



MANAGEMENT DISCUSSION AND ANALYSIS

Three and Six Months ended December 31, 2023

ABCOURT MINES INC.

MANAGEMENT'S DISCUSSION AND ANALYSIS

This Management's discussion and analysis report ("MD&A") provides an analysis of our mining operating and exploration and evaluation results, as well as of our financial position that enables the reader to assess material changes in exploration, evaluation, and financial position results of Abcourt Mines Inc. (the "Company") for the quarter ended December 31, 2023 compared to the quarter of the same period of the previous year. This MD&A supplements our unaudited financial statements and should be read in conjunction with our annual financial statements for the year ended June 30, 2023 which have been prepared in accordance with International Financial Reporting Standards. All monetary values in this MD&A are expressed in Canadian dollars, unless otherwise indicated. Our financial statements and this MD&A are intended to provide investors with a reasonable basis for evaluating our exploration, evaluation and operating results and our financial position.

This MD&A is dated as of February 27, 2024 and contains updated information, unless indicated otherwise.

You are invited to review the Company's profile on SEDAR+ at www.sedarplus.ca, where you will find all the documents filed pursuant to the applicable Canadian securities laws as well as our website: www.abcourt.com where additional information will be found.

FORWARD LOOKING STATEMENTS

Certain statements contained in this MD&A constitute forward-looking statements relating in particular to the anticipated development of the future operations of the Company as well as to other events or conditions likely to occur or to arise subsequently. Forward-looking statements are statements about future events that involve inherent uncertainties. The Company's actual results and other future events or conditions could therefore differ materially from those set forth in the forward-looking statements due to a number of risks, uncertainties and other factors. The management of the Company is of the opinion that the expectations set forth in these statements are reasonable, but cannot give any guarantee that they will prove to be justified. You should not place undue reliance on forward-looking statements as the plans, intentions or expectations on which they are based may not materialize.

HIGHLIGHTS FOR THE QUARTER AS AT DECEMBER 31, 2023

- On October 12, 2023, the Company completed a second tranche of the non-brokered private placement announced on August 31, 2023 for additional gross proceeds of \$538,400, representing the issuance of 13,460,000 units at a price of \$0.04 per unit. Each unit consists of one common share of the Company and one common share purchase warrant. Each warrant entitles its holder to purchase one common share at a price of \$0.05 for a period of 36 months from the date of closing of the offering.

The net proceeds of the offering were used in a proportion of 60% to advance the exploration activities on the Sleeping Giant gold project in the Abitibi Greenstone Belt in Quebec, and in a proportion of 40% for general working capital purposes.

- On October 12, 2023, the Company also agreed to issue 2,166,506 units to Maverix Metals Inc. in settlement of an amount of \$86,660.23 representing a 2% net smelter returns royalty on metals mined or otherwise recovered from the Sleeping Giant property over the past twelve months, in accordance with the terms of a royalty agreement previously announced by the Company on September 22, 2022.
- On October 30, 2023, the Company provided an update on its operational activities at its Sleeping Giant mine. It announced that it had completed the work planned for the fall at the tailings facilities and had almost completed the repair work on its mill at the Sleeping Giant site. It planned to restart its mill at the beginning of November and begin processing the 5,000 tonnes bulk sample of material from the Pershing-Manitou project. Abcourt mandated an independent firm specializing in metallurgy to supervise the milling campaign and reconcile the milled grades with the grades of the extracted mineral resources.
- On November 2, 2023, the Company announced the start of a new drilling campaign of minimum 1,300 meters on its Flordin property (100% owned by the Company) in the Lebel-sur-Quévillon sector. The objective of this campaign was to validate, the lateral and depth continuity of a gold-bearing shear zone in the eastern sector of the property that has historically returned **6.49 g/t gold over 2.1 m and 22.63 g/t gold over 3.5 m** (hole FL-18-254). Following the compilation of data and re-verification of existing drill core, the Company confirmed that the mineralized zone is not associated with quartz-carbonate veins but rather with a shear zone in a basalt strongly altered in ankerite and hematite. The mineralization consists of fine disseminated cubic pyrite.

The drilling campaign on the Flordin property made it possible to highlight a new gold potential which was underestimated in the past and possibly to increase the resources of the main deposit because the newly exposed shear zone is located in a less densely drilled area of the property. It should also be noted that the latest Mineral Resource Estimate (MRE) completed in 2023 by Innovexplo is available on SEDAR+ for consultation. It reports a NI 43-101 compliant resource of 1,530,000 tonnes of measured and indicated grade at a grade of 2.15 g/t gold for a total of 107,000 ounces of gold.

- On November 22, 2023, the Company announced the start-up of the Sleeping Giant mill and the processing of the first tonnes from the Pershing-Manitou deposit.
- On November 27, 2023, the Company announced the completion of an agreement with a Canadian insurance company to provide surety bonds to the Government of Quebec to meet the requirements related to restoration plans approved by the Government of Quebec for environmental obligations for the Elder and Sleeping Giant mine sites, totaling \$5,867,786. Under the agreement, the Company was required to provide a letter of credit guaranteed by a certificate of deposit of \$2,933,893 and the payment of an annual premium. The agreement reached allowed the Company to withdraw funds of \$5,867,786 subsequently deposited with the Ministry of Energy and Natural Resources. It provides the Company with access to a cash amount of \$2,933,893.
- On November 17, 2023, the Company completed a third tranche of the non-brokered private placement announced on August 31, 2023 for an additional amount of \$209,000, representing 5,225,000 units at a price of \$0.04 per unit.
- On December 15, 2023, the Company completed a fourth and final tranche of the non-brokered private placement announced on August 31, 2023 for an additional amount of \$250,000, representing 6,250,000 units at a price of \$0.04 per unit.

- As part of this offering, the Company issued a total of 64,503,750 units at a price of \$0.04 per unit, each unit comprised of one common share and one warrant, for total gross proceeds of \$2,580,150.
- A net loss for the quarter of \$3,351,452, or a loss per share of \$0.01, compared to a net loss of \$366,532 or a loss per share of \$0.00, for the quarter ended December 31 2022.
- Cash of \$1,251,445, compared to \$963,974 as at June 30, 2023. Working capital of the Company of (\$4,611,593), compared to (\$4,476,223) as at June 30, 2023.

STRATEGY AND OUTLOOK

The objectives for the 2024 fiscal year are:

- Processing of the 5,000 tonnes bulk sample from the Pershing-Manitou site;
- Hiring personnel required for the development of Sleeping Giant;
- Abcourt plans to extract, process and sell mineralized material from the upper levels of the Sleeping Giant project to support underground drilling;
- The Company plans to publish an MRE following drilling to convert inferred resources into indicated resources to support a pre-feasibility study;
- Carrying out drilling campaigns on the Flordin and Discovery properties;
- Implementation of a real communication plan to make our projects internationally known.

WORK COMPLETED ON THE MINING PROPERTIES

During the quarter and six-month period ended December 31, 2023, the Company carried out work on its Flordin, Sleeping Giant and Courville properties, as indicated below.

Flordin Property

The Company carried out a drilling campaign on the Flordin property in November 2023 and presents the results of this campaign below.

The Flordin property is located approximately 25 kilometers north of Lebel-sur-Quévillon and is 100% owned by Abcourt. It consists of 25 cells which cover 976 hectares (5.9 km²). In 2011, the project was re-evaluated by Cadiscor Resources with a view to open-pit mining. The resource calculation prepared by the firm InnovExplo inc. cannot be published because Abcourt does not consider this study to be current.

Highlights from the drill campaign:

A new gold zone is identified on the Flordin property:

- The mineralization is characterized by two parallel structures 4 m thick and 8 m apart;
- The type of mineralization is different from that previously observed on the property and is characterized by disseminated sulphides in sheared and altered basalt;
- The zones are located very close to the surface, less than 50 m vertically;

- The continuity of these structures was confirmed over more than 200 m.

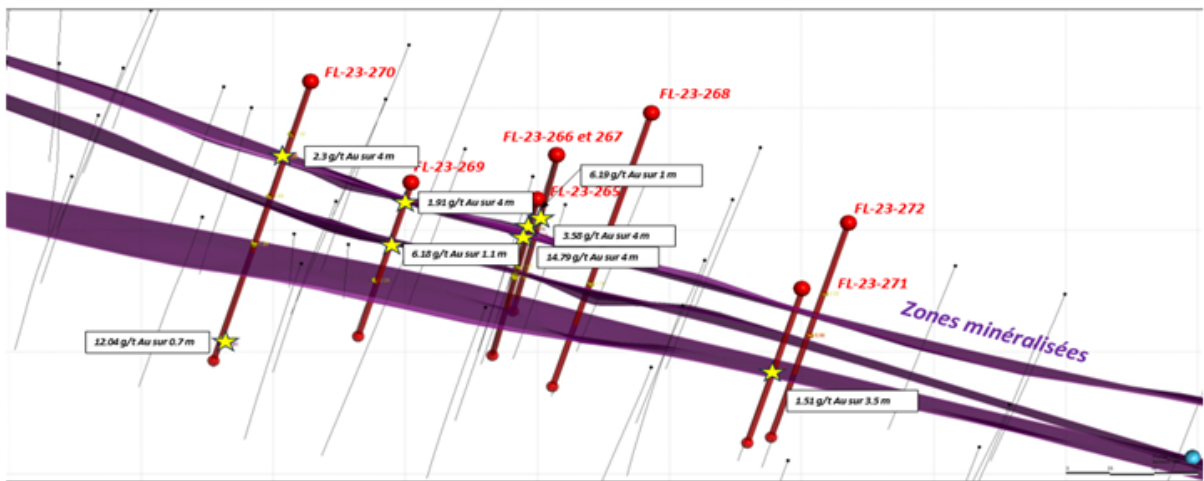
In total, 1,512 meters of drilling were carried out (8 holes) in the fall of 2023 in the eastern sector of the property. The main objective of this drilling campaign was to validate and confirm the presence of new high-grade gold zones located near the surface, identified by drill hole FL-18-254 carried out in 2018. Drill hole FL-23-265 intersected two mineralized gold zones within an interval of 36 to 52 m. The first mineralized zone returned 3.58 g/t gold over 4 m from 36 to 40 m, and the second returned 14.79 g/t gold over 4 m from 48 to 52 m. The mineralization consists mainly of fine cubic pyrite disseminated in a sheared, strongly hematized and ankeritized basalt. This style of mineralization does not appear to be associated with tensioned and boudinated quartz-carbonate veins and veinlets which are recognized as the main component of the gold mineralization contained in the Flordin deposit (1,530,000 tonnes measured and indicated at a grade of 2.15 g/t gold for a total of 107,000 ounces, published on June 29, 2023 in a technical report from InnovExplo, entitled NI 43-101 Technical Report and Mineral Resource Estimate for the Flordin Project, Quebec, Canada, available on SEDAR+).

Other drillings carried out on either side of drill hole FL-23-265 confirmed the lateral continuity of the mineralization over more than 200 meters. Indeed, each of the mineralized gold zones intercepted in the lateral extensions present the same geological signature as that observed in drill hole FL-23-265. Drill hole FL 23-270, which is located more than 150 meters west of drill hole FL-23-265, returned 2.3 g/t gold over 4 m in a mineralized zone of fine cubic pyrite also disseminated, hosted in a hematized and ankeritized sheared basalt. Still close to the surface, from 15 to 19 m, drill hole FL-23-269, 75 m west of 265, intersected 1.91 g/t gold over 4 m. The sector to the east of drill hole 265 also intersected hematized and ankeritized zones enriched in fine disseminated cubic pyrite and enclosed in a sheared basalt. Drill hole 271 returned 1.51 g/t gold over 3.5 m more than 150 m east of drill hole 265.

The confirmation of the lateral continuity of the mineralized zone is encouraging for possible drill holes at greater depth. The high-grade gold intersection obtained in drill hole FL-23-265 is among the most significant ever reported on the Flordin property with a metal factor of 59 (grade X thickness).

The following table presents the best gold intersections obtained during the 2023 drilling campaign on the Flordin property. #DDH

#DDH	From (m)	To (m)	Thickness (m)	Grade(g/t)
FL-23-265	36	40	4.0	3.58
FL-23-265	48	52	4.0	14.79
Including	49	50	1.0	33.1
Including	50	51	1.0	20.4
FL-23-267	105	106	1.0	6.19
FL-23-269	15	19	4.0	1.91
FL-23-270	67	71	4.0	2.30
FL-23-271	69,5	73	3.5	1.51



This recent drilling campaign on the Flordin property brought to light a new style of high-grade mineralization near surface, demonstrating an interesting lateral continuity which merits to be followed-up in the future. With only 1,500 meters of drilling carried out during this campaign, the Company demonstrated the relevance of continuing exploration work on its Flordin project.

Sleeping Giant Property

The Sleeping Giant mine (the property) is located halfway between Amos and Matagami, in Abitibi, Quebec, in the territory covered by the Quebec government's northern plan. It consists of four (4) mining leases and forty (40) cells adjacent to the mine and is 100% owned by the Company.

Among the assets on the property is the mill with a processing capacity of 700 to 750 tonnes of ore per day, or approximately 250,000 tonnes per year. The process used is that of carbon in the pulp. There is also a pulp management facility from the mill, as well as underground infrastructure including two shafts, adjoining galleries, a mechanical workshop, offices, a store, drying rooms, mining equipment, surface facilities, and a large parts inventory.

During the quarter, the Company completed 264 m of drilling. See details of the first results below. The objective of this beginning of the campaign is to clearly define the first mineralized zones that will be sent to the mill.

The main objective of the current drilling campaign in the DAC 5 site area is to optimize the design of the site for better planning of the resumption of development of the raises towards the top of the site and the sub-levels towards the west.

Drill hole 29-266 targeting the western extension of the site intersected several mineralized gold zones in an interval of 54.9 to 91.5 m. According to the first results received, the main mineralized zones are:

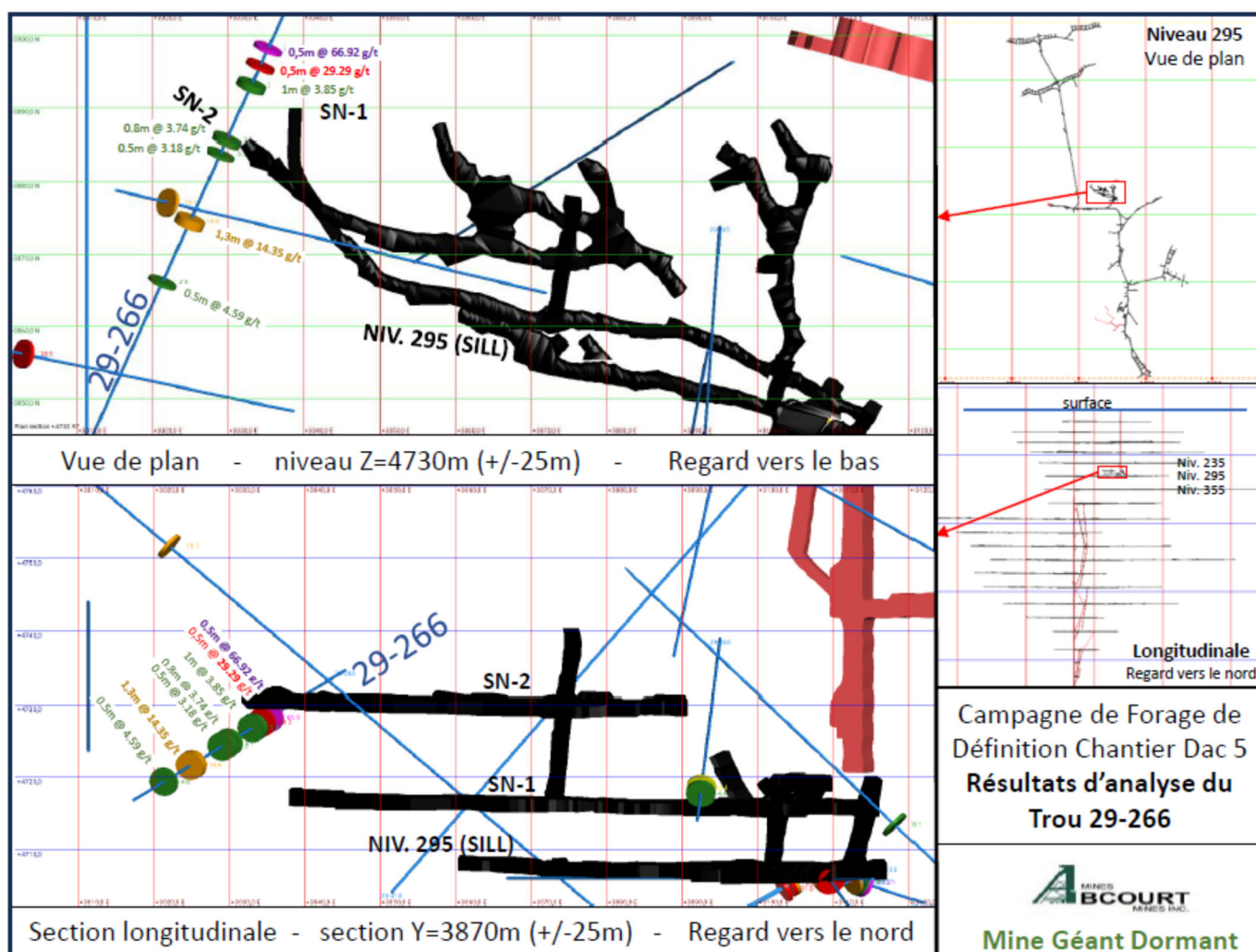
- **14.35 g/t gold over 1.3 m from 63.9 to 65.2 m,**
- **15.67 g/t gold over 3.21 m from 88.3 to 91.5 m**
 - **Including: 29.29 g/t gold over 0.5 m from 88.3 to 88.8 m and 66.92 g/t gold over 0.5 m from 91 to 91.5 m.**

Table 1: Main underground drilling results from the Sleeping Giant mine

#DDH	From (m)	To (m)	Thickness (m)	Grade (g/t)
29-266	54.9	55.4	0.5	4.59
29-266	63.9	65.2	1.3	14.35
29-266	74.7	75.2	0.5	3.18
29-266	76.7	77.5	0.8	3.74
29-266	85.0	86.0	1.0	3.85
29-266	88.3	91.5	3.2	15.67
including	88.3	88.8	0.5	29.29
including	91.0	91.5	0.5	66.92

These results show the extension of the mineralized veins observed in the sublevels towards the west and confirm the observations and mapping of the veins underground.

Figure 1: Level 295, DAC 5 Area, Plan View and Section Looking North



The objective of this drilling campaign at Sleeping Giant is to optimize the mining plan for the first production sites. The first observations of the cores drilled and the first results received agree with our underground

observations and encourage us to continue our drilling and modeling work to ensure the production of quality ore to supply the Sleeping Giant mill.

Courville Property (Pershing-Manitou Project)

The Pershing-Manitou project is located in the province of Quebec, Canada, more precisely in the Abitibi region, approximately 76 km southeast of the town of Amos and 65 km northeast of the town from Val-d'Or.

The current Pershing-Manitou project area includes a single concession covering an area of 40.00 hectares. The concession is part of the Courville property, which itself includes 322 contiguous concessions covering an area of 12,307.55 hectares. The Courville property is 100% owned by the Company.

During the months of August to September 2023, the Company transported the mineralized material extracted from the Pershing-Manitou pit for the production of a 5,000 tonnes bulk sample to the Sleeping Giant mill.

The Company began processing the bulk sample in November 2023 and it is expected to be completed toward mid-March 2024.

MAIN CONSOLIDATED FINANCIAL AND OPERATIONAL DATA

	Dec. 31, 2023 3 months	Dec. 31, 2022 3 months	Change	Dec. 31, 2023 6 months	Dec. 31, 2022 6 months	Change
Revenues (\$)	-	4,118,938	-100%	255,000	6,515,841	-96%
Costs of sales (\$)	-	2,001,514	-100%	-	4,324,384	-100%
Gross margin (\$)	-	2,117,424	-100%	255,000	2,191,457	-88%
Expenses (\$)						
Administration	881,874	669,235	32%	1,881,614	1,030,721	83%
Care and Maintenance	926,103	1,013,899	-9%	1,799,541,	1,652,414	9%
Exploration and evaluation	1,571,293	713,980	120%	2,278,064	(1,364,880)	
	3,379,270	2,397,114		5,959,219	1,318,255	
OPERATING EARNINGS (\$)	(3,379,270)	(279,690)		(5,704,219)	873,202	
Cash from operating activities, after changes in non-cash working capital items (\$)	(3,362,629)	(1,300,685)		(4,889,120)	(402,204)	
Cash flows from financing activities	764,673	(126,510)		2,203,279	1,148,252	
Cash flows from investing activities	2,789,011	(231,200)		2,973,312	(409,840)	
Basic earnings per share (\$)	(0.01)	(0.00)		(0.01)	0.00	
Cash (\$)	1,251,445	1,057,859	18%			
Working capital (\$)	(4,611,593)	(3,585,982)	29%			
Total assets (\$)	14,179,223	11,419,377	24%			
Non-current liabilities (\$)	12,022,430	6,754,248	78%			
Equity (\$)	(4,904,362)	(1,029,436)	-376%			
Revenue from gold sales (\$)	-	4,053,550		-	6,438,457	
Sale of gold from the Sleeping Giant property classified as exploration and evaluation expenses in the consolidated statement of comprehensive income	-	-		-	293,904	
	-	4,053,550		-	6,732,361	
Ounces of gold sold	-	1,723		-	2,897	
Average realized price per ounce (\$)	-	2,353		-	2,324	
Average realized price per ounce (US\$)	-	1,750		-	1,734	
Average exchange rate CAN\$ / US\$	-	1.34		-	1.34	

REVIEW OF CONSOLIDATED FINANCIAL RESULTS

Quarter Ended December 31, 2023

No sales for the quarter ended December 31, 2023. For the period ended December 31, 2022, revenues totaled \$4,118,938. This revenue results from the sale of ounces of gold and silver recovered from cleaning the mill at the Sleeping Giant site. As at December 31, 2022, the Company sold 1,723 ounces of gold at an average realized price of \$2,353 (US\$1,750) per ounce.

Cost of sales for the quarter ended December 31, 2022 totaled \$2,001,514; the cost of sales is zero as of December 31, 2023. The cost of sales for the quarter ended December 31, 2022 mainly corresponds to the costs of work to recover ounces of gold and silver in circuit.

Administration costs consist of the following elements:

	December 31, 2023 3 months \$	December 31, 2022 3 months \$
Professional fees	276,842	201,258
Interest and penalties on taxes	61,706	38,037
Interest and bank fees	3,779	4,179
Salary and benefits	251,922	227,772
Insurances	32,362	11,075
Office expenses	38,382	24,591
Shareholders and investors relations	162,644	134,932
Share-based compensation	17,811	21,000
Amortization of property, plant and equipment	36,426	6,391
	<u>881,874</u>	<u>669,235</u>

Administrative expenses amounted to \$881,874 during the quarter, compared to \$669,235 for the quarter ended December 31, 2022, an increase of 32%. The increase is mainly attributable to the increase in professional fees and shareholder and investors relations expenses.

During the quarter, care and maintenance expenses for the Elder, Abcourt Barvue and Sleeping Giant sites amounted to \$926,103, compared to \$1,013,899 for the same period in 2022, a decrease of 9%. The decrease in costs for the quarter compared to the same period in 2022 is explained by the significant reduction in care and maintenance costs for the Elder site. For the quarter, care and maintenance costs for this site were \$92,785 compared to \$484,711 for the same period in 2022. Since the start of the year, closure activities at the Elder mine site ended and the employees working there were laid off. However, the increase in maintenance costs at the Sleeping Giant site have reduce the impact of decreased costs at the Elder mine site. During the quarter, repair work for the restart of the mill at the Sleeping Giant site contributed to the increase of maintenance costs for the Sleeping Giant site. Maintenance expenses for the Sleeping Giant site for the quarter were \$766,050, compared to \$492,568 in 2022.

During the previous year, the Company revised its accounting policies and those of its subsidiary relating to exploration and evaluation assets. Previously, for the parent company and its subsidiary, the costs of the acquisition of mining rights as well as the exploration and evaluation expenses of

mining properties less the tax credits related to these expenses were recognized as exploration and evaluation assets. The Company has retrospectively adopted the accounting method of recognizing costs related to the acquisition of mining rights and exploration and evaluation expenses in the consolidated statements of comprehensive income. In addition, management reviewed the level of progress of the Sleeping Giant project and determined that the technical feasibility and commercial viability of this project had not yet been demonstrated. This project has been reclassified as an exploration and evaluation project. Exploration and evaluation expenses for the quarter and prior years have been reclassified in the consolidated statement of comprehensive income.

During the quarters ended December 31, 2023 and 2022, the Company carried out exploration and evaluation work on the following properties:

	December 31, 2023	December 31, 2022
	3 months	3 months
	\$	\$
Sleeping Giant	323,487	516,430
Courville (Pershing-Manitou)	704,994	-
Flordin	542,812	66,985
Discovery	-	130,565
	<u>1,571,293</u>	<u>713,980</u>

During the quarter, exploration and evaluation expenses amounted to \$1,571,293, compared to \$713,980 for the same period in 2022, an increase of \$857,313. During the quarter, the Company carried out a drill campaign on the Flordin property. Following the publication of the Preliminary Economic Study (PEA) in July 2023, the Company continued to develop the geological model of the Sleeping Giant mine and also carried out drilling on the property. The Company plans to release a mineral resource estimate following drilling on the Sleeping Giant property to convert inferred resources into indicated resources to support a pre-feasibility study that the Company plans to release in late 2024. As for the Courville property, the expenses relate to the 5,000 tonnes bulk sample, i.e. the transport and processing expenses of the bulk sample. During the same period in 2022, the expenses incurred correspond to the costs of the fees of geological and engineering consultants mandated to carry out mineral resource estimates on the Discovery, Flordin and Sleeping Giant properties, in accordance with Regulation 43-101.

The Company realized a net loss for the quarter of \$3,351,452, or a loss per share of \$0.01, compared to a net loss of \$366,532 or a loss per share of \$0.00, for the same period in 2022.

Cash from operating activities (after the change in non-cash working capital items) for the quarter was (\$3,362,629), compared to (\$1,300,685) for the same period in 2022. The decrease in cash is attributable to the absence of revenue during the quarter.

As at December 31, 2023, the working capital of the Company was (\$4,611,593), compared to (\$4,476,223) as at June 30, 2023. Since June 30, 2023, the working capital has deteriorated slightly, despite the increase in cash, short-term liabilities composed mainly of accounts payable and accrued liabilities remain high, which negatively affects working capital.

Six-month period ended December 31, 2023

For the six-month period, revenues totaled \$255,000, a decrease of 96% compared to the same period in 2022. Revenues for the period consist solely of the sale of waste rock. For the six-month period ended December 31, 2022, revenues totaled \$6,515,841. These revenues mainly result from the sale of ounces of gold and silver from the production of the Elder mine and Sleeping Giant recovered from the cleaning of the mill at the Sleeping Giant site. Recovery of ounces in circuit continued through early 2023. As at December 31, 2022, the Company sold 2,897 ounces of gold at an average realized price of \$2,324 (US\$1,734). No sales during the six-month period ended December 31, 2023.

Cost of sales for the six-month period ended December 31, 2022 totaled \$4,324,384; zero cost of sales as at December 31, 2023. The cost of sales for the six-month period ended December 31, 2022 corresponds to the costs of work to recover ounces of gold and silver in the mill's circuit.

Administration costs consist of the following elements:

	December 31, 2023 6 months \$	December 31 2022 6 months \$
Professional fees	509,748	285,239
Interest and penalties on taxes	78,133	58,021
Interest and bank fees	13,579	28,691
Salaries and benefits	681,055	392,516
Insurances	46,825	17,630
Office expenses	77,009	50,026
Shareholders and investors relations	222,254	166,581
Share-based compensation	186,755	21,000
Amortization of property, plant and equipment	66,256	8,906
Impairment of property, plant and equipment	-	2,111
	<u>1,881,614</u>	<u>1,030,721</u>

Administrative expenses amounted to \$1,881,614 during the period, compared to \$1,030,721 for the same period in 2022, a significant increase of \$850,893 or 83%. The increase is mainly attributable to the increase in share-based compensation expense attributable to the grant during the period of 17,500,000 stock options to directors, officers, employees and investor relations consultants for the Company, professional fees, as well as the increase in management salaries and benefits. Salaries and benefits include management annual bonus, which increases the expense for the period.

For the six-month period, care and maintenance expenses for the Company's three sites amounted to \$1,799,541, compared to \$1,652,414 for the same period in 2022, an increase of 9%, which is comparable. For the period, care and maintenance expenses for the Elder site decreased significantly; they went from \$881,561 in 2022 to \$157,287 in 2023, a decrease of approximately 82%. However, maintenance expenses for the Sleeping Giant mine site have increased significantly compared to the same period in 2022; they increased from \$699,652 in 2022 to \$1,518,529, an increase of 117%, which is attributable to the costs invested to restart the mill during the six-month period ended December 31, 2023.

During the six months ended December 31, 2023 and 2022, the Company carried out exploration and evaluation work on the following properties:

	December 31, 2023 6 months \$	December 31, 2022 6 months \$
Sleeping Giant	534,160	(1,562,509)
Courville (Pershing-Manitou)	1,101,477	-
Flordin	579,157	67,064
Discovery	13,035	130,565
Mining claims and others	50,235	-
	<u>2,278,064</u>	<u>(1,364,880)</u>

For the six-month period, exploration and evaluation expenses amounted to \$2,278,064, compared to a recovery of \$1,364,880 for the same period in 2022. For the same period in 2022, the proceeds from the sale of the royalty as well as the sales of gold from the Sleeping Giant property are recognized in the consolidated statement of comprehensive income in exploration and evaluation expenses, which explains that the total exploration and evaluation expenses for this current period has a credit balance in the amount of \$1,364,880 compared to an expense in the amount of \$2,278,064 during this quarter. The increase in expenses is mainly attributable to the 5,000 tonnes bulk sample from the Pershing-Manitou site, the expenses are composed of transport and processing expenses for the bulk sample. During the six-month period, the Company carried out a drill campaign on the Flordin and Sleeping Giant properties, which also explains the increase in exploration expenses for these properties.

The Company realized a net loss for six months of \$5,800,695, or a loss per share of \$0.01, compared to a net income of \$743,826 or an earnings per share of \$0.00, for the same period in 2022. The net result for the six-month period ended December 31, 2022 is mainly explained by the low cost of sales, consisting mainly of costs for cleaning work at the mill as well as the sale of the royalty on the Sleeping Giant and Dormex properties, recorded in exploration and evaluation expenses in the consolidated statement of comprehensive income for an amount net of transaction costs of \$2,078,860.

Cash from operating activities (after the change in non-cash working capital items) for the quarter was (\$4,889,120), compared to (\$402,204) for the same period in 2022. The decrease in cash is attributable to the absence of revenues for the period.

KEY QUARTERLY FINANCIAL AND OPERATIONAL DATA

	2023 Dec.	2022 Dec.	2023 Sept.	2022 Sept.	2023 June	2022 June	2023 March	2022 March
<u>FINANCIAL DATA</u>								
Revenues (\$)	-	4,118,938	255,000	2,396,903	-	3,314,870	493,984	4,175,745
Costs of sales (\$)	-	2,001,514	-	2,322,870	-	5,409,471	(46,022)	4,957,471
Gross margin	-	2,117,424	-	74,033	-	(2,094,601)	540,006	(781,726)
Expenses (\$)								
Administration (\$)	881,874	669,235	999,740	361,486	601,379	15,209,727	458,960	237,524
Care and maintenance (\$)	926,103	1,013,899	873,438	638,515	922,353	-	1,471,572	-
Exploration and evaluation	1,571,293	713,980	706,771	(2,078,860)	6,122,904	597,823	(3,064,599)	354,271
Net earnings (\$)	(3,379,270)	(279,690)	(2,324,949)	1,110,358	(7,611,971)	(17,988,784)	1,471,857	(1,396,479)
Cash from operating activities, after changes in non-cash working capital items (\$)	(3,362,629)	(1,300,685)	(1,526,491)	909,824	(2,275,197)	(1,833,127)	2,514,677	(721,976)
Earnings per share basic (\$)	(0.01)	(0.00)	(0.01)	0.003	(0.02)	(0.06)	0.004	(0.004)
Basic weighted average number of shares outstanding	484,719,791	344,482,609	398,862,037	340,210,870	348,814,131	317,061,109	339,163,584	311,539,131
<u>OPERATING STATISTICS :</u>								
Ore extracted (tonnes)	-	-	-	-	-	11,651	-	13,475
Ore milled (tonnes)	-	-	-	-	-	12,296	-	11,844
Grade of tonnes milled (g/t Au)	-	-	-	-	-	3.4	-	4.9
Gold recovery (%)	-	-	-	-	-	95.23	-	96.2
Ounces produced	-	-	-	-	-	1,285	-	1,791
Revenue from the sale of gold (\$)	-	4,053,550	-	2,364,239	-	3,179,817	493,984	4,159,103
Proceeds from the sale of gold Sleeping Giant deposit	-	-	-	293,904	650,190	789,729	5,724,356	1,059,419
Total	-	4,053,550	-	2,658,143	650,190	3,969,546	6,218,340	5,235,162
Ounces of gold sold	-	1,726	-	1,174	254	1,658	2,394	2,210
Average realized gold price per ounce (\$)	-	2,353	-	2,264	2,555	2,394	2,597	2,369
Cash costs per ounce of gold produced (1)	-	-	-	-	-	3,824	-	2,595
Total cash costs per ounce of gold produced (\$ (1)	-	-	-	-	-	4,311	-	2,743
Average price realized per ounce (\$/US)	-	1,750	-	1,742	1,927	1,870	1,926	1,880
Production cash costs per ounce (1)	-	-	--	-	-	2,988	-	1,752
Total production cost per ounce (1)	-	-	-	-	-	3,368	-	2,147
Average exchange rate \$CAN / \$US		1.34		1.30	1.33	1.28	1.35	1.26
All-in sustaining costs	-	-	-	-	-	1,400	-	29,456

FINANCING POSITION

	December 31 2023	June 30, 2023	Explanation of changes
Current assets	\$ 2,449,562	\$ 2,843,065	The decrease in current assets is mainly attributable to the cashing of the majority of the receivables as at June 30, 2023.
Non-current assets	11,729,661	14,557,818	The decrease in assets is attributable to the receipt of part of the financial guarantee following the agreement concluded with an insurance company to provide security for the Company's environmental obligations towards the Government of Quebec in connection with the Elder and Sleeping Giant mining sites. The Company cash-in an amount of \$5,867,786 but had to provide a letter of credit guaranteed by cash representing 50% of the financial guarantee, i.e. \$2,933,893
Total assets	14,179,223	17,400,883	
Current liabilities	7,061,155	7,319,288	The decrease in current liabilities is mainly attributable to the decrease in the short-term portion of long-term debt which went from \$1,520,908 to \$1,366,666.
Non-current liabilities	12,022,430	11,949,531	Comparable
Total liabilities	19,083,585	19,268,819	Comparable
Equity	(4,904,362)	(1,867,936)	Equity decreased is due to the increasing deficit.

CASH AND SOURCES OF FINANCING

The Company's strategy is based on achieving positive cash flows from operations to internally fund operating, capital and project development. Significant increases or decreases in the Company's liquidity and capital resources are primarily determined by the success or failure of the Company's operations, exploration and development programs and its ability to issue shares or obtain other sources of financing.

As at December 31, 2023, the Company had cash of \$1,251,445, compared to \$963,974 as at June 30, 2023.

Sources of equity financing

During the six-month period ended December 31, 2023, the Company completed four tranches of a private placement consisting of a total 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 offering total an amount of \$2,580,150.

As part of the offering, 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 issue of the warrant. Each unit is composed 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.

The Company also issued 2,166,506 units in settlement in the amount of \$86,660.23 representing a 2% net smelter returns royalty payable on metallic minerals mined or otherwise recovered on the Sleeping Giant property during the last twelve months in accordance with the terms of a royalty agreement concluded in September 2022 with Maverix Metals Inc.

CASH FLOWS

	December 31, 2023 3 months \$	December 31, 2022 3 months \$	December 31, 2023 6 months \$	December 31, 2022 6 months \$
Cash generated (used) by operating activities, after changes in non-cash working capital items	(3,362,629)	(1,300,685)	(4,889,120)	725,223
Cash flows from financing activities	764,673	(126,510)	2,203,279	(159,831)
Cash flows from investing activities	2,789,011	(231,200)	2,973,312	(1,988,082)
Increase (decrease) in cash	191,055	(1,658,395)	287,471	(1,422,690)
Cash, at the end of the quarter	1,251,445	1,057,859	1,251,445	1,057,859

Operating Activities

During the three- and six-months period ended December 31, 2023, cash flow from operating activities used \$4.9M, which is due to the absence of revenues during the quarter.

Financing Activities

During the three and six-months period ended December 31, 2023, cash flow from financing activities generated \$2.2M following the issuance of common share units for a total amount of \$2.6M, less share issuance costs and the repayment of the long-term debt.

Investing Activities

During the three and six month periods ended December 31, 2023, cash flows related to investing activities generated cash in the amount of approximately \$3M from the receipt of the financial guarantee following the conclusion of an agreement with an insurance company to provide the security required from the Government of Quebec for the Company's environmental obligations for the Elder and Sleeping Giant mine sites, in accordance with the requirements of the restoration plans approved by the Government of Quebec.

OUTSTANDING SHARE CAPITAL

The following table shows the number of common shares, stock options, and warrants of the Company outstanding as of the date of this MD&A:

	As at February 26, 2024
Common shares issued	494,778,759
Stock options (weighted average exercise price: \$0.06)	26,497,600
Warrants (weighted average exercise price: \$0.10)	106,577,256
Warrants to intermediaries (average exercise price: \$0.15)	1,207,500

RELATED-PARTY TRANSACTIONS

Key management personnel of the Company are members of the Board, as well as the President and the Chief Financial Officer.

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>

Other Related-Party Transactions

In addition to the amounts listed in the note for the remuneration to senior officers, following are the related party transactions for the quarter:

	December 31 2023		December 31, 2022	
	3 months	6 months	3 months	6 months
	\$	\$	\$	\$
Payment of a royalty (2% NSR on the Elder Property) to a company controlled by one of the directors of the Company (CEO and President of the Company as at December 31, 2021)	-	-	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 amount due to related parties was \$104,021 (\$130,277 as at December 31, 2022). These transactions took place in the normal course of business and were measured at the exchange amount, which is the consideration established and agreed to by the parties. Unless otherwise stated, none of the transactions have special features or conditions, and no warranties have been given or received. Balances are generally settled in cash.

BASIS OF PREPARATION AND STATEMENT OF COMPLIANCE

The audited annual financial statements of the Company have been prepared by management in accordance with International Financial Reporting Standards (“IFRS”), as issued by the IASB and in accordance with IAS 34, Interim Financial Reporting.

For more information regarding accounting policies, please refer to Notes 4, 5 and 6 of the audited annual financial statements dated June 30, 2023.

BASIS OF VALUATION

The financial statements have been prepared using the historical cost method.

ADDITIONAL INFORMATION REQUIRED FROM A VENTURE ISSUER

The Company has no deferred costs other than mining properties and deferred exploration and evaluation costs.

The Company has no research and development expenses other than those relating to its mining activities.

OBLIGATIONS AND CONTRACTUAL COMMITMENTS

At as the date of this MD&A, the Company has the following commitments:

- Restoration of Elder and Sleeping Giant sites;
- Gold and silver sales contract with Auramet;
- Loan from Royal Bank of Canada;
- Financing of general insurance premiums and liability insurance.
- Letter of guarantee for the financial guarantee relating to the Company's environmental obligations for the Elder and Sleeping Giant mine sites.

Environment

The Company hired a consultant in July 2022 to define the long-term pulp deposition plan in its pulp storage cells at the Sleeping Giant mine. This deposition plan completed in the fall of 2023 will be used when updating reserves in 2024.

INFORMATION CONCERNING THE CAPITAL

In terms of capital management, the Company's objectives are to ensure the continuity of operations while maintaining ongoing exploration programs and the development of mining assets, to provide sufficient working capital to meet its current commitments and pursue possible investments.

RISK FACTORS

Risk factors are presented in note 21 of the annual financial statements for the year ended June 30, 2023.

CERTIFICATION

This MD&A has been reviewed by the Audit Committee and approved by the Board of Directors of the Company.

(s) Pascal Hamelin

Pascal Hamelin,
President and CEO
February 27, 2024