



**ABCOURT MINES INC.  
CONSOLIDATED INTERIM FINANCIAL STATEMENTS  
THREE AND SIX MONTHS ENDED DECEMBER 31, 2023 (unaudited)**

**CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

Consolidated Interim Statements of Financial Position

Consolidated Interim Statements of Comprehensive Income

Consolidated Interim Statements of Changes in Equity

Consolidated Tables of Cash Flows

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# ABCOURT MINES INC.

## CONSOLIDATED INTERIM STATEMENTS OF FINANCIAL POSITION

(in Canadian dollars)

		<b>December 31, 2023</b>	June 30, 2023
		\$	\$
<b>ASSETS</b>	<b>Notes</b>	(unaudited)	(audited)
Current assets			
Cash		1,251,445	963,974
Receivables	5	362,138	1,065,924
Prepaid expenses		347,076	99,416
Inventory	6	462,312	462,312
Credit on mining rights refundable and refundable tax credit for resources		<u>26,591</u>	<u>251,439</u>
Total current assets		2,449,562	2,843,065
Non-current assets			
Deposits for restoration	10	2,958,601	5,892,494
Property, plant and equipment	7	<u>8,771,060</u>	<u>8,665,324</u>
Total non-current assets		<u>11,729,661</u>	<u>14,557,818</u>
<b>Total assets</b>		<b><u>14,179,223</u></b>	<b><u>17,400,883</u></b>
<b>LIABILITIES</b>			
Current liabilities			
Accounts payable and accrued liabilities	8	5,637,071	5,570,250
Mining taxes payable		57,418	57,418
Current portion of long-term debt	9	1,366,666	1,520,908
Other liabilities		<u>-</u>	<u>170,712</u>
Total current liabilities		7,061,155	7,319,288
Long-term debt	9	200,000	333,333
Provisions for restoration of mining sites	10	<u>11,822,430</u>	<u>11,616,198</u>
Total liabilities		<u>19,083,585</u>	<u>19,268,819</u>
<b>EQUITY</b>			
Share capital	11	54,418,808	52,464,386
Contributed surplus	12	7,561,839	7,374,384
Warrants		1,334,306	621,918
Deficit		<u>(68,219,315)</u>	<u>(62,328,624)</u>
Total equity		<u>(4,904,362)</u>	<u>(1,867,936)</u>
<b>Total liabilities and equity</b>		<b><u>14,179,223</u></b>	<b><u>17,400,883</u></b>

ON BEHALF OF THE BOARD

(s) Pascal Hamelin  
President and director

(s) Loïc Bureau,  
Chairman of the Board and director

# ABCOURT MINES INC.

## CONSOLIDATED INTERIM STATEMENTS OF COMPREHENSIVE INCOME THREE AND SIX MONTHS ENDED DECEMBER 31, (In Canadian dollars)

	Notes	2023		2022	
		3 months \$	6 months \$	3 months \$	6 months \$
Revenues	13	-	255,000	4,118,938	6,515,841
Mining operation costs		-	-	1,986,080	4,298,387
Amortization and depletion		-	-	15,434	25,997
Cost of sales		-	-	2,001,514	4,324,384
<b>GROSS MARGIN</b>		-	255,000	2,117,424	2,191,457
<b>EXPENSES</b>					
Administrative	14	881,874	1,881,614	669,235	1,030,721
Care and maintenance		926,103	1,799,541	1,013,899	1,652,414
Exploration and evaluation		1,571,293	2,278,064	713,980	(1,364,880)
<b>Total expenses</b>		3,379,270	5,959,219	2,397,114	1,318,255
<b>OPERATING EARNINGS</b>		(3,379,270)	(5,704,219)	(279,690)	873,202
<b>FINANCE COSTS AND REVENUES</b>					
Finance income		(219)	(9,241)	-	-
Finance costs		143,113	276,429	52,842	95,376
		142,894	267,188	52,842	95,376
<b>EARNINGS BEFORE INCOME AND MINING TAXES</b>		(3,522,164)	(5,971,407)	(332,532)	777,826
Deferred income and mining taxes		(170,712)	(170,712)	34,000	34,000
<b>NET EARNINGS AND TOTAL COMPREHENSIVE INCOME</b>		(3,351,452)	(5,800,695)	(366,532)	743,826
<b>NET EARNINGS PER SHARE</b>					
Basic		(0.01)	(0.01)	(0.00)	0.00
Diluted		(0.01)	(0.01)	(0.00)	0.00
<b>WEIGHTED AVERAGE NUMBER OF SHARES OUTSTANDING</b>					
Basic		484,719,791	461,686,289	348,754,347	344,482,609
Diluted		484,719,791	461,686,289	348,754,347	349,253,177

# ABCOURT MINES INC.

## CONSOLIDATED INTERIM STATEMENTS OF CHANGES IN EQUITY

(in Canadian dollars)

	Notes	Share Capital \$	Warrants \$	Contributed Surplus \$	Deficit \$	Total Equity \$
<b>Balance as at June 30, 2023</b>		<b>52,464,386</b>	<b>621,918</b>	<b>7,374,384</b>	<b>(62,328,624)</b>	<b>(1,867,936)</b>
Net earnings and total comprehensive income		-	-	-	(5,800,695)	(5,800,695)
Units issued	11-12	1,954,422	712,388	-	-	2,666,810
Share purchase options issued	11-12	-	-	186,755	-	186,755
Share issuance costs		-	-	700	(89,996)	(89,296)
<b>Balance as at December 31, 2023</b>		<b>54,418,808</b>	<b>1,334,306</b>	<b>7,561,839</b>	<b>(68,219,315)</b>	<b>(4,904,362)</b>
<b>Balance as at June 30, 2022</b>		<b>46,186,602</b>	<b>340,900</b>	<b>7,197,317</b>	<b>(56,851,166)</b>	<b>(3,126,347)</b>
Net earnings and total comprehensive income		-	-	-	(5,337,044)	(5,337,044)
Units issued	11-12	331,053	62,197	-	-	393,250
Flow-through units issued	11-12	796,125	191,163	-	-	987,288
Share purchase options issued	11-12	-	-	11,758	-	11,758
Share issuance costs		-	-	13,800	(140,414)	(126,614)
Acquisition of Pershimex	11	5,150,606	27,658	151,509	-	5,329,773
<b>Balance as at June 30, 2023</b>		<b>52,464,386</b>	<b>621,918</b>	<b>7,374,384</b>	<b>(62,328,624)</b>	<b>(1,867,936)</b>

# ABCOURT MINES INC.

## CONSOLIDATED INTERIM STATEMENTS OF CASH FLOWS THREE AND SIX MONTHS ENDED DECEMBER 31, (in Canadian dollars)

	Notes	December 31, 2023		December 31, 2022	
		3 months \$	6 months \$	3 months \$	6 months \$
<b>OPERATING ACTIVITIES</b>					
Net earnings and total comprehensive income		(3,351,452)	(5,800,695)	(366,532)	743,826
Items not affecting cash					
Accretion expense		103,107	206,232	49,128	91,173
Share-based compensation		17,811	186,755	21,000	21,000
Amortization and depletion		36,426	79,693	21,825	44,448
Deferred taxes		(170,712)	(170,712)	-	-
		(3,364,820)	(4,889,120)	(1,300,685)	(402,204)
Changes in non-cash working capital items	4	2,191	609,607	(1,026,106)	(1,304,762)
		(3,362,629)	(4,889,120)	(1,300,685)	(402,204)
<b>FINANCING ACTIVITIES</b>					
Issuance of units		997,400	2,580,150	32,500	393,250
Issuance of flow-through units		-	-	-	1,158,000
Share issuance costs		(82,727)	(89,296)	(2,970)	(107,694)
Repayment of long-term debt		(150,000)	(287,575)	(156,040)	(295,304)
		764,673	(2,203,279)	(126,510)	1,148,252
<b>INVESTING ACTIVITIES</b>					
Deposit for restoration		2,933,893	2,933,893	-	-
Refundable tax credit for resources		38,363	224,848	-	-
Acquisition of property, plant and equipment		(183,245)	(185,429)	(231,200)	(408,701)
		2,789,011	2,973,312	(231,200)	(408,701)
<b>NET CHANGE IN CASH</b>		191,055	287,471	(1,658,395)	337,347
<b>CASH, BEGINNING OF YEAR</b>		1,060,390	963,974	2,716,254	720,512
<b>CASH, END OF YEAR</b>		1,251,445	1,251,445	1,057,859	1,057,859

# ABCOURT MINES INC.

## NOTES TO CONSOLIDATED INTERIM FINANCIAL STATEMENTS

DECEMBER 31, 2023 and 2022

(in Canadian dollars)

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### 1- INCORPORATION AND NATURE OF ACTIVITIES

Abcourt Mines Inc. (together, with its subsidiary, the « Company ») was incorporated by letters patent of amalgamation in January 1971 and continued under Part 1A of the Quebec Companies Act in March 1981. On February 14, 2011, the Company was automatically continued under Business Companies Act (Quebec) following the coming into force of this law. The Company is engaged in the acquisition, exploration and evaluation, development and operating of mining properties in Canada, primarily gold. Its shares are trading on the TSX Venture Exchange under the symbol ABI, on the Berlin Stock Exchange under the symbol AML-BE and on the Frankfurt Exchange under the symbol AML-FF. The Company's head office is located at 475 De l'Eglise Avenue, Rouyn-Noranda, (Quebec) J0Z 1Y0.

These financial statements were approved for issuance by the Board of Directors on February 26, 2024.

### 2- GENERAL INFORMATION AND BASIS OF PRESENTATION

These interim financial statements have been prepared by the Company's management in accordance with International Financial Reporting Standards (« IFRS »), as established by the International Accounting Standards Board and in accordance with IAS 34 « Interim Financial Reporting ». These interim financial statements were prepared using the same basis of presentation and accounting policies outlined in the annual financial statements on June 30, 2023. They do not include all the information required in annual financial statements in accordance with IFRS and must be read in conjunction with the financial statements for the year ended June 30, 2023. These financial statements have not been reviewed by the Company's auditor.

The Company's independent auditor has not performed a review of these unaudited consolidated interim financial statements for the period ended December 31, 2023 in accordance with standards established by the Chartered Professional Accountants of Canada for a review of interim financial statements by the Company's auditor.

#### JUDGMENTS, ESTIMATES AND ASSUMPTIONS

When preparing the consolidated interim financial statements, management makes a series of judgments, estimates and assumptions about recognition and measurement of assets, liabilities, income and expenses. The actual results may differ from the judgments, estimates and assumptions made by management, and will seldom equal the estimated results.

The judgments, estimates and assumptions applied in the interim financial statements, including the key sources of estimation uncertainty, were the same as those applied in the Company's last annual financial statements for the year ended June 30, 2023.

#### GOING CONCERN

These consolidated interim financial statements have been prepared on the going concern basis, where assets are realized and liabilities are settled in the normal course of business.

The Company's ability to ensure the continuity of its operations relies on the realization of its assets and on additional financing. Despite the Company's ability to obtain financing in the past, there can be no assurance that it will be able to obtain financing in the future, and there can be no assurance that such financing will be available on terms acceptable to the Company. The Company has not yet determined whether the mining properties contain ore reserves that can be economically exploited and has not yet generated operating revenues. Recovery of the cost of mineral properties depends on the ability to economically exploit the ore reserves, obtaining the necessary financing for the exploration of these properties and bringing them into commercial production or proceeds from the sale of the properties. As of December 31, 2023, the Company has a deficit of \$68,219,315, cash of \$1,251,445 and negative working capital of \$4,611,593.

These conditions indicate the existence of a material uncertainty that may cast significant doubt upon the Company's ability to continue as a going concern.

The consolidated interim financial statements do not reflect the adjustments that would be necessary to the carrying amount of assets and liabilities, the amounts reported for revenues and expenses, and the classifications of items in the statement of financial position if the going concern assumption were not appropriate. These adjustments could be material.

### 3- NEW OR REVISED STANDARDS OR INTERPRETATIONS

#### Standards, amendments and Interpretations to existing Standards that are not yet effective

At the date of authorization for publication of these financial statements, several new, but not yet effective, standards, amendments to existing standards, and Interpretations have been published by the IASB. None of these standards, amendments or Interpretations have been adopted early by the Company.

Management anticipates that all relevant pronouncements will be adopted during the first open period after their effective date. New standards, amendments and interpretations which have not been adopted in advance and which are not listed below are not likely to have a material impact on the financial statements of the Company.

# ABCOURT MINES INC.

## NOTES TO CONSOLIDATED INTERIM FINANCIAL STATEMENTS

DECEMBER 31, 2023 and 2022

(in Canadian dollars)

### 4- ADDITIONAL INFORMATION ON CASH FLOWS

Net change in non-cash working capital items:

	December 31, 2023		December 31, 2022	
	3 months	6 months	3 months	6 months
	\$	\$	\$	\$
Receivables	9,134	703,786	(245,358)	(99,845)
Prepaid expenses	(233,654)	(247,660)	(78,495)	(54,831)
Inventory	-	-	129,840	1,782,413
Accounts payable and accrued liabilities	227,011	153,481	(708,623)	(2,809,029)
Mining taxes payable	-	-	(123,470)	(123,470)
	<u>2,191</u>	<u>609,607</u>	<u>(1,026,106)</u>	<u>(1,304,762)</u>

As at December 31, 2023, the Company paid no income taxes (\$157,470 as at December 31, 2022).

Items not affecting cash:

	December 31, 2023	December 31, 2022
	\$	\$
Warrants granted to investors	713,388	253,360
Warrants granted to intermediaries	700	13,800
Settlement of a royalty payable by the issuance of units	86,660	-

### 5- RECEIVABLES

	December 31, 2023	June 30, 2023
	\$	\$
Commodity taxes	360,476	1,065,924
Accounts receivable	1,662	-
	<u>362,138</u>	<u>1,065,924</u>

### 6- INVENTORY

	December 31, 2023	June 30, 2023
	\$	\$
Mine supplies	462,312	462,312
	<u>462,312</u>	<u>462,312</u>

**ABCOURT MINES INC.****NOTES TO CONSOLIDATED INTERIM FINANCIAL STATEMENTS****DECEMBER 31, 2023 AND 2022**

(in Canadian dollars)

**7- PROPERTY, PLANT AND EQUIPEMENT**

	Cost			Accumulated Amortization			December 31, 2023 Net book value
	June 30, 2023	Addition	December 31, 2023	June 30, 2023	Amortization	December 31, 2023	
	\$	\$	\$	\$	\$	\$	\$
<b>Corporate</b>							
Office furniture	63,529	-	63,529	36,666	3,033	39,699	23,830
Computer equipment	39,048	2,725	41,773	18,592	5,469	24,061	17,712
	<u>102,577</u>	<u>2,725</u>	<u>105,302</u>	<u>55,258</u>	<u>8,502</u>	<u>63,760</u>	<u>41,542</u>
<b>Elder Mine site</b>							
Lands	37,263	-	37,263	-	-	-	37,263
	<u>37,263</u>	<u>-</u>	<u>37,263</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>37,263</u>
<b>Sleeping Giant mine site</b>							
Mill facility and production equipment	8,764,598	138,460	8,903,058	1,982,439	-	1,982,439	6,920,619
Lands	19,000	-	19,000	-	-	-	19,000
Mobile equipment	526,355	2,184	528,539	438,992	18,061	457,053	71,486
Computer equipment	163,646	2,725	166,371	69,404	23,861	93,265	73,106
	<u>9,473,599</u>	<u>143,369</u>	<u>9,616,968</u>	<u>2,490,835</u>	<u>41,922</u>	<u>2,532,757</u>	<u>7,084,211</u>
<b>Exploration</b>							
Lands	55,000	-	55,000	-	-	-	55,000
Buildings	1,486,198	9,655	1,495,853	237,360	2,253	239,613	1,256,240
Equipment and tools	412,774	29,680	442,454	118,634	27,016	145,650	296,804
	<u>1,953,972</u>	<u>39,335</u>	<u>1,993,307</u>	<u>355,994</u>	<u>29,269</u>	<u>385,263</u>	<u>1,608,044</u>
	<u>11,567,411</u>	<u>185,429</u>	<u>11,752,840</u>	<u>2,902,087</u>	<u>79,693</u>	<u>2,981,780</u>	<u>8,771,060</u>



**ABCOURT MINES INC.**  
**NOTES TO CONSOLIDATED INTERIM FINANCIAL STATEMENTS**  
**DECEMBER 31, 2023 AND 2022**  
(in Canadian dollars)

**8- ACCOUNTS PAYABLE AND ACCRUED LIABILITIES**

	<b>December 31</b>	June 30,
	<b>2023</b>	2023
	\$	\$
Accounts payable	3,591,388	3,396,451
Royalties payable	299,963	501,451
Salaries and vacation payable	255,268	226,336
Payable to governments	1,490,422	1,446,012
	<u>5,637,071</u>	<u>5,570,250</u>

**9- LONG-TERM DEBT**

	<b>December 31,</b>	June 30,
	<b>2023</b>	2023
	\$	\$
Loan authorized for a maximum amount of \$3,000,000 bearing interest at fixed rates of 5.66%, 7.16%, and 7.25% (5.66%, 7.25% and 7.26% as at June 30, 2023), maturing in June 2024, January 2025 and February 2026, secured by a first rank hypothec of \$3,000,000 on equipment and mobile equipment of the Sleeping Giant mine and mill facility and a mortgage of \$250,000 on accounts receivable and inventory and on the universality of movable property.	1,566,666	1,850,000
Loan authorized for a maximum amount of \$47,631, bearing interest at a fixed rate of 7.33%, secured by mobile equipment, maturing in August 2023.	-	4,241
	<u>1,566,666</u>	<u>1,854,241</u>
Current Portion	<u>(1,366,666)</u>	<u>(1,520,908)</u>
	<u>200,000</u>	<u>333,333</u>

Reconciliation of movements of long-term debt to cash flows arising from financing activities

	<b>December 31,</b>	June 30,
	<b>2023</b>	2023
	\$	\$
<b>Balance, beginning of year</b>	1,854,241	2,478,628
Cash flows		
Repayment of long-term debt	(287,575)	(624,387)
<b>Balance, end of the year</b>	<u>1,566,666</u>	<u>1,854,241</u>

As at December 31, 2023 and June 30, 2023, principal payments required in the next years are as follows:

Within one year	1,366,666	1,520,908
More than one year and less than five years	200,000	333,333

**ABCOURT MINES INC.**  
**NOTES TO CONSOLIDATED INTERIM FINANCIAL STATEMENTS**  
**DECEMBER 31, 2023 AND 2022**  
(in Canadian dollars)

**10- PROVISIONS FOR RESTORATION OF MINING SITES**

The following table sets forth the variation in the provisions for restoration of mining sites:

	<b>December 31,</b>	June 30,
	<b>2023</b>	2023
	\$	\$
Balance, beginning of the period	11,616,198	6,165,101
Change to estimates	-	5,205,824
Accretion expenses	<u>206,232</u>	<u>245,273</u>
Balance, end of period	<u><u>11,822,430</u></u>	<u><u>11,616,198</u></u>

The inflation rate used to determine the future value of the bonds is 3.14% and 3.99% (2.40% and 2.87% as at June 30, 2023), while the rate reflecting current market assessments (adjusted to take account of risks specific to this liability) used to determine the present value of the provisions is 3.50% (3.50% and 4.68% as at June 30, 2023). The payment schedules were determined taking into account the estimated measured and indicated resources, the expected annual production level and the estimated life of mine.

The schedules of the estimated cash flows of future retirement costs of the Elder and Sleeping Giant mines were revised following the update of the resources and their estimated life as well as the revision of the future restoration costs of the Elder and Sleeping Giant sites. During the year ended June 30, 2023, the Company revised upwards the future costs of restoring the Sleeping Giant site. Total future costs were estimated at \$12,027,338, an additional amount of \$6,657,124 prior to actualization was recorded as an increase in the provision. The revision of estimates has been charged to property, plant and equipment.

The following table presents the estimated undiscounted cash flows arising from future restoration costs used in the calculation of provisions related to mine site restoration as at December 31, 2021

	<u>Anticipated cash flows payment schedule for 2025 and 2032</u>
	\$
Elder Mine	590,149
Sleeping Giant Mine	<u>15,355,503</u>
	<u><u>15,435,866</u></u>

The following table sets forth the distribution of provisions for restoration of mining sites:

	<b>December 31,</b>	June 30,
	<b>2023</b>	2023
	\$	\$
Elder Mine	558,807	546,225
Sleeping Giant Mine	<u>11,263,623</u>	<u>11,069,973</u>
	<u><u>11,822,430</u></u>	<u><u>11,616,198</u></u>

During the six-month period ended December 31, 2023, the Company entered into an agreement with an insurance company to provide bonds for \$5,867,786 to the Government of Quebec in accordance with the requirements under the restoration plans approved by the Government of Quebec. Following the bond, the Company had to provide a letter of guarantee representing 50% of the financial guarantee, or an amount of \$2,933,893. The Company received from the Government of Quebec the total amount of security deposits, i.e. \$5,867,786, \$5,370,214 for the Sleeping Giant site and \$497,572 for the Elder mine site.

**ABCOURT MINES INC.**  
**NOTES TO CONSOLIDATED INTERIM FINANCIAL STATEMENTS**  
**DECEMBER 31, 2023 AND 2022**  
(in Canadian dollars)

**11- SHARE CAPITAL**

Authorized

Unlimited number of preferred shares without par value which may be issued in one or more series; the privileges, rights, conditions and restrictions will be determined by the Board of Directors (none outstanding).

Unlimited number of subordinate Class « A » shares, without par value, non-voting (none outstanding).

Unlimited number of Class « B » shares», without par value, with voting rights.

Changes in the Company Class « B » share capital were as follows:

	<b>December 31,</b>		June 30,	
	<b>2023</b>		2023	
	Number	Amount	Number	Amount
		\$		\$
<b>Balance, at beginning</b>	428,108,504	52,464,386	328,289,131	46,186,602
Common share issued	64,503,750	1,890,927	6,050,000	331,053
Flow-through share issued	-	-	14,475,000	796,125
Shares issued for the settlement of a royalty	2,166,506	63,495	-	-
Acquisition of Pershimex	-	-	79,294,373	5,150,606
<b>Balance, at the end</b>	<u>494,778,760</u>	<u>54,418,808</u>	<u>428,108,504</u>	<u>52,464,386</u>

During the six-month period ended December 31, 2023, the Company completed a private placement consisting of 64,503,750 units at a price of \$0.04 per unit. Each unit consisted of one Class « B » common share and one warrant. Each whole warrant entitles its holder to purchase one Class « B » common share at an exercise price of \$0.05 for a period of 3 years from the date of issuance of the warrant. The gross proceeds from this placement in the amount of \$2,580,150 was presented net of the fair value of the warrants, in the amount of \$689,223.

In connection with the private placement, the Company paid a cash commission of \$1,800 and issued 45,000 units to an intermediary. Each warrant entitles its holder to purchase one unit at an exercise price of \$0.05 for a period of 3 years from the date of issuance of the warrant. Each unit consisted of one Class « B » common share and one warrant entitling its holder to purchase one Class « B » common share at the exercise price of \$0.05 for a period of 3 years from the date of issuance of the warrant.

During the six-month period ended December 31, 2023, the Company issued 2,166,506 units at a price of \$0.04 per unit in payment of a 2% royalty on the Sleeping Giant property. Each unit consisted of one Class « B » common share and one warrant. Each whole warrant entitles its holder to purchase one Class « B » common share at an exercise price of \$0.05 for a period of 3 years from the date of issuance of the warrant. The amount of the issuance \$86,660 was presented net of the fair value of the warrants of \$23,165.

**Year ended June 30, 2023**

On July 20, 2022, the Company completed a private placement consisting of 550,000 units at a price of \$0.065 per unit. Each unit consisted of one Class « B » common share and one warrant. Each whole warrant entitles its holder to purchase one Class « B » common share at a price of \$0.15 for a period of 3 years from the date of issuance of the warrant. The total gross proceeds of \$35,750 was presented net of the fair value of the warrants, in the amount of \$6,922.

On July 20, 2022, the Company completed a private placement consisting of 14,475,000 flow-through units at a price of \$0.08 per unit. Each unit consisted of one flow-through Class « B » common share and one warrant. Each whole warrant entitles its holder to purchase one Class « B » common share at a price of \$0.15 for a period of 3 years from the date of issuance of the warrant. The total gross proceeds of \$1,158,000 was presented net of the fair value of the warrants, in the amount of \$191,163 and the premium on flow-through shares in the amount of \$170,712 presented in other liabilities.

In connection with the private placement, the Company paid a cash commission of \$69,000 and issued 862,500 warrants to a broker. Each whole warrant entitles its holder to purchase one unit at an exercise price of \$0.15 for a period of 3 years from the date of issuance of the warrant. Each unit consisted of one Class « B » common share and one warrant entitling its holder to purchase one Class « B » common share at the exercise price of \$0.15 for a period of 3 years from the date of issuance of the warrant.

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**11- SHARE CAPITAL** (continued)

On September 27, 2022, the Company closed a private placement consisting of 5,000,000 units at a price of \$0.065 per unit. Each unit consisted of one Class « B » common share and one warrant. Each whole warrant entitles its holder to purchase one Class « B » common share at an exercise price of \$0.15 for a period of 3 years from the date of issuance of the warrant. The total gross proceeds of \$325,000 was presented net of the fair value of the warrants, in the amount of \$49,775.

As part of the private placement closed on September 27, 2022, the Company accepted on October 11, 2022 an additional subscription of 500,000 units at a price of \$0.065 per unit. The gross proceeds of the subscription in the amount of \$32,500 was presented net of the fair value of the warrants, in the amount of \$5,500.

In connection with the private placement, the Company paid a cash commission of \$19,500 and issued 300,000 warrants to a broker. Each warrant entitles its holder to purchase one unit at an exercise price of \$0.15 for a period of 3 years from the date of issuance of the warrant. Each unit consisted of one Class « B » common share and one warrant entitling its holder to purchase one Class « B » common share at the exercise price of \$0.15 for a period of 3 years from the date of issuance of the warrant.

On May 11, 2023, the Company acquired all of the shares of Pershimex by way of a three-way amalgamation under the *Canada Business Corporations Act*. As part of this transaction, the Company issued 79,294,373 Class « B » common shares to Pershimex shareholders. The fair value of the shares issued as consideration was determined based on the closing price of the shares on the date of the transaction, i.e. \$0.065.

**12- SHARE PURCHASE OPTIONS AND WARRANTS**

The shareholders of the Company approved a share purchase option plan (the « plan ») whereby the Board of directors may grant to employees, officers, directors and suppliers of the Company, share purchase options to acquire shares of the Company, for such terms and at such exercise price as may be determined by the Board of Directors. It was originally adopted in October 1996 and approved by shareholders of the Company on December 1<sup>st</sup>, 1997, and has subsequently been modified several times with the approval of shareholders in December 2001, December 2012 as well as in August 2023. The conditions and exercise price of each share purchase options are determined by the board of directors. The exercise price of the options cannot be lower than the closing price of the common shares on the TSXV, the day preceding the grant, subject to the minimum exercise price permitted by the rules of this exchange on time of each grant. The expiration date of the options cannot exceed 5 years from the date of their grant and the options cannot may be assigned or transferred.

The plan provides that the maximum number of shares in the capital of the Company that can be reserved for issuance under the plan shall be equal to 42,810,000 shares. The maximum number of shares that may be reserved for issuance of option to any one person during a period of 12 months under the plan is 5% of the number of shares issued and outstanding at the time of the grant (on an undiluted basis). The maximum of the total number of shares of the Company that may be issued under the aggregate equity compensation awarded or issued to insiders (as a group) must not exceed 10% of the issued shares of the Company at any time (unless the Company has obtained the required disinterested shareholders approval in accordance with the requirements of the TSX Venture Exchange).

The maximum number of shares which may be reserved for issuance of share purchase option to a consultant may not exceed 2% of the outstanding shares at the time of grant on a period of twelve months. The maximum number of shares which may be reserved for issuance of share purchase option to an investor relations representative may not exceed 2% of the outstanding shares at the time of grant on a period of twelve months. The options granted to investor relations representative can only be acquired on a period of twelve months, at the rate of 25% per quarter.

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**12- SHARE PURCHASE OPTIONS AND WARRANTS (continued)**

**Share Purchase Options**

Changes in the Company' share purchase options were as follows:

	<b>December 31,</b>		<b>June 30,</b>	
	<b>2023</b>		<b>2023</b>	
	Number	Weighted average exercise price	Number	Weighted average exercise price
		\$		\$
<b>Balance, at the beginning</b>	9,797,600	0.09	2,800,000	0.09
Granted	17,500,000	0.05	1,000,000	0.05
Expired	(800,000)	0.07	-	-
Acquisition of Pershimex	-	-	<u>5,997,600</u>	0.09
Outstanding at the end	<u>26,497,600</u>	0.06	<u>9,797,600</u>	0.09
<b>Outstanding and exercisable, at the end</b>	<u>13,347,600</u>	0.07	<u>8,464,267</u>	0.08

During the six-month period ended December 31, 2023, the Company granted share purchase options to directors, officers, and employees of the Company as well as to consultants engaged in investor relations activities. The weighted average relative fair value of \$0.02 (\$0.02 as of June 30, 2023) of the options was determined using the Black-Scholes valuation model and base on the following weighted average assumptions:

	<b>December 31,</b>	<b>June 30,</b>
	<b>2023</b>	<b>2023</b>
Average share price at date of grant	\$0.04	\$0.04
Expected dividends yield	-	-
Expected average volatility	75%	74%
Average risk-free interest rate	3.72%	3.26%
Expected average life	5 years	5 years
Average exercise price	\$0.05	\$0.05

The underlying expected volatility was determined by reference to historical data of the Company 's shares over the expected average life of the share purchase options granted.

During the six-month period ended December 31, 2023, a total amount of \$186,755 (\$11,758 as at June 30, 2023) of share-based compensation was recognized in profit or loss and credited to contributed surplus.

The following tables summarize the information related to the share purchase options granted under the plan:

Outstanding as at December 31, 2023	Weighted average remaining contractual life	Exercise price
		\$
5,140,800	2 years	0.09
856,800	3 years	0.09
2,000,000	3.3 years	0.10
1,000,000	3.9 years	0.05
<u>17,500,000</u>	4.6 years	0.05
<u>26,497,600</u>		

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**12- STOCK OPTIONS AND WARRANTS (continued)**

**Stock options (continued)**

Outstanding as at June 30, 2023	Weighted average remaining contractual life	Exercise price \$
800,000	0.5 years	0.07
5,140,800	2.5 years	0.09
856,800	3.5 years	0.09
2,000,000	3.8 years	0.10
<u>1,000,000</u>	4.4 years	0.05
<u>9,797,600</u>		

**Warrants to investors**

Changes in the Company's warrants were as follows:

	<b>December 31, 2023</b>		<b>June 30, 2023</b>	
	<b>Number</b>	<b>Weighted average exercise price \$</b>	<b>Number</b>	<b>Weighted average exercise price \$</b>
<b>Balance, at beginning</b>	45,891,960	0.16	16,750,000	0.15
Granted	66,670,256	0.05	8,616,960	0.22
Acquisition of Pershimex	-	-	20,525,000	0.15
Expired	<u>(6,984,960)</u>	0.25	<u>-</u>	-
<b>Outstanding and exercisable, at the end</b>	<u>105,577,256</u>	0.10	<u>45,891,960</u>	0.16

During the quarter, the Company issued warrants to investors through private placements. The weighted average fair value of the warrants of \$0.01 (\$0.01 as at June 30, 2023) was determined using the Black-Scholes valuation model and based on the following weighted average assumptions:

	<b>December 31, 2023</b>	<b>June 30, 2023</b>
Average share price at date of grant	\$0.04	\$0.05
Expected dividends yield	-	-
Expected average volatility	62%	71%
Average risk-free interest rate	4.43%	3.38%
Expected average life	3 years	3 years
Average exercise price	\$0.05	\$0.15

The underlying expected volatility was determined by reference to historical data of the Company's shares over the expected average life of the warrants granted.

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**12- STOCK OPTIONS AND WARRANTS (continued)**

**Warrants to investors (continued)**

The following tables summarize the information related to the warrants.

Outstanding as at December 31, 2023	Exercise price	Expiry Date
	\$	
1,632,000	0.11	November 2024
16,750,000	0.15	May 2025
15,025,000	0.15	July 2025
5,000,000	0.15	September 2025
500,000	0.15	October 2025
39,568,750	0.05	September 2026
15,626,506	0.05	October 2026
5,225,000	0.05	November 2026
<u>6,250,000</u>	<u>0.05</u>	<u>December 2026</u>
<u>105,577,256</u>		

Outstanding as at June 30, 2023	Exercise price	Expiry Date
	\$	
6,984,960	0.25	August 2023
1,632,000	0.11	November 2024
16,750,000	0.15	May 2025
15,025,000	0.15	July 2025
5,000,000	0.15	September 2025
<u>500,000</u>	<u>0.15</u>	<u>October 2025</u>
<u>45,891,960</u>		

**Warrants to intermediaries**

Changes in the Company intermediaries' warrants were as follows:

	December 31, 2023		June 30, 2023	
	Number	Weighted average exercise price	Number	Weighted average exercise price
		\$		\$
<b>Balance, at the beginning</b>	1,162,000	0.15	-	-
Granted	<u>45,000</u>	0.05	<u>1,162,500</u>	0.15
<b>Outstanding and exercisable, at the end</b>	<u>1,207,500</u>	0.15	<u>1,162,500</u>	0.15

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**12- STOCK OPTIONS AND WARRANTS (continued)**

**Warrants to intermediaries (continued)**

During the quarter, the Company issued non-transferable warrants to intermediaries through private placements. The weighted average fair value of the warrants of \$0.015 (\$0.0119 as at June 30, 2023) was determined using the Black-Scholes valuation model and base on the following weighted average assumptions:

	<b>December 31,</b>	June 30,
	<b>2023</b>	2023
Average share price at date of grant	\$0.04	\$0.052
Expected dividends yield	-	-
Expected average volatility	62%	71%
Average risk-free interest rate	4.44%	3.37%
Expected average life	3 years	3 years
Average exercise price	\$0.05	\$0.15

The underlying expected volatility was determined by reference to historical data of the Company 's shares over the expected average life of the warrants granted.

In total, an amount of \$700 (\$13,800 as at June 30, 2023) share issuance costs was recognized in deficit and credited to contributed surplus.

The following table summarizes the information related to intermediaries' warrants.

Outstanding as of December 31, 2023	Exercise Price	Expiry Date
	\$	
862,500	0.15	July 2025
300,000	0.15	September 2025
<u>45,000</u>	0.05	September 2026
<u><u>1,207,500</u></u>		

Outstanding as at June 30, 2023	Exercise Price	Expiry Date
	\$	
862,500	0.15	July 2025
<u>300,000</u>	0.15	September 2025
<u><u>1,162,500</u></u>		

**13- REVENUE**

	<b>December 31,</b>		December 31,	
	2023		2022	
	<b>3 months</b>	<b>6 months</b>	3 months	6 months
			\$	\$
Gold and Silver sales	-	-	4,053,550	6,438,457
Other revenues	-	<u>255,000</u>	<u>65,388</u>	<u>77,384</u>
	<u>-</u>	<u><u>255,000</u></u>	<u><u>4,118,938</u></u>	<u><u>6,515,841</u></u>



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**14 - OTHER INFORMATION ON THE CONSOLIDATED INTERIM STATEMENT OF COMPREHENSIVE INCOME**

ADMINISTRATION	2023		2022	
	3 months	6 months	3 months	6 months
	\$	\$	\$	\$
Professional fees	276,842	509,748	201,258	285,239
Interest and penalties on taxes	61,706	78,133	38,037	58,021
Interest and Bank fees	3,779	13,579	4,179	28,691
Salaries and benefits	251,922	681,055	227,772	392,516
Insurances	32,362	46,825	11,075	17,630
Office expenses	38,382	77,009	24,591	50,026
Shareholders and investors relations	162,644	222,254	134,932	166,581
Share-based compensation	17,811	186,755	21,000	21,000
Amortization of property, plant and equipment	36,426	66,256	6,391	8,906
Impairment of property, plant and equipment	-	-	-	2,111
	<u>881,874</u>	<u>1,881,614</u>	<u>669,235</u>	<u>1,030,721</u>
<b>EXPLORATION AND EVALUATION</b>				
Exploration and evaluation expenses	1,571,293	2,278,064	713,980	1,409,894
Proceeds from the sale of the royalty <sup>(1)</sup>	-	-	-	(2,479,742)
Proceeds from the sale of gold and silver	-	-	-	(295,032)
	<u>1,571,293</u>	<u>2,278,064</u>	<u>713,980</u>	<u>(1,364,880)</u>

**(1)** As as September 30, 2022, the Company sold a 2% net smelter return royalty on all metallic and non-metallic minerals mined or otherwise recovered on the Sleeping Giant and Dormex properties for \$2,651,875 (\$2,000 000 US) in cash. The proceeds from the sale of the royalty are presented net of fees in the amount of \$172,133.

**15 - RELATED PARTY TRANSACTIONS**

Key Management of the Company are the senior officers, namely the Chief Executive Officer as well as the Chief Financial Officer and the directors.

Key management remuneration is as follows:

	December 31, 2023		December 31, 2022	
	3 months	6 months	3 months	6 months
	\$	\$	\$	\$
Salaries and benefits	183,889	589,766	178,802	318,171
Share-based compensation	16,092	139,041	-	-
Total remuneration	<u>199,981</u>	<u>728,807</u>	<u>178,802</u>	<u>318,171</u>

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**15 - RELATED PARTY TRANSACTIONS** (continued)

***Other related party transactions***

In addition to the amounts listed above as compensation to senior officers, following are the other related party transactions for the periods:

	December 31 2023		December 31, 2022	
	3 months	6 months	3 months	6 months
	\$	\$	\$	\$
Payments of a royalty (2% NSR on the Elder property) to a company controlled by a director of the Company (Chief Executive Officer and President of the Company as at December 31, 2023)	-	-	56,806	96,778
Professional fees with a firm in which one of the directors of the Company is a partner.	67,984	79,677	70,153	142,442

As at December 31, 2023, the balance due to related parties was \$104,021 (\$130,277 as at December 31, 2022). These transactions are measured at the value of the consideration paid or received, which was established and agreed by the related parties. Unless otherwise stated, none of the transactions incorporated special terms and conditions and no guarantee was given or received. Outstanding balances are usually settled in cash.

**16- POLICIES AND PROCESSES FOR MANAGING CAPITAL**

As at December 31, 2023, the capital of the Company consists of equity amounting to (\$4,904,362) ((\$1,867,936) as at June 30, 2023). The Company's capital management objective is to have sufficient capital to be able to meet its obligation related to operation and its exploration and evaluation plan in order to ensure the growth of its activities. It has also the objective to have sufficient cash to finance its operations, the exploration and evaluation expenses, the investing activities and the working capital requirements.

There was no significant change in the Company's approach to capital management during the period ended December 31, 2023. The Company is subject to regulatory requirements related to the use of funds obtained by flow-through shares financing. These funds have to be incurred for eligible exploration and evaluation expenses. During the year, the Company has respected all of these regulatory requirements. Other than the use of funds obtained by flow-through shares financing, the Company is not subject to any externally imposed capital requirements.

**17- COMMITMENTS**

The Company is partly financed by issuing flow-through shares. However, there is no guarantee that the funds spent by the Company will qualify as Canadian exploration expenses, even if the Company has committed to taking all necessary measures to this effect. Refusal of certain expenses by the tax authorities would have negative tax consequences for the Company or for the investors. In the past, the Company has respected its commitments under the flow-through share agreements signed. During the reporting period ended June 30, 2023, the Company received an amount of \$1,158,000 following a flow-through offering for which it renounced tax deductions for the benefit of investors as at December 31, 2022. Management is required to fulfill its commitments within the stipulated period of one year from this date.

As at December 31, 2023, the balance of the unspent amount of flow-through financings is nil (Nil as at December 31, 2022).

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**17- COMMITMENTS** (continued)

As at December 31, 2023, the following royalties are payable on production carried out on the Company's mining properties

<u>Properties</u>	<u>Royalties</u>
Elder	1% to 2% NSR
Vendôme	2% NSR on Xstrata's claims
Tagami	1% to 2% NSR
Jonpol	2.5% NSR
Aldermac	\$2.00/tonne on 1.5M tonnes
West Aldermac	2% NSR
Dormex	2% NSR
Sleeping Giant	\$5/ tonne, for a total of 350,000 tonnes 2% NSR

Although the Company has taken steps to identify the royalties on the mining properties, in accordance with industry practices, property titles may be subject to unregistered prior agreements and they can be lost or revoked if regulatory measures are not respected.

**18- SEGMENT INFORMATION**

The Company operates a gold mine in Quebec as well as several exploration and evaluation properties in the area. These operating sites are managed separately. The Company assesses the performance of each segment based on earnings before taxes. Accounting policies for each segment are the same as those used for the preparation of the financial statements.

There was no difference as at December 31, 2023, compared to annual financial statements of June 30, 2023 in the basis of segmentation or the basis of evaluation of segment result.

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## NOTES TO CONSOLIDATED INTERIM FINANCIAL STATEMENTS

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### 18- SEGMENTED INFORMATION (continued)

Three and six months ended December 31, 2023

Segmented information concerning the statement of comprehensive income

	Operating mining site		Exploration		Corporate		Total	
	\$		\$		\$		\$	
	3 months	6 months	3 months	6 months	3 months	6 months	3 months	6 months
Revenues	-	-	-	-	-	255,000	-	255,000
Administration	-	-	-	-	881,874	1,881,614	881,874	1,881,614
Care and maintenance	92,783	157,286	833,320	1,642,255	-	-	926,103	1,799,541
Exploration and evaluation	-	-	1,571,293	2,278,064	-	-	1,571,293	2,278,064
	92,783	157,286	2,404,613	3,920,319	881,874	1,881,614	3,379,270	5,959,219
<b>OPERATING EARNINGS</b>	(92,793)	(157,286)	(2,404,613)	(3,920,319)	(881,874)	(1,626,614)	3,379,270	5,704,219
<b>FINANCE COSTS AND REVENUES</b>	6,282	12,582	-	-	136,612	254,606	142,894	267,188
<b>EARNINGS BEFORE INCOME AND MINING TAXES</b>	(99,065)	(169,868)	(2,404,613)	(3,920,319)	(1,018,486)	1,881,220	(3,522,164)	(5,971,407)
Current assets	-	-	-	4,306,764	-	1,076,691	-	5,383,455
Restoration deposit	-	-	-	24,708	-	-	-	24,708
Property, plant and equipment	-	-	-	1,608,044	-	7,163,016	-	8,771,060
Total assets	-	-	-	5,939,516	-	8,239,707	-	14,179,223