corporation.

Concurrently with the closing of the amalgamation, the Corporation completed a concurrent financing pursuant to a non-brokered private placement of (i) 1,183,510 common shares class A, issued on a flow through basis, at a price of \$0.18 per common share, and (ii) 5,173,293 units at a price of \$0.14 per unit for aggregate gross proceeds of \$937,293. Each unit being comprised of one common share class A and one half of one warrant, each whole warrant entitling the holder hereof to acquire one common share class A at a price of \$0.18 per common share class A until March 24, 2019.

From the total proceeds received from the units of \$724,261, \$125,149 has been allocated to warrants and \$599,112 to capital stock, according to a pro rata allocation of the estimated fair value of each of the two components. The estimated fair value of the warrants was determined using the Black-Scholes pricing model based on the following assumptions: no expected dividend yield, an expected volatility of 100%, a risk free interest rate of 0.76% and an expected life of the warrants of 2 years.

In connection with this financing, the Corporation paid to arm's length finders an aggregate amount of \$7,842 and issued an aggregate of 43,568 finder warrants. Each finder warrant entitles the holder to purchase one common share class A at a price of \$0.18 until March 24, 2019. The total compensation warrants cost amounted to \$2,832 and this fair value was estimated using the Black-Scholes model with the same assumptions as the warrants.

Concerning the March 24, 2017 flow-through private placement, the Corporation's share value at closing is deemed to be \$0.14, therefore the residual value attributed to the benefit related to flow-through shares renunciation is \$0.04 for a total value of \$47,340 credited to the liability related to the premium on flow-through shares.

Share issue expenses, including the finder's fees and compensation warrants, totalled \$37,583 of which \$30,510 was allocated to capital stock, \$4,471 to warrants and \$2,602 to flow-through premium.

5. CASH AND CASH EQUIVALENTS

The balance on flow-through financing not spent according to the restrictions imposed by the December 30, 2016 financing completed by Géomines and March 24, 2017 completed by the Corporation represents \$256,221 as at June 30, 2017 and is included in cash and cash equivalents. The Corporation has to dedicate these funds to Canadian mining properties exploration.

6. INVESTMENT

The investment is composed of a guaranteed investment certificate, not cashable before the expiry date, bearing a 1.2% interest payable annually, maturing on April 24, 2018, with a maturity value of \$303,590.

Kintavar Exploration Inc.

Notes to the Condensed Interim Financial Statements

Six months ended June 30, 2017

(Unaudited, in Canadian Dollars)

7. EXPLORATION AND EVALUATION ASSETS

Mineral properties acquisition costs	As at Jan 1, 2017	Acquisition from Géoméga	Additions	Impairment	As at June 30, 2017
	\$	\$	\$	\$	\$
Mitchi ²⁾	932,010	-	24,401	-	956,411
Anik	-	1,949,500	1,410	-	1,950,910
McDonald	-	371,250	577	-	371,827
Rivière à l'aigle	-	148,000	17,404	-	165,404
Gaspard	-	9,750	183	-	9,933
Lac Storm	-	2,250	273	-	2,523
3G	-	10,500	-	-	10,500
Comptois	-	1,000	-	-	1,000
Maryse	-	7,750	-	-	7,750
Cousineau	-	-	2,313	-	2,313
Generation	-	-	1,847	-	1,847
	932,010	2,500,000	48,408	-	3,480,418

Mineral properties acquisition costs	As at Jan 1, 2016	Additions	Impairment ¹⁾	As at Dec. 31, 2016
	\$	\$	\$	\$
WHN	679,125	2,885	-	682,010
Boisvert	-	250,000	-	250,000
Peter Lake	50,500	-	(50,500)	-
Cousineau	50,000	-	(50,000)	-
	779,625	252,885	(100,500)	932,010

¹⁾ Some claims were dropped and the Corporation impaired partially the property.

²⁾ The WHN/Boisvert properties has been combined and renamed Mitchi since it's in the same area of interest.

8. PROPERTY AND EQUIPMENT

	Vehicles
	\$
2017	
Net book value – opening	-
Additions	7,900
Depreciation	(219)
Net book value – closing	7,681
As at June 30, 2017	
Cost	7,900
Accumulated depreciation	(219)
Net book value – closing	7,681

Kintavar Exploration Inc.

Notes to the Condensed Interim Financial Statements

Six months ended June 30, 2017

(Unaudited, in Canadian Dollars)

9. OBLIGATIONS UNDER FINANCE LEASE

	As at June 30, 2017
	\$
Obligation under finance lease, at 27%, payable in monthly installments, maturing in May 2020. At the end of the term, the Corporation may buy the equipment at a price of \$10	7,755
Current portion	(2,018)
Obligation under finance lease non-current portion	5,737

The obligation under finance lease is as follows:

	1 year	1 to 5 years	Total
	\$	\$	\$
Minimum lease payments	3,869	7,405	11,274
Interest included in minimum lease payments	(1,851)	(1,668)	(3,519)
	2,018	5,737	7,755

10. LIABILITY RELATED TO THE PREMIUM ON FLOW THROUGH SHARES

	Six months ended June 30, 2017	2016
	\$	\$
Balance, beginning of period	282,707	-
Addition, net of issue costs	44,738	282,707
Reduction related to qualifying exploration expenditures	(268,580)	-
Liability related to the premium on flow through shares	58,865	282,707

11. SHARE CAPITAL

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

There are 21,606,157 shares held in escrow as at June 30, 2017.

Kintavar Exploration Inc.

Notes to the Condensed Interim Financial Statements

Six months ended June 30, 2017

(Unaudited, in Canadian Dollars)

12. WARRANTS

Changes in the Corporation's warrants are as follow:

	Six months ended June 30, 2017			2016		
	Number of warrants	Carrying Value	Weighted average exercise price	Number of warrants	Carrying Value	Weighted average exercise price
		\$	\$		\$	\$
Balance, beginning	1,001,250	47,061	0.18	-	-	-
Issued	2,586,647	125,149	0.18	1,001,250	47,061	0.18
Issuance Costs	-	(4,471)	-	-	-	-
Balance, end	3,587,897	167,739	0.18	1,001,250	47,061	0.18

Warrants outstanding as at June 30, 2017 are as follows:

Number of warrants	Exercise price	Expiry date
	\$	
1,001,250	0.18	December 30, 2018
2,586,647	0.18	March 24, 2019
3,587,897		

13. BROKER WARRANTS

Changes in the Corporation's broker options and finder warrants are as follow:

	Six months ended June 30, 2017			2016		
	Number of broker warrants	Carrying Value	Weighted average exercise price	Number of broker warrants	Carrying Value	Weighted average exercise price
		\$	\$		\$	\$
Balance, beginning	-	-	-	-	-	-
Issued	43,568	2,832	0.18	-	-	-
Balance, end	43,568	2,832		-	-	-

Broker warrants outstanding as at June 30, 2017 are as follows:

Number of broker warrants	Exercise price	Expiry date
	\$	
43,568	0.18	March 24, 2019
43,568		

Kintavar Exploration Inc.

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14. STOCK OPTIONS

Changes in stock options are as follow:

	Six months ended June 30, 2017		2016	
	Number of options	Weighted Average Exercise Price	Number of options	Weighted Average Exercise Price
		\$		\$
Balance, beginning	-	-	467,193	0.0002
Replacement options issued upon the amalgamation (Note 4)	250,000	0.20	-	-
Granted	1,250,000	0.14	-	-
Exercised	-	-	(467,193)	0.0002
Expired	(200,000)	0.20	-	-
Balance, end	1,300,000	0.15	-	-
Balance, end exercisable	50,000	0.20	-	-

Stock options outstanding as at June 30, 2017 are as follows:

Number of options outstanding	Number of options exercisable	Exercise price	Expiry date
		\$	
50,000	50,000	0.20	July 2, 2020
1,250,000	-	0.14	March 23, 2022
1,300,000	50,000		

On March 24, 2017, the Corporation granted to its directors, officers, employees and consultants 1,250,000 options exercisable at \$0.14, valid for 5 years. The options vest 25% per 6 months from the grant date. Those options were granted at an exercise price equal to the shares issued as part of amalgamation concurring private placement. Total stock-based compensation costs amount to \$130,000 for an estimated fair value of \$0.104 per option. The fair value of the options granted was estimated using the Black-Scholes model with no expected dividend yield, 100% expected volatility, 1.12% risk-free interest rate and 5 years options expected life. The expected life and expected volatility were estimated by benchmarking comparable situations for companies that are similar to the Corporation.

Kintavar Exploration Inc.

Notes to the Condensed Interim Financial Statements

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15. EXPLORATION AND EVALUATION EXPENSES

	Three months ended		Six months ended	
	June 30, 2017	June 30, 2016	June 30, 2017	June 30, 2016
	\$	\$	\$	\$
Salaries and benefits	131,540	-	248,831	-
Geology and prospecting	30,236	10,817	35,213	15,683
Drilling	(307)	-	168,553	-
Analysis	34,072	226	34,635	226
Geophysics	81,623	-	134,642	-
Lodging and travel	22,514	1,260	67,755	1,260
Supplies	49,679	1,590	65,427	1,590
Taxes, permits and insurance	1,372	-	5,437	-
Exploration and evaluation expenses before tax credits	350,729	13,893	760,493	18,759
Tax credits	-	-	-	-
Exploration and evaluation expenses	350,729	13,893	760,493	18,759

16. RELATED PARTY TRANSACTIONS

16.1 Transactions with Géoméga:

Following the amalgamation and related transaction of March 24, 2017, Géoméga emerged as the major shareholder holding 38.1% of the common shares of the Corporation and is considered to have significant influence over the Corporation.

Effective on January 1, 2017, Géomines signed an agreement to hire Géoméga as subcontractor to execute the exploration work after January 1, 2017. Géoméga charged the following expenses, in the normal course of operations, since January 1, 2017:

	Six months ended	
	June 30, 2017	June 30, 2016
	\$	\$
Exploration and evaluation assets	21,590	-
Salaries and benefits	41,123	-
Exploration and evaluation expenses	299,270	-
Travel, conference and investor relations	6,024	-
Administration	1,235	-
Total	369,242	-

As at June 30, 2017, the Corporation owes \$114,681 (nil as at December 31, 2016) to Géoméga, and this due to a shareholder with significant influence is non-interest bearing, unsecured and due on demand.

Kintavar Exploration Inc.

Notes to the Condensed Interim Financial Statements

Six months ended June 30, 2017

(Unaudited, in Canadian Dollars)

16. RELATED PARTY TRANSACTIONS (CONT'D)

16.2 In the normal course of operations, since March 24, 2017:

- ◆ A firm in which an director and officer is a partner charged legal professional fees amounting to \$104,518 of which \$57,778 was recorded as listing expense, \$5,668 as professional fees, \$3,069 as share issue expense and \$38,003 was recorded in the books of Black Spring prior to March 24, 2017 but relates to the amalgamation and related transactions;
- ◆ A company controlled by an officer charged professional fees of \$32,693, of which \$9,565 relates to her staff; and
- ◆ As at June 30, 2017, the balance due to the related parties mentioned in this section amounted to \$11,618.

16.3 Out of the normal course of operations, since March 24, 2017:

- ◆ Directors and officers of the Corporation participated in the concurrent flow-through private placement (note 4) for \$15,000 and in the concurrent unit private placement (note 4) for \$5,600. The directors and officers subscribed to the units private placement and the flow-through private placement under the same terms and conditions set forth all subscribers.

17. SUBSEQUENT EVENTS

On July 27, 2017, the Corporation signed a purchase agreement with 3 individuals for claims located in proximity to various properties of the Corporation's Abitibi projects. The property was purchased under the following considerations: issuance of 85,000 common shares, issuance of 42,500 warrants exercisable for 24 months at \$0.24, grant of 1% net smelter return royalty that can be bought back by the Corporation for \$1,000,000. The transaction is subject to regulatory approvals.