MINES
ABCOURT
MINES INC.

ABCOURT MINES INC.
ANNUAL FINANCIAL REPORT
YEARS ENDED JUNE 30, 2022 AND 2021

Raymond Chabot Grant Thornton

Independent Auditor's Report

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To the Shareholders of
Mines Abcourt Inc.

Opinion

We have audited the financial statements of Mines Abcourt Inc. (hereafter "the Company"), which comprise the statements of financial position as at June 30, 2022 and 2021, and the statements of comprehensive income, the statements of changes in equity and the statements of cash flows for the years then ended, and notes to financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at June 30, 2022 and 2021, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards (IFRS).

Basis for opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the "Auditor's responsibilities for the audit of the financial statements" section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material uncertainty related to going concern

We draw attention to Note 2 to the financial statements, which indicates the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Information other than the financial statements and the auditor's report thereon

Management is responsible for the other information. The other information comprises the information included in Management's Discussion and Analysis.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We obtained Management's Discussion and Analysis prior to the date of this auditor's report. If, based on the work we have performed on this information, we conclude that there is a material misstatement of this other information, we are required to report that fact in this auditor's report. We have nothing to report in this regard.

Responsibilities of management and those charged with governance for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards (IFRS), and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control;

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern;

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are, therefore, the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Louis Berardi.

Raymond Chabot Grant Thornton LLP[1]

Montréal
October 26, 2022

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[1] CPA auditor, public accountancy permit no. A115879

ABCOURT MINES INC.

STATEMENTS OF FINANCIAL POSITION AS AT JUNE 30,

(In Canadian dollars)

	Notes	**2022**	2021
		$	$
ASSETS			
Current assets			
Cash		720,512	2,454,654
Receivables	6	337,403	661,383
Prepaid expenses		44,339	82,937
Inventories	7	2,296,719	3,734,600
Total current assets		3,398,973	6,933,565
Non-current assets			
Deposits for restoration	12	5,867,786	5,867,786
Property, plant and equipment	8	13,614,224	25,278,096
Exploration and evaluation assets	9	1,060,476	10,228,044
Deferred income and mining tax assets		-	1,407,185
Total non-current assets		20,542,486	42,781,111
Total assets		**23,941,459**	**49,714,676**
LIABILITIES			
Current liabilities			
Accounts payable and accrued liabilities	10	6,613,532	5,206,710
Mining taxes payable		157,470	214,860
Current portion of long-term debt	11	1,874,387	1,925,098
Total current liabilities		8,645,389	7,346,668
Long term debt	11	604,241	-
Provisions for restoration of mining sites	12	6,165,101	6,243,320
Deferred income and mining taxes liabilities		-	1,465,000
Total liabilities		15,414,731	15,054,988
EQUITY			
Share capital	13	46,186,602	44,852,502
Contributed surplus	14	7,197,317	7,094,317
Warrants		340,900	-
Deficit		(45,198,091)	(17,287,131)
Total equity		8,526,728	34,659,688
Total liabilities and equity		**23,941,459**	49,714,676

ON BEHALF OF THE BOARD,

(s) Pascal Hamelin , President and Director

(s) Nicole Veilleux , Director

ABCOURT MINES INC.

STATEMENTS OF COMPREHENSIVE INCOME
YEARS ENDED JUNE 30,
(in Canadian dollars)

	Notes	**2022**	2021
		$	$
Revenues	15	20,394,883	27,587,100
Mining operating costs		20,950,062	21,534,030
Amortization and depletion		1,858,267	2,626,723
Costs of sales		22,808,329	24,160,753
GROSS MARGIN		(2,413,466)	3,426,347
ADMINISTRATIVE EXPENSES			
Professional fees		331,848	280,002
Interests and penalties on taxes		78,733	199,059
Bank fees		19,000	6,435
Salaries and benefits		440,658	351,303
Insurances		33,201	25,524
Office and other expenses		108,712	118,191
Shareholders and investors relations		392,654	164,603
Share-based compensation		103,000	-
Amortization of property, plant and equipment		15,821	7,503
Impairment of property, plant and equipment		14,455,255	-
Impairment of exploration and evaluation assets		9,352,756	-
Total administrative expenses		25,331,638	1,152,620
OPERATING EARNINGS		(27,745,084)	2,273,727
FINANCE COSTS AND REVENUES			
Finance income		(841)	(6,747)
Finance costs		100,858	33,866
		100,017	27,119
EARNINGS BEFORE INCOME AND MINING TAXES		(27,845,101)	2,246,608
Income and mining taxes (recovery)		51,214	(178,258)
NET EARNINGS AND TOTAL COMPREHENSIVE INCOME		(27,896,315)	2,424,866
NET EARNINGS PER SHARE			
Basic		(0.09)	0.01
Diluted		(0.09)	0.01
WEIGHTED AVERAGE NUMBER OF SHARES OUTSTANDING			
Basic		312,915,84 3	310,137,990
Diluted		312,915,84 3	311,593,304

ABCOURT MINES INC.

STATEMENTS OF CHANGES IN EQUITY

(in Canadian dollars)

	Notes	Share Capital	Warrants	Contributed Surplus	Deficit	Total Equity
		$	$	$	$	$
Balance as at June 30, 2021		**44,852,502**	**-**	**7,094,317**	**(17,287,131)**	**34,659,688**
Net earnings and comprehensive income		-	-	-	(27,896,315)	(27,896,315)
Units issued	13-14	1,334,100	340,900	-	-	1,675,000
Share purchase options issued	14	-	-	103,000	-	103,000
Share issuance costs		-	-	-	(14,645)	(14,645)
Balance as June 30, 2022		**46,186,602**	**340,900**	**7,197,317**	**(45,198,091)**	**8,526,728**
Balance as June 30, 2020		**44,242,519**	**27,000**	**7,105,835**	**(19,711,997)**	**31,663,357**
Net earnings and comprehensive income		-	-	-	2,424,866	2,424,866
Exercise of warrants	13-14	579,593	(26,578)	(300)	-	552,715
Exercise of share purchase options	13-14	30,390	-	(11,640)	-	18,750
Expired warrants	14	-	(422)	422	-	-
Balance as at June 30, 2021		**44,852,502**	**-**	**7,094,317**	**(17,287,131)**	**34,659,688**

ABCOURT MINES INC.
STATEMENTS OF CASH FLOWS
YEARS ENDED JUNE 30,
(in Canadian dollars)

	Note	**2022**	2021
		$	$
OPERATING ACTIVITIES			
Net earnings		(27,896,315)	2,424,866
Items not affecting cash:			
Accretion expense		91,570	29,184
Amortization of debt issuance costs		8,235	4,682
Share-based compensation		103,000	-
Amortization and depletion		1,874,088	2,634,226
Impairment of property, plant and equipment		14,455,255	-
Impairment of exploration and evaluation assets		9,352,756	-
Deferred taxes		(57,815)	(47,000)
		(2,069,226)	5,054,958
Changes in non-cash working capital items	5	3,149,891	73,540
		1,080,665	5,119,498
FINANCING ACTIVITIES			
Issuance of units		1,675,000	-
Exercise of warrants and share purchase options		-	571,465
Share issuance costs		(14,645)	-
Issuance of long-term debt		1,047,631	2,000,000
Repayment of long-term debt		(502,336)	(66,667)
Long-term debt financing costs		-	(12,917)
		2,205,650	2,491,881
INVESTING ACTIVITIES			
Mining duties		-	6,881
Deposit for restoration of Sleeping Giant Mine		-	(1,342,397)
Acquisition of property, plant and equipment		(8 054 751)	(5,917,453)
Sales of gold and silver (Sleeping Giant Mine)		3 219 491	585,088
Acquisition of exploration and evaluation assets		(185,188)	(449,773)
		(5,020,448)	(7,117,654)
NET CHANGE IN CASH		1,734,133	493,725
CASH, AT THE BEGINNING		2,454,645	1,960,920
CASH, AT THE END		720,512	2,454,645

1- INCORPORATION AND NATURE OF ACTIVITIES

Abcourt Mines Inc. (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 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 issue by the Board of Directors on October 26, 2022.

2 GOING CONCERN

The financial statements have been prepared on a going concern basis, which assumes that the Company will be able to realize its assets and pay its debts in the normal course of business.

The Company has determined that one of its mineral properties, the Sleeping Giant mine, contains probable ore reserves. However, the Company has not yet obtained the necessary financing to bring the project to production. This project is still at the development stage and the other projects are at the exploration and evaluation stage. On August 1, 2022, the Company ceased operations at the Elder mine which was placed in care and maintenance.

The Company's ability to pursue its activities depends on its ability to obtain the additional financing necessary for the development of its Sleeping Giant project and the pursuit of the exploration and evaluation of its mining properties, to generate additional cash from its operations and continue to benefit from the continued support of its major suppliers and creditors and its secured lender. Despite the Company's ability to obtain funds in the past, there is no guarantee that it will be able to obtain financing in the future, and there is no guarantee that these sources of financing will be accessible on terms acceptable to the Company. As at June 30, 2022, the Company has a deficit of $45,198,091, cash of $750,512 and negative working capital of $5,246,416.

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 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 AND INTERPRETATIONS

3.1 New and revised IFRSs issued but not yet effective

At the date of authorization for publication of these consolidated 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 for the first period beginning on or after the effective date of the pronouncement. New Standards, amendments and Interpretations neither adopted nor listed below have not been disclosed as they are not expected to have a material impact on the Company's financial statements.

IAS 16, Property, Plant and Equipment – Proceeds before Intended Use

On May 14, 2020, the IASB published amendments to IAS 16 "Property, Plant and Equipment – Proceeds Before Intended Use"

The amendments apply to fiscal years beginning on or after January 1, 2022. Earlier application is permitted. The amendments provide guidance on the recognition of the proceeds from the sale of items that a company produces and sells with the intent that an item of property, plant and equipment can be used as intended, and related production costs. Specifically, proceeds from the sale of items that have been produced before the related property, plant and equipment is ready for use should be recognized in profit or loss, along with the related production costs. The Company has not yet determined the impacts of this new standard.

4- SIGNIFICANT ACCOUNTING POLICIES AND STATEMENT OF COMPLIANCE

Statement of compliance

These financial statements of Abcourt Mines Inc. have been prepared by management in accordance with International Financial Reporting Standards ("IFRS") in effect as of June 30, 2022. The accounting policies set out below have been applied consistently to all periods presented in these financial statements, unless otherwise stated.

Functional currency

The reporting currency and the currency of all of the Company's transactions is the Canadian dollar, since it represents the currency of the primary economic environment in which the Company operates.

4- SIGNIFICANT ACCOUNTING POLICIES AND STATEMENT OF COMPLIANCE (continued)

Currency conversion

The Company's financial statements are reported in Canadian currencies, which is the functional currency. Transactions in foreign currencies are converted at the exchange rates prevailing at the time they are made. At each closing date, monetary assets and liabilities denominated in foreign currencies are converted at the closing prices. Exchange differences resulting from transactions are recorded in the income statement for the period. Exchange differences related to operating activities are recorded in earnings of the period; exchange differences related to financing transactions are recognized in profit or loss or in equity.

Tax credit relating to resources and government assistance

The Company is entitled to a 12% tax credit related to resources on eligible exploration and evaluation expenses incurred in the province of Quebec as well as government assistance with respect to the emergency wage subsidy of Canada. These amounts are based on management's estimates and if the Company is reasonably assured that they will be received. At this time, the tax credit relating to resources and the mining duties credit are recognized as reduction of exploration and evaluation assets and government assistance is recognized in the statement of comprehensive income.

Inventory

Inventories consist of gold and silver inventories (gold and silver doré and in circuit), ore stockpiles and mine supplies. Inventories are carried at the lower of cost and net realizable value. The cost of the gold and silver inventories and ore stockpiles is determined using the weighted average cost based on the normal production capacity. The cost of gold and silver inventories and ore stockpiles includes all costs incurred in bringing each product to its present location and condition The Cost of gold and silver inventories and ore stockpiles include includes direct costs of materials and labour related directly to mining and processing activities and production process and directly attributable overhead costs. The cost of mine supplies is determined using the first in, first out cost method.

Net realizable value is the estimated selling price in the ordinary course of business less any applicable estimated selling expenses.

Revenue recognition

Revenue includes gold and silver sales and milling revenue.

Revenue from the sale of refined gold and silver is recognized when control of the gold and silver is transferred to the customer. This is when there is a binding agreement to sell the gold and silver to the customer at a specific price and the Company gave irrevocable instructions to deliver the refined gold and silver to the customer. Following the transmission of the instructions to deliver the gold and silver, the customer has control over the product and the Company has no further unrealized obligations affecting the acceptance of the product. The payment is due and generally received on the settlement date.

Milling revenue is recognized when the ore processing service is performed by the Company, accepted by the client and collection is reasonably assured. The performance obligations are satisfied when milling services have been completed. At this point in time, the Company physically transfers the milled products, and the significant risks and rewards related to the metals to the customers.

Exploration and evaluation assets

Exploration and evaluation expenses are costs incurred in the course of initial search for mineral deposits with economic potential. Expenditures incurred before the entity has obtained the legal rights to explore a specific area are recognized as expenses.

Costs related to the acquisition of mining properties and to exploration and evaluation expenditures are capitalized by property until the technical feasibility and commercial viability of extracting a mineral resource are demonstrable. These assets are recognized as intangible assets and are carried at cost less any accumulated impairment losses. No depreciation expenses are recognized for these assets during the exploration and evaluation phase.

4- SIGNIFICANT ACCOUNTING POLICIES AND STATEMENT OF COMPLIANCE (continued)

Exploration and evaluation assets (continued)

When the technical feasibility and commercial viability of extracting a mineral resource are demonstrated, exploration and evaluation assets are reclassified as mining assets under development in property, plant and equipment. Exploration and evaluation assets are assessed for impairment before reclassification, and any impairment loss is recognized.

Although management has engaged a qualified person to verify titles of the mining properties in which the Company has an interest, in accordance with industry standards for the current stage of exploration of such properties, these procedures do not guarantee the Company's property title. Property title may be subject to unregistered prior agreements and non-compliant with regulatory requirements. There is no indication to date that these situations may exist.

Option agreements on mining properties

Options on interests in mining properties acquired by the Company are recorded at the value of the consideration paid, including other benefit given up but excluding the commitment for future expenditures. Commitment for future expenditures does not meet the definition of a liability and thus are not accounted for immediately. Expenditures are accounted for only when incurred by the Company.

When the Company sells interests in a mining property, it uses the carrying amount of the property before the sale of the option as the carrying amount for the portion of the property retained and credits any cash consideration received and also fair value of other financial assets against the carrying value of this portion (any excess is recognized as a gain in the profit or loss statement).

Impairment of long-term assets

For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are largely independent cash inflows (cash-generating units). As a result, some assets are tested individually for impairment and some are tested at a cash-generating unit level.

The Company reconsiders periodically facts and circumstances that require testing exploration and evaluation assets for impairment. When facts and circumstances suggest that the carrying amount of exploration and evaluation assets may exceed its recoverable amount, the asset is tested for impairment. Impairment reviews for exploration and evaluation assets are carried out on a project-by-project basis, with each project representing a potential single cash generating unit. An impairment review is undertaken typically when one of the following circumstances apply: the right to explore the areas has expired or will expire in the near future with no expectation of renewal; no further exploration or evaluation expenditures in the area are planned or budgeted; no commercially viable deposits have been discovered, and the decision has been made to discontinue exploration in the area; sufficient work has been performed to indicate that the carrying amount of the expenditure carried as an asset will not be fully recovered.

When the recoverable amount of an exploration and evaluation asset is less than the carrying amount, the carrying amount of the asset is reduced to its recoverable amount by recording an impairment loss. The recoverable amount is the higher of fair value less costs for sale and value in use of the asset (present value of the future cash flows expected).

An impairment charge is reversed if the asset's recoverable amount exceeds its carrying amount.

The property, plant and equipment are tested for recoverability whenever events or changes in circumstances indicate that their carrying amount may not be recoverable. The recoverable amount is the higher of its fair value less costs for sale and its value in use (present value of the future cash flows expected). An impairment loss is recognized when their carrying value exceeds the recoverable amount. The amount of the impairment loss is determined as the excess of the carrying value of the asset over its recoverable amount.

Property, plant and equipment

Property, plant and equipment are carried at cost less accumulated amortization and accumulated impairment losses.

Historical cost includes expenditures that are directly attributable to the acquisition or construction of the asset, any other cost directly attributable to bringing the assets to a working condition for their intended use, the costs of dismantling and removing the items and restoring the site on which they are located. 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 benefits associated with the item will flow to the Company and the cost can be measured reliably

4- SIGNIFICANT ACCOUNTING POLICIES (continued)

Property, plant and equipment (continued)

Mining assets in development

Expenditures incurred on properties identified as having commercial viability and economic benefits are capitalized as property, plant and equipment under this category and are not amortised. Costs includes all mine development expenditures necessary to bring the property to commercial production and are accounted for net of secondary products generated during the advanced exploration phase. Upon commencement of commercial production, advanced exploration costs are transferred to the various categories of property, plant and equipment of mining sites in production and are depleted.

Depletion of mining sites in production

Property, plant and equipment of mining sites in production are depleted according to the units-of-production method to write down the cost to estimated residual value, except in the case of assets whose useful live is shorter than the life of the mine, in which case, the straight-line method and/or declining method is applied. The depletion rate of the Elder mine is calculated in accordance with the number of ounces of gold sold using measured and indicated resources. The depletion calculation also takes into account future developments and equipment costs necessary to access these resources. The depletion rate of the Sleeping Giant mill is calculated in accordance with the number of tonnes of ore treated using the estimated mineral resources.

Depreciation – other property, plant and equipment

Depreciation of an asset begins as soon as it is ready to be put into service, i.e. as soon as it is in the place and in the condition necessary to be able to operate it in the manner intended by management. Depreciation of property, plant and equipment is calculated according to the estimated useful life of the asset according to the linear and / or decreasing method and according to the rates indicated below:

Mobile equipment	Linear 20% /
	Declining balance 30%
Furniture and production equipment	Declining balance 20%
Computer equipment	Linear 30%

The estimated useful life, residual values, the mineral resources and depreciation method are reviewed at the end of each financial year-end and the impact of any change in estimates is recognized prospectively.

Upon disposal or abandonment, the carrying amounts of property, plant and equipment are derecognized and any associated gains or losses are recognized in net earnings.

Financial instruments

Recognition, initial measurement and derecognition

Financial assets and financial liabilities are recognized when the Company becomes a party to the contractual provisions of the financial instrument.

Financial assets are derecognized when the contractual rights to the cash flows associated with the asset expire, or when the financial asset and all material risks and rewards are transferred.

A financial liability is derecognized when extinguished, discharged, canceled or when it expires.

Classification and initial measurement of financial assets

Financial assets are initially measured at fair value adjusted for transaction costs, if any.

The financial assets are classified into the following category:

- at amortized cost;

The classification is determined by both:

- the entity's business model for managing financial assets;
- the characteristics of the contractual cash flows of the financial asset.

- SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial Instruments (continued)

All income and expenses relating to financial assets recognized in profit or loss are presented in finance costs and revenues.

Subsequent measurement of financial assets

Financial assets at amortized cost

Financial assets are measured at amortized cost if they meet the following conditions:

- They are held according to a business model whose objective is to hold financial assets in order to collect contractual cash flows;
- The contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding.

After their initial recognition, they are measured at amortized cost using the effective interest method. Discounting is omitted where the effect of discounting is immaterial. Cash, accounts receivable and other receivables fall into this category of financial instruments.

Impairment of financial assets

The impairment provisions of IFRS 9 use forward-looking information, i.e. the expected credit loss model.

The recognition of credit losses is not dependent on the identification of credit loss event by the Company. Rather, the latter must take into account a wider range of information for the assessment of credit risk and the assessment of expected credit losses, including past events, current circumstances, reasonable and justifiable forecasts that affect the expected recoverability of future cash flows of the financial instrument.

The measurement of expected credit losses is determined by probability-weighted estimate of credit losses over the expected life of the financial instrument.

Receivables and other receivables

The Company uses a simplified method to recognize lifetime expected credit losses on accounts customers and other accounts payable. These correspond to the expected shortfalls in the contractual cash flows taking into account of the potential for default at any time during the life of the financial instrument. The Company uses past experience, external indicators and forward-looking information to calculate expected credit losses using a calculation matrix.

The Company assesses the impairment of accounts receivable on a collective basis since they share characteristics relating to the credit risk since they have been grouped according to the number of days elapsed since they are past due.

Classification and measurement of financial liabilities

The Company's financial liabilities include accounts payable, accrued liabilities (except salaries and holidays payable and amounts due to governments) as well as long-term debt.

Financial liabilities are measured initially at fair value adjusted for transaction costs, if applicable. Financial liabilities are measured subsequently at amortized cost using the effective interest method.

All expenses related to financial liabilities are in profit or loss within finance costs.

Provisions and contingent liabilities

Provisions are recognized when present obligations as a result of a past event will probably lead to an outflow of economic resources from the Company and amounts can be estimated reliably. Timing or amount of the outflow may still be uncertain.

Provisions are measured at the estimated expenditure required to settle the present obligation, based on the most reliable evidence available at the reporting date, including the risks and uncertainties associated with the present obligation. Provisions are discounted when the time value of money is significant.

All provisions are reviewed at each reporting date and adjusted to reflect the current best estimate.

4- SIGNIFICANT ACCOUNTING POLICIES (continued)

Provisions and contingent liabilities (continued)

In those cases where the possible outflow of economic resources as a result of present obligations is considered improbable or remote, no liability is recognized. Such situations are disclosed as contingent liabilities unless the outflow of resources is remote.

Provisions for restoration of mining sites

The Company is subject to environmental laws and regulations enacted by federal and provincial authorities. As of the reporting date, management believes that the Company's operations are in compliance with current laws and regulations. To take into account the estimated cash flows required to settle its obligations arising from environmentally acceptable closure plans (such as dismantling and demolition of infrastructures, removal of residual matter and site restoration), provisions are recognized in the year, when the Company has an actual restoration mining site obligation and it is likely that an outflow will be required in settlement of the obligation and the obligation is reasonably determinable. These provisions are determined on the basis of the best estimates of future costs, based on information available on the reporting date.

Future costs are discounted using pre-tax rates that reflect current market assessments of the time value of money and the risks specific to the liability. A corresponding asset is recognized in the related mining asset when establishing the provision.

The provision is reviewed annually to reflect changes in the estimated outflow of resources as a result of changes in obligations or legislation, changes in the current market-based discount rate or an increase that reflects the passage of time. The accretion of the liability to its fair value as a result of the passage of time is charged to earnings while changes resulting from the revisions to either the timing or the amount of the original estimate of the undiscounted cash flows are accounted for as part of the carrying amount of the related long-lived asset. Costs of restoration of mining sites are deducted from the provision when incurred (see note 12).

Share-based compensation

The Company operates an equity-settled share-based remuneration plan (share options plan) for its eligible directors, officers, employees and consultants. The Company's plan does not feature any options for a cash settlement.

All goods and services received in exchange for the grant of any share-based payments are measured at their fair values unless that fair value cannot be estimated reliably. In that case the fair value of goods and services received will be valued according to the fair value of the equity instrument granted. Where employees or third-party providing services similarly to those of employees, are rewarded using share-based payments, the fair value of the services rendered by the employees is determined indirectly by reference to the fair value of the equity instruments granted.

All equity-settled share-based payments (except for warrants and options issued to brokers and intermediaries) are ultimately recognized as an expense in the profit or loss, depending on the nature of the payment with a corresponding credit to contributed surplus, in equity. Warrants and options issued to brokers and intermediaries are recorded as issuance cost of financial equity instruments and the counterpart as contributed surplus within equity.

If vesting periods or other vesting conditions apply, the expense is allocated over the vesting period, based on the best available estimate of the number of share options expected to vest. Non-market vesting conditions are included in assumptions about the number of options that are expected to become exercisable. Estimates are subsequently revised if there is any indication that the number of share options expected to vest differs from previous estimates. Any cumulative adjustment prior to vesting is recognized in the current period. No adjustment is made to any expense recognized in prior period if share options ultimately exercised are different to that estimated on vesting.

Share capital

The share capital represents the amount received on the issuance of shares. If the shares are issued following the exercise of share purchase options or warrants, this item also includes compensation expense or the value of warrants previously recorded under contributed surplus and warrants.

Issuance of Units

Proceeds from unit issuances are allocated between shares and warrants issued using the relative fair value method. The Company uses the Black-Scholes valuation pricing model to determine the fair value of warrants issued.

4- SIGNIFICANT ACCOUNTING POLICIES (continued)

Flow-through shares

The Company considers that the issue of flow-through shares is in substance an issue of common shares and the sale of tax deductions to the benefit of investors. The proceeds received from flow-through placements are allocated between share capital and other liability using the residual method. At the time the flow-through shares are issued, the sale of tax deductions is deferred and presented as other liability in the statement of financial position. When eligible expenditures are incurred (as long as there is the intention to renounce them), the sale of tax deductions is recognized in the income statement as a reduction of deferred tax expense and a deferred tax liability is recognized for the taxable temporary difference that arises from the difference between the carrying amount of eligible expenditures capitalized as an asset in the statement of financial position and its tax base.

Other equity items

Contributed surplus includes charges related to share purchase options until such equity instruments are exercised and charges related to warrants expired. When options are exercised, corresponding compensation costs are transferred to share capital.

Warrants included expenses relating to warrants until the exercise of the warrants. When the warrants are exercised, corresponding compensation are transferred to share capital. When the warrants are expired, the corresponding charges are transferred to contributed surplus.

Deficit includes all current and prior period retained profits or losses, less issuance costs net of any income tax benefit on the related issuance expenses.

Basic and diluted earnings per share

Basic earnings per share is calculated by dividing the earnings attributable to class « B » shares holders of the Company by the weighted average number of class « B » shares outstanding during the period. Diluted earnings per share are calculated by adjusting the earnings attributable to class « B » shares holders of the Company as well as the weighted average number of class « B » shares outstanding, for the effects of all dilutive potential class « B » shares which include share purchase options and warrants. Dilutive potential class « B » shares shall be deemed to have been converted into class « B » shares at the average market price at the beginning of the period or, if later, at the date of issue of the potential class « B » shares.

See note 14 for the information on the dilutive potential share purchase options and warrants outstanding. In 2022, no options were considered given their anti-dilutive effect on earnings per share (in 2021, 800 000 options were included in the calculation of diluted earnings per share).

Income taxes and deferred taxes

Tax expenses recognized in profit or loss comprises the sum of current tax and deferred tax not recognized directly in equity. Tax expenses include also mining taxes.

Current tax is payable on taxable profit and is based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities and the amounts used for taxation purposes except when deferred income results from an initial recognition of goodwill or from initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss at the time of the transaction.

Deferred tax is measured, without discounting, at the tax rates that are expected to be applied to temporary differences when they will reverse, based on the laws that have been enacted or substantively enacted by the end of the reporting year and which, expected to apply to taxable income in the years during which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income or loss in the year that includes the enactment date.

A deferred tax asset is recognized for unused tax losses and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be used.

Deferred tax assets and liabilities are offset only when the Company has a right and intentions to set off current tax assets and liabilities from the same taxation authority.

Changes in deferred tax assets or liabilities are recognized as deferred income tax expense in profit or loss, or directly in equity, in which case the related deferred tax is also recognized in equity.

Segmented information

The Company presents and discloses segmented information based on information regularly reviewed by key decision makers operational, i.e. the president and the board of directors.

The Company operates a gold mine and as well as the acquisition, exploration and evaluation of mining properties. All the Company activities are conducted in Canada. The Company has determined that there are two segments, namely the operation of a gold mine segment and the acquisition, exploration and evaluation of mining properties (See note 22).

4- SIGNIFICANT ACCOUNTING POLICIES (continued)

Significant accounting judgments, estimates and assumptions

The preparation of financial statements requires management to use judgment, make estimates and make assumptions that influence the application of accounting methods as well as the book value of assets, liabilities, income and expenses. Actual results could differ from these estimates.

The underlying estimates and assumptions are reviewed regularly. Any revision of accounting estimates is recognized in the period in which the estimates are revised as well as in future periods affected by these revisions.

Key sources of uncertainty for estimations

a) Basis of depletion of mining sites in production

Mining sites in production are depreciated using the units of production method in order to reduce the cost to their value residual. The residual value is estimated by management. The depreciation rate is calculated according to the resources of the Company, in ounces or tonnes. Mineral resources are estimates of the amount of ore that can be extracted from Company properties. The estimation of mineral resources is a subjective process and its accuracy depends on the quantity and the quality of available data and the assumptions and judgments used in interpreting the geological models. The modification of the assumptions at the level of the estimate of the mineral resources could have an impact, among others on the net book value of property, plant and equipment, on the provision related to the restoration and on the depreciation and depletion expense.

b) Impairment of exploration and evaluation assets

Exploration and evaluation assets shall be assessed for impairment when facts and circumstances suggest that their carrying amount may exceed recoverable amount. When facts and circumstances suggest that the carrying amount exceeds the recoverable amount, the Company shall measure, present and disclose any resulting impairment loss. Indications of impairment as well as the evaluation of recoverable amount of exploration and evaluation assets require significant judgment. Management considers various factors including, but are not limited to, financial and human resources available, exploration budgets planned, importance and results of exploration work done previously, industry and economic trends and price of minerals. During the year, management reviewed its strategic objectives and i also identified facts and circumstances indicating that certain of the Company's exploration and evaluation assets were impaired. An amount of $9,352,756 was accounted for as write-down of exploration assets and assessment, no amount in 2021. (See note 18).

c) Impairment of property, plant and equipment

Determining if there are any facts and circumstances indicating impairment losses or reversal of impairment losses is a subjective process involving judgment and a number of estimates and assumptions in many cases.
In assessing impairment, management estimates the recoverable amount of each asset based on expected future cash flows and uses an interest rate to discount them. Estimation uncertainty relates to assumptions about future operating results and the determination of a suitable discount rate. During the year, management reviewed its strategic objectives and made the decision to close the Elder mine and identified facts and circumstances indicating that certain of the Company’s assets were impaired. (See note 18). An amount of $14,455,255 was recorded for as an impairment of property, plant and equipment, no amount in 2021.

d) Evaluation of the tax credit relating to resources and the credit for mining rights

Credit related to resources and mining duties credit for the current and prior periods are measured at the amount expected to be recovered from the taxation authorities using the tax rates and tax laws that have been enacted or substantively enacted at the consolidated statement of financial position date. Uncertainties exist with respect to the interpretation of tax regulations for which certain expenditures could be disallowed by the taxation authorities in the calculation of credits, and the amount and timing of their reimbursement.

The calculation of these credits necessarily involves a degree of estimation and judgment in respect of certain elements whose tax treatment cannot be determined with certainty until a notice of assessments and payments have been received from the relevant taxation authority. Differences arising between the actual results following final resolution of some of these items and the assumptions made could necessitate adjustments to tax credits relating to resources, to mining duties credits refundable, to exploration and evaluation expenses and to income tax expense in future years.

The amounts recognized in the consolidated financial statements are based on the Company’s management's best estimates and judgment as described above. However, the inherent uncertainty as to the ultimate outcome of these elements means that the eventual resolution could differ from the accounting estimates and thus have an impact on the financial position of the Company and its cash flow. In 2016, the Company received notices of reassessments following the audit by the tax authorities tax credits relating to resources as well as mining rights for the taxation years 2011, 2012, 2013 and 2014. The Company filed notices of objection with respect to these new notices of assessment. The amounts claimed were recorded in accounts payable and accrued liabilities.

(in Canadian dollars)

4- SIGNIFICANT ACCOUNTING POLICIES (continued)

Significant accounting judgments, estimates and assumptions (continued)

e) Provisions related to the restoration of mining sites

The Company annually assesses its provisions for the restoration of mining sites. Determining these obligations requires significant estimates and assumptions due to the numerous factors that affect the amount ultimately payable. These factors include estimates of the extent and cost of restoration activities, legislative changes, known environmental impacts, the effectiveness of repair and restoration measures and changes in the discount rate. These uncertainties may lead to discrepancies between the actual expenses and the amounts provisioned.

f) Share-based compensation and payments

The fair value of a share purchase options granted to employees is determined using the Black-Scholes pricing model that considers the exercise price and expected life of the option, the current price of the underlying share, its expected volatility, expected dividends on the share and the current risk-free interest rate for the expected life of the option. The inputs used to determine the fair value are composed of estimates aim to approximate the expectations that would likely be reflected in a current market or negotiated exchange price for the option. During the year, an amount of $103,000 was recorded as stock-based compensation following the granting of 2,000,000 share purchase options.

Critical judgments in the application of accounting methods

a) Recognition of deferred tax assets and measurement of income tax expense

Management regularly assesses the likelihood that its deferred tax assets could be realized. This requires management to assess whether it is probable that sufficient taxable income will exist in the future to utilize these losses within the carry-forward period. By its nature, this assessment requires significant judgement. During the year ending June 30, 2022, the Company fully wrote off the deferred tax asset, tax liability deferred mining tax as well as the deferred tax liability recognized in 2021 in the respective amounts of $1,407,185, $1,355,000 and $110,000 (See note 17).

b) Going concern

The assessment of the Company's ability to continue as a going concern and to raise sufficient funds to pay for its ongoing operating expenditures, meet its liabilities for the ensuing year, and to fund planned and contractual exploration programs, involves significant judgment based on historical experience and other factors including expectation of future events that are believed to be reasonable under the circumstances (See note 2).

c) Start of commercial production

Management assesses the stage of completion of each advanced exploration project to determine when it begins commercial production. The Company considers a number of criteria to determine when a mine enters into commercial production, thereby resulting in reclassification from exploration and evaluation assets to mine. The following criteria are used:

- Production capacity and continuity achieved;
- Recovered grade;
- Stage of completion of development work.

5- ADDITIONAL INFORMATION ON CASH FLOWS

Net change in non-cash working capital items	**2022**	2021
	$	$
Account receivable	323,980	224,951
Government assistance receivable	-	725,996
Prepaid expenses	38,598	(19,047)
Inventory	1,437,881	21,822
Accounts payable and accrued liabilities	1,406,822	(167,192)
Income and mining taxes payable	(57,390)	(712,990)
	3,149,891	73,540

In 2022, the Company paid income taxes of $162,478 and $594,677 in 2021.

(in Canadian dollars)

5- ADDITIONAL INFORMATION ON CASH FLOWS (continued)

Items not affecting cash:

	2022	2021
	$	$
Adjustments to the provision for restoration of mining sites charged to property, plant and equipment	(169,789)	(117,877)
Warrants granted to investors	340,900	-
Warrants and share purchase options transferred to share capital	-	38,518

6- RECEIVABLES

	2022	2021
	$	$
Accounts receivable	325,309	568,867
Taxes receivable	1,309	57,701
Others	10,785	34,815
	337,403	661,383

7- INVENTORY

	2022	2021
	$	$
Gold and silver inventory	1,725,888	2,496,148
Ore stockpiles	105,900	357,062
Mine supplies	464,931	881,390
	2,296,719	3,734,600

Gold and silver inventory include a provision of $683,620 (none in 2021)

(in Canadian dollars)

8- PROPERTY, PLANT AND EQUIPMENT

	Costs						Accumulated Amortization					June 30, 2022 Net book value
	June 30, 2021	Addition	Adjustment restoration provision	Transfer	Depreciation (note 18)	June 30, 2022	June 30, 2021	Amortization	Transfer	Depreciation (Note 18)	June 30, 2022	
	$	$	$	$	$	$	$	$	$	$	$	$
Abcourt-Barvue Site												
Mill equipment	2,702,476	-	-	-	(2,702,476)	-	-	-	-	-	-	-
Water treatment plant	76,628	-	-	-	(76,628)	-	-	-	-	-	-	-
Tailing facility	40,728	-	-	-	(40,728)	-	-	-	-	-	-	-
	2,819,832	-	-	-	(2,819,832)	-	-	-	-	-	-	-
Elder Mine site												
Lands	37,263	-	-	-	-	37,263	-	-	-	-	-	37,263
Mobile equipment	94,920	47,600	-	(75,600)	(66,920)	-	78,456	14,014	(29,181)	(63,289)	-	-
Furniture and Equipment	2,362,049	37,514	-	(35,000)	(2,314,206)	50,357	1,537,096	154,102	(10,701)	(1,648,214)	32,283	18,074
Elder Mine	19,834,785	1,738,290	(45,025)	-	(21,528,050)	-	9,246,692	1,315,558	-	(10,562,250)	-	-
Computer hardware	8,006	10,840	-	-	-	18,846	6,034	4,293	-	-	10,327	8,519
	22,337,023	1,834,244	(45,025)	(110,600)	(23,909,176)	106,466	10,868,278	1,487,967	(39,882)	(12,273,753)	42,610	63,856
Sleeping Giant Site												
Sleeping Giant Mine (1)	7,837,238	2,985,191	(124,764)	24,299	-	10,721,964	-	-	-	-	-	10,721,964
Mill and production equipment	4,370,312	4,288	-	-	-	4,374,600	1,682,263	296,094	-	-	1,978,357	2,396,243
Building	491,054	-	-	-	-	491,054	202,583	31,742	-	-	234,325	256,729
Lands	19,000	-	-	-	-	19,000	-	-	-	-	-	19,000
Mobile equipment	401,625	-	-	75,600	-	477,225	325,946	45,314	29,181	-	400,441	76,784
Computer hardware	46,862	11,537	-	-	-	58,399	20,780	12,971	-		33,751	24,648
	13,166,091	3,001,016	(124,764)	99,899	-	16,142,242	2,231,572	386,121	29,181	-	2,646,874	13,495,368
	38,322,946	4,835,260	(169,789)	(10,701)	(26,729,008)	16,248,708	13,099,850	1,874,088	(10,701)	(12,273,753)	2,689,484	13,559,224

(1) An amount of $3,219,491 representing the sale of gold and silver has been recorded in decrease of the development expenses of the mine.

(in Canadian dollars)

8- PROPERTY, PLANT AND EQUIPMENT (continued)

	Costs						Accumulated Amortization					**June 30, 2022** Net book value
	June 30, 2021	Addition	Adjustment restoration provision	Transfer	Depreciation (note 18)	June 30, 2022	June 30, 2021	Amortization	Transfer	Depreciation (Note 18)	June 30, 2022	
	$	$	$	$	$	$	$	$	$	$	$	$
Exploration												
Lands	55,000	-	-	-	-	55,000	-	-	-	-	-	55,000
	55,000	-	-	-	-	55,000	-	-	-	-	-	55,000
	38,377,946	4,835,260	(169,789)	(10,701)	(26,729,008)	16,303,708	13,099,850	1,874,088	(10,701)	(12,273,753)	2,689,484	13,614,224

(in Canadian dollars)

8- PROPERTY, PLANT AND EQUIPMENT (continued)

	Costs				Accumulated Amortization			**June 30, 2021** Net book value
	June 30, 2020	Addition	Adjustment restoration provision	June 30, 2021	June 30, 2020	Amortization	June 30, 2021	
	$	$	$	$	$	$	$	
Abcourt-Barvue Site								
Mill equipment	2,702,476	-	-	2,702,476	-	-	-	2,702,476
Water treatment plant	76,628	-	-	76,628	-	-	-	76,628
Tailing facility	40,728	-	-	40,728	-	-	-	40,728
	2,819,832	-	-	2,819,832	-	-	-	2,819,832
Elder Mine site								
Lands	37,263	-	-	37,263	-	-	-	37,263
Mobile equipment	89,920	5,000	-	94,920	73,142	5,314	78,456	16,464
Furniture and equipment	2,220,260	141,789	-	2,362,049	1,365,716	171,380	1,537,096	824,953
Elder Mine	17,532,502	2,302,283	-	19,834,785	7,255,060	1,991,632	9,246,692	10,588,093
Computer hardware	7,189	817	-	8,006	3,433	2,601	6,034	1,972
	19,887,134	2,449,889	-	22,337,023	8,697,351	2,170,927	10,868,278	11,468,745
Sleeping Giant Site								
Sleeping Giant Mine (1)(2)	5,115,975	2,839,140	(117,877)	7,837,238	-	-	-	7,837,238
Mill and production equipment	4,354,220	16,092	-	4,370,312	1,342,583	339,680	1,682,263	2,688,049
Building	491,054	-	-	491,054	166,045	36,538	202,583	288,471
Lands	19,000	-	-	19,000	-	-	-	19,000
Mobile equipment	401,625	-	-	401,625	245,621	80,325	325,946	75,679
Computer hardware	19,618	27,244	-	46,862	10,024	6,756	20,780	26,082
	10,401,492	2,882,476	(117,877)	13,166,091	1,768,273	463,299	2,231,572	10,934,519
	33,108,458	5,332,365	(117,877)	38,322,946	10,465,624	2,634,226	13,099,850	25,223,096

(1) See Note 12.
(2) An amount of $585,088 which represent the sales of gold and silver was accountant for in mine development costs.

(in Canadian dollars)

8- PROPERTY, PLANT AND EQUIPMENT (continued)

	Cost				Accumulated amortization			**June 30, 2021**
	June 30, 2020	Addition	Adjustment provision restoration	June 30, 2021	June 30, 2020	Amortization	June 30, 2021	Net Book Value
	$	$	$	$	$	$	$	$
Exploration								
Lands	55,000	-	-	55,000	-	-	-	55,000
	55,000	-	-	55,000	-	-	-	55,000
	33,163,458	5,332,365	(117,877)	38,377,946	10,465,624	2,634,226	13,099,850	25,278,096

(in Canadian dollars)

9- EXPLORATION AND EVALUATION ASSETS

	2022	2021
	$	$
Mining properties	31,381	1,969,482
Exploration and evaluation assets	1,029,095	8,285,562
	1,160,476	10,228,044

Mining properties

	Balance as at June 30, 2021	Addition	Impairment	Balance as at June 30, 2022
	$	$	$	$
Quebec properties				
Abcourt-Barvue (100%)	239,918	10,555	(250,473)	-
Vendôme (100%)	103,586	5,087	(108,673)	-
Beauchastel Property royalty	100	-	(100)	-
Aldermac (100 %)	1,567,506	-	(1,567,506)	-
Discovery – Flordin (100%)	14,679	7,020	-	21,699
Dormex (100%)	9,442	240	-	9,682
Laflamme	4,364	-	(4,364)	
Others (% variable)	29,887	1,307	(31,194)	-
	1,969,482	24,209	(1,962,310)	31,381

	Balance as at June 30, 2020	Addition	Balance as at June 30, 2021
	$	$	$
Quebec properties			
Abcourt-Barvue (100 %)	237,109	2,809	239,918
Vendôme (100 %)	102,246	1,340	103,586
Beauchastel property royalty	100	-	100
Aldermac (100 %)	1,566,967	539	1,567,506
Discovery - Flordin	14,679	-	14,679
Dormex	9,442	-	9,442
Laflamme	4,364	-	4,364
Others (% variable)	29,617	270	29,887
	1,964,524	4,958	1,969,482

(in Canadian dollars)

9- EXPLORATION AND EVALUATION ASSETS (continued)

Exploration and evaluation expenses

	Balance as at June 30, 2021	Addition	Impairment	**Balance as at June 30, 2022**
	$	$	$	$
Abcourt-Barvue	6,103,421	152,646	(6,256,067)	-
Vendôme	206,259	2,173	(208,432)	-
Aldermac	916,535	1,170	(917,705)	-
Discovery – Flordin	839,044	4,990	-	844,034
Dormex - Harricana	185,061	-	-	185,061
Others (% variable)	8,242	-	(8,242)	-
	8,258,562	160,979	(7,390,446)	1,029,095

	Balance as at June 30, 2020	Addition	Mining duties adjustment	Balance as at June 30, 2021
	$	$	$	$
Abcourt-Barvue	5,995,869	105,186	2,366	6,103,421
Vendôme	206,082	177	-	206,259
Aldermac	916,535	-	-	916,535
Discovery – Flordin	501,932	337,112	-	839,044
Dormex - Harricana	178,681	-	6,380	185,061
Others (% variable)	5,902	2,340	-	8,242
	7,805,001	444,815	8,746	8,258,562

The following royalties are payable upon production on the Company's mining properties:

Properties Royalties
Elder 1% to 2% NSR
Barvue 0%
Vendôme 2% NSR on Xstrata's claims
Abcourt $-
Tagami 1% to 2% NSR
Jonpol 2.5% NSR
Aldermac $2 /tonne for 1.5 M tonnes
West Aldermac 2% NSR
Sleeping Giant $5 / tonne for 350,000 tonnes

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.

(in Canadian dollars)

10- ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	2022	2021
	$	$
Accounts payable	3,714,052	1,900,726
Royalties payable	684,828	887,856
Salaries and holidays payable	407,311	660,755
Payable to governments	1,807,341	1,757,373
	6,613,532	5,206,710

12- LONG-TERM DEBT

	2022	2021
	$	$
Loan authorized for a maximum amount of $3,000,000 ($5,000,000 as at June 30, 2021), bearing interest at fixed rates of 2.99%, 3.51% and 5.66%, (2.99% as at June 30, 2021) effective rate of 4.44%, maturing in January and February 2023, secured by a first mortgage loan 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.**(1)**	2,450,000	1,925,098
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.	28,628	-
Current Portion	(1,874,387)	(1,925,098)
	604,241	-

(1) As at June 30, 2021, an unamortized amount of $8,235 representing financing fees, has been netted against the long-term debt. This amount was amortized in profit or loss over the term of the debt, using the effective interest method. As of June 30, 2022, the amount is fully amortized.

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

	2022	2021
	$	$
Balance, beginning of year	1,925,098	-
Cash flows		
Proceeds from long-term debt	1,047,631	2,000,000
Repayment of long-term debt	(502,336)	(66,667)
Long-term debt financing fees	-	(12,917)
Non-cash flows		
Effective interest expense	8,235	4,682
Balance, end of the year	2,478,628	1,925,098

As at June 30, 2022 and 2021, the principal payments required in the next years are as follows:

Within one year	1,874,387	1,925,098
More than one year and less than five years	604,241	-

(in Canadian dollars)

11- PROVISIONS FOR RESTORATION OF MINING SITES

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

	2022	2021
	$	$
Balance, beginning of period	6,243,320	6,332,013
Changes to estimates	(169,789)	(117,877)
Accretion expense	91,570	29,184
Balance, at the end of the year	6,165,101	6,243,320

The rate used to determine the future value is 4.9% (2.40% as at June 30, 2021), while the rate reflecting the current market assessments (adjusted to take into account the risks specific to this liability) used to determine the present value of the provisions is 3.12% and 3.06% (0.87% as at June 30, 2021). The payments schedule was determined by taking into account the measured and indicated resources, the estimated annual production level and the estimated mine life. The changes to estimates were accounted for as property, plant and equipment.

The schedules of the estimated cash flows of future retirement costs of the Elder and Sleeping Giant mines were revised to take into account their updated estimated resources, their estimated mine life and change in future retirement costs of the Sleeping Giant mine.

In relation with the Sleeping Giant mine rehabilitation and restoration plan of 2013 (« the 2013 plan »), the Company was required to make guarantee payments to the Ministry of Energy and Natural Resources (« the Ministry ») according to the following schedule: $671,121 by August 17, 2016 and two other payments of $335,638 were required for August 17, 2017 and 2018. The 2013 plan estimated the restoration costs at $5,370,214. A new rehabilitation and restoration plan ("the new plan") was prepared by a consultant and submitted to the Ministry in October 2019. The new plan is presently under review. In 2020, following the comments raised by the Ministry and pending the final approbation of the new plan, the Company adjusted the provision according to the costs of the 2013 plan. During the year, the Company paid the amount of $1,342,553 to the Ministry for the Sleeping Giant mine rehabilitation and restoration plan.

The following table sets forth the estimated undiscounted cash flows of future retirement costs used in the calculation of the asset retirement obligations as at June 30, 2022:

	Anticipated cash flows payments scheduled for 2024 and 2030
	$
Elder Mine	499,956
Sleeping Giant Mine	6,198,949
	6,698,905

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

	2022	2021
	$	$
Elder Mine	502,554	539,930
Sleeping Giant Mine	5,662,547	5,703,390
	6,165,101	6,243,320

(in Canadian dollars)

13- 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 per value, with voting rights.

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

	2022		2021	
	Number	Amount	Number	Amount
		$		$
Balance, at the beginning	311,539,131	44,852,502	307,309,171	44,242,519
Common shares issued	16,750,000	1,334,100	4,229,960	609,983
Balance, at the end	328,289,131	46,186,602	311,539,131	44,852,502

As at June 30, 2022 and 2021, all of the shares issued were free trading.

On May 31, 2022, the Company completed a non-brokered private placement consisting of 16,750,000 units at a price of $0.10 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 $1,675,000 was presented net of the fair value of the warrants, in the amount of $340,900.

Year ended June 30, 2021

During the year, the Company issued 4,079,960 class « B » common share for a total amount of $552,715 following the exercise of warrants whose exercise prices vary from $0.10 per share (1,000,000 warrants), $0.13 per share (1,335,960 warrants) and $0.16 per share (1,744,000 warrants). The fair value of the warrants at the time of the granting of $26,878 was accounted as an increase of share capital ($26,878) and as a decrease of warrants ($26,578) and contributed surplus ($300).

During the year, the Company issued 150,000 class « B » common shares for a total amount of $18,750 following the exercise of share purchase options at an exercise price of $0.125 per option. The fair value of the share purchase options at the date of the granting of $11,640 was accounted as an increase of share capital and a decrease of contributed surplus.

14- SHARE PURCHASE OPTIONS AND WARRANTS

Share Purchase Options

The shareholders of the Company approved a stock 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 in such numbers, 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 1st, 1997, and has subsequently been modified several times with the approval of shareholders in December 2001 and December 2012. The exercise price cannot be lower than the market price of the shares at the time of grant.

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 14,500,000 shares. The maximum number of shares that can be reserved for issuance of option to any one person may not exceed 5% of the outstanding shares at the time of grant and the maximum number of shares which may be reserved for issuance to an investor relations representative, a consultant or a supplier may not exceed 2% of the outstanding shares at the time of grant.

(in Canadian dollars)

14- SHARE PURCHASE OPTIONS AND WARRANTS (continued)

Share Purchase Options (continued)

The acquisition conditions of share purchase options are without restriction. However, the options granted to investor relations representatives will be acquired at a rate of 25% per quarter. These options will expire no later than five years after being granted.

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

	2022		2021	
	Number	Weighted Average Exercise price	Number	Weighted average exercise price
		$		$
Balance, at the beginning	6,900,000	0.12	7,050,000	0.12
Exercised	-	-	(150,000)	0.125
Granted	2,000,000	0.10	-	-
Cancelled and expired	(6,100,000)	0.125	-	-
Outstanding and exercisable, at the end	2,800,000	0.09	6,900,000	0.12

During the year ending June 30, 2022, the Company granted share purchase options to an officer of the Company. The weighted average fair value of $0.0515 of the share purchase options was determined using the Black-Scholes valuation model and the following weighted average assumptions:

	2022
Average share price at date of grant	$0.09
Expected dividends yield	-
Expected average volatility	71%
Average risk-free interest rate	2.52%
Expected average life	5 years
Average exercise price	$0.10

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 year, a total amount of $103,000 (none as at June 30, 2022) of share-based payments (all of which related to equity-settled share-based payment transactions) was recognized in profit or loss and credited to contributed surplus.

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

Outstanding as at June 30, 2022	Weighted average remaining contractual life	Exercise price
		$
800,000	1.5 years	0.07
2,000,000	4.8 years	0.10
2,800,000		

Outstanding as at June 30, 2021	Weighted average remaining contractual life	Exercise price
		$
6,100,000	0.02 year	0.125
800,000	2.5 years	0.07
6,900,000		

(in Canadian dollars)

14- SHARE PURCHASE OPTIONS AND WARRANTS (continued)

Warrants

Changes in the Company' Warrants were as follows:

	2021		2020	
	Number	Weighted average exercise price	Number	Weighted average exercise price
		$		$
Balance, at beginning	-	-	4,171,000	0.14
Granted	16,750,000	0.15	-	-
Exercised	-	-	(4,039,000)	0.14
Expired	-	-	(132,000)	0.16
Outstanding and exercisable, at the end	16,750,000	0.15	-	-

As at June 30, 2021, the weighted average value of the share upon exercise was $0.20.

During the year, the Company issued warrants to investors in connection with private placements. The weighted average relative fair value of $0.0203 of the warrants was determined using the Black-Scholes valuation model and the following weighted average assumptions:

	2022
Average share price at the date of the grant	$0.06
Expected dividend rate	-
Expected average volatility	72%
Average risk-free interest rate	2.67%
Average contractual life	3 years
Average exercise price	$0.15

Warrants to intermediaries

Changes in the Company' Warrants to intermediaries were as follows:

	2022		2021	
	Number	Weighted average exercise price	Number	Weighted average exercise price
		$		$
Balance, at the beginning	-	-	40,960	0.13
Exercised	-	-	40,960	0.13
Outstanding and exercisable, at the end	-	-	-	-

As at June 30, 2021, the weighted average fair value of the share upon exercise of the warrants to intermediaries was of $0.22.

15- REVENUES

	2022	2021
	$	$
Gold and silver sales	20,219,630	27,562,809
Other revenues	175,253	24,291
	20,394,883	27,587,100

(in Canadian dollars)

16 - INCOME AND MINING TAXES

The income and mining tax expense is made up of the following items:

	2022	2022
	$	$
Current and mining taxes	109,029	(131,258)
Recovery of deferred taxes and deferred mining taxes	(57,815)	(47,000)
	51,214	(178,258)

The reconciliation of the income tax expense, calculated using the combined federal and province of Quebec, with the income tax expense shown in the financial statements is detailed as follows:

	2022	2021
	$	$
Earnings (loss) before taxes	(27,845,101)	2,246,608
Taxes at the combined base rate of 26.5% (26.5% in 2021)	(7,378,952)	595,351
Tax effect of unrecognized temporary differences	8,291,131	31,602
Prior years adjustment	246,953	(587,056)
Fulfillment of obligations related to flow-through financing	-	(132,000)
Share-based compensation	27,450	-
Deductible mining right	(28,892)	34,783
Non-deductible items and others	139,495	10,320
Deferred mining tax	(1,355,000)	-
Mining taxes	109,029	(131,258)
Income and mining taxes (payable)	51,214	(178,258)

Deferred Income and mining taxes assets (liabilities)

	2021	Recognized in profit or loss	**2022**
Property, plant and equipment	(4,435,479)	2,639,118	(1,796,361)
Non-capital losses	444,133	96,569	540,702
Exploration and evaluation assets	5,276,592	(4,029,448)	1,247,144
Share issuance expenses	11,939	(3,424)	8,515
Deferred mining tax	(1,355,000)	1,355,000	-
Total deferred tax assets and mining taxes deferred recognized	(57,815)	57,815	-
Change in deferred income tax in the statement of comprehensive income	(57,815)	57,815	-
Deferred tax assets			-
Deferred mining tax liabilities			-

(in Canadian dollars)

16 - INCOME AND MINING TAXES (continued)

The Company has the following temporary differences for which no deferred tax asset has been recognized:

	Federal	**Quebec**	**Mining rights**
Exploration and evaluation assets	42,059,134	26,384,171	16,025,491
Capital losses	2,227,563	2,227,563	-
Provisions related to the restoration of mining sites	512,750	512,750	512,750
	44,799,447	29,124,484	16,538,241

Deferred Income and mining taxes assets (liabilities)

	2020	Recognized in profit or loss	**2021**
Property, plant and equipment	(3,347,203)	(1,088,276)	(4,435,479)
Non-capital losses	43,182	400,951	444,133
Exploration and evaluation assets	4,682,755	593,837	5,276,592
Share issuance expenses	28,451	(16,512)	11,939
Deferred mining tax	(1,380,000)	25,000	(1,355,000)
Total deferred tax assets and mining taxes deferred recognized	27,185	(85,000)	(57,815)
Fulfillment of obligations related to flow-through financings	-	132,000	-
Change in deferred income tax in the statement of comprehensive income	27,185	47,000	(57,815)
Deferred tax assets			1,407,185
Deferred mining tax liabilities			(1,465,000)
			57,815

The company has the following temporary differences for which no deferred tax assets have been recorded:

	Federal	**Quebec**	**Mining rights**
Exploration and evaluation assets	5,359,638	-	-
Capital losses	2,227,563	2,227,563	-
Provisions related to the restoration of mining sites	421,180	421,180	421,180
	8,008,381	2,648,743	421,180

(in Canadian dollars)

17- RELATED PARTY TRANSACTIONS

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

Remuneration of the senior officers included the following expenses:

	2022	2021
	$	$
Consulting fees (1)	297,550	389,972
Salaries and payroll expenses	243,114	162,388
Share-based compensation	103,000	-
Total remuneration	643,664	552,360

(1) Consulting fees paid to a company controlled by the Chief Executive Officer for his services up to April 15, 2022.

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 ended June 30, 2022 and 2021:

Transactions with a company controlled by the Chief Operating Officer and President of the Company

	2022	2021
	$	$
Payment of a royalty (2% NSR on the Elder property acquired in 2001 from Canuc Resources Company)	402,427	548,308
Total	402,427	548,308

As at June 30, 2022, the amount due to related parties amounted to $240,066 ($351,310 as of June 30, 2021). These operations took place in the normal course of business and were measured at the exchange amount, which is the consideration established and accepted by the parties. Unless otherwise stated, none of the transactions have special features or conditions, and no warranty has been given or received. Balances are generally settled in cash.

An amount of $21,888 was paid as professional fees to a firm in which one of the directors of the Company is a partner.

18- IMPAIRMENT OF NON-FINANCIAL ASSETS

Mining assets in production and under development

As at June 30, 2022, the Company has determined that the significant losses generated by the mining assets in production as well as the decision to terminate production at the Elder mine were facts and circumstances indicating an impairment of these assets and concluded that an impairment test was necessary for the assets related to the Elder mine and those related to the Sleeping Giant mine. The Sleeping Giant mill was used by the Company to process ore from the Elder Mine and in the future will be used to treat ore from the Sleeping Giant mine as well as from the Discovery, Flordin and Dormex properties when they will be in production. No impairment test has been performed for the mill.

The Company has determined that the recoverable amount of the Elder mine is close to nil given the absence of reserves, the planned operations losses and the obsolescence of equipment. An amount of $11,635,423 was recognized as at June 30, 2022 as loss of value for this asset.

For the Sleeping Giant mine, which is under development, the Company has determined the recoverable amount based on the value in use in using estimated future cash flow projections based on probable reserves and measured and indicated resources of the mine, a gold price of $2,000 per ounce and a discount rate of 20%. No impairment has been recorded for this site.

For the Abcourt-Barvue mining deposit, management reviewed its strategic objectives and made the decision to concentrate its resources on the development of its gold properties. This change indicates a loss in value and the Company has determined that the recoverable value of this equipment is zero given the obsolescence of this equipment and the intentions of management. An amount of $2,819,832 was recognized as of June 30, 2022 as an impairment loss.

18- IMPAIRMENT OF NON-FINANCIAL ASSETS (continued)

Exploration and evaluation assets

Management reviewed its strategic objectives and took the decision to focus its resources on the development of its properties of gold. As of June 30, 2022, an amount of 9,352,756 has been recognized as impairment of exploration assets since management does not intend to continue exploring these sites.

19- RISK ARISING FROM FINANCIAL INSTRUMENTS

Risk management objectives and policies

The Company is exposed to various risks with respect to financial instruments. The financial assets and liabilities of the Company are summarized, by category, in note 3, **Financial Instruments**. The main types of risk are credit risk and liquidity risk.

The Company's risk management is coordinated at its headquarters, in close cooperation with the board of directors, and focuses on actively securing the Company's short to medium-term cash flows by minimising the exposure to volatile financial markets.

The Company does not actively trade financial assets for speculative purposes and does not sell options. The main financial risks to which the Company is exposed are described below.

19.1 Credit risk analysis

Credit risk is the risk that a counterparty fails to discharge an obligation to the Company. The Company is exposed to credit risk from financial assets including receivables and other receivables.

Credit risk management

Credit risk is managed collectively in accordance with the Company's credit risk management policies and procedures.

The Company continuously monitors the credit quality of customers based on a credit rating scorecard. Where available, external credit ratings and/or reports on customers are obtained and used. The Company's policy is to deal only with credit worthy counterparties. The credit terms are 30 days. The credit terms for customers as negotiated with customers are subject to an internal approval process which considers the credit rating scorecard. The ongoing credit risk is managed through regular review of ageing analysis, together with credit limits per customer.

The Company applies the IFRS 9 simplified model of recognizing lifetime expected credit losses for all receivables as these items do not have a significant financing component.

In measuring the expected credit losses, the receivables have been assessed on a collective basis as they possess shared credit risk characteristics. They have been grouped based on the days past due and also according to the geographical location of customers.

The expected loss rates are based on the payment profile for sales over the past 24 months before 30 June 2022 and respectively as well as the corresponding historical credit losses during that period.

Receivables are written off (ie derecognized) when there is no reasonable expectation of recovery. Failure to make payments within 180 days from the invoice date and failure to engage with the Company on alternative payment arrangement amongst other is considered indicators of no reasonable expectation of recovery.

On the above basis there is no expected credit loss for receivables as at June 30, 2022 and 2021.

The credit risk for cash is considered negligible, since the counterparties are reputable banks with high quality external credit ratings.

19.2 Liquidity risk analysis

Liquidity risk is that the Company might be unable to meet its obligations. The Company manages its liquidity needs by monitoring scheduled debt servicing payments for long-term financial liabilities as well as forecast cash inflows and outflows due in day-today business. Accounts payable and accrued liabilities are due within the next period. The long-term balance of long-term debt is due during the year ending June 30, 2024.

19- RISK ARISING FROM FINANCIAL INSTRUMENTS (continued)

19.3 Fair value of financial instruments

Financial assets and financial liabilities measured at fair value in the statements of financial position are grouped according to three levels of the fair value hierarchy. The estimated fair value of long-term debt is comparable at its carrying amount and is classified at level 2 of the fair value hierarchy.

20- SUBSEQUENT EVENTS TO THE DATE OF CLOSING

Private Placements

On July 20, 2022, the Company closed a private placement consisting of 550,000 units at a price of $0.065 per unit for gross proceeds gross of $35,750. Each unit consisted of one Class « B » common share and one warrant. Each warrant entitles the holder to purchase one common share at the exercise price of $0.15 for a period of 3 years from the date of issuance of the warrant.

On July 20, 2022, the Company closed a private placement consisting of 14,475,000 flow-through units at a price of $0.08 per unit for gross proceeds of $1,158,000. Each unit consisted of one Class « B » common share and one warrant. Each whole warrant entitles the holder to purchase one common share at an exercise price of $0.15 for a period of 3 years from the date of issuance of the warrant.

The Company paid a cash commission of $69,000 and issued 862,500 warrants to a intermediary. Each warrant entitles the 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.

On September 27, 2022, the Company closed a private placement consisting of 5,500,000 units at a price of $0.065 per unit for gross proceeds of $357,500. Each unit consisted of one Class « B » common share and one warrant. Each Warrant entitles the holder to purchase one common share at the exercise price of $0.15 for a period of 3 years from the date of issuance of the warrant.

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.

The Company has not determined the accounting impacts of these transactions.

Sale of a royalty

On September 22, 2022, the Company sold a royalty to Maverix Metals Inc. of 2% of net smelter revenue on all metallic and non-metallic minerals mined or otherwise recovered on each of the Sleeping Giant and Dormex properties for $2,000,000 (US$) in cash. The Company has not determined the accounting impacts of the transaction.

Elder Mine

On August 1, 2022, mining activities ceased at the Elder mine. Since that date, the mine was placed in a care and maintenance mode.

21- CAPITAL MANAGEMENT POLICIES AND PROCEDURES

As at June 30, 2022, the Company's capital consists of equity amounting to $8,526,728 ($34,659,688 as at June 30, 2021). 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 June 30, 2022. 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.

22- SEGMENTED 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 in 2022 compared to annual financial statements of 2021 in the basis of segmentation or the basis of evaluation of segment result.

(in Canadian dollars)

22- SEGMENTED INFORMATION (continued)

2022
Segmented information concerning the statement of comprehensive income

	Operating mining site $	Exploration and development $	Corporate $	Total $
Revenues	20,394,883	-	-	20,394,883
Mining operating cost	20,950,062	-	-	20,950,062
Amortization and depletion	1,858,267	-	-	1,858,267
Cost of sales	22,808,329	-	-	22,808,329
GROSS MARGIN	(2,413,446)	-	-	(2,413,446)
Expenses	14,455,255	9,352,756	1,507,806	25,315,817
Amortization of property, plant and equipment	-	-	15,821	15,821
	14,455,255	9,352,756	1,523,627	25,331,638
OPERATING EARNINGS	(16,868,701)	(9,352,756)	(1,523,627)	(27,745,084)
FINANCE COSTS AND REVENUES	7,649	83,921	8,447	100,017
EARNINGS BEFORE INCOME AND MINING TAXES	(16,876,350)	(9,436,677)	(1,532,074)	(27,845,101)
Addition of property, plant and equipment	1,850,069	2,985,191	-	4,835,260
Addition to exploration and evaluation expenses	-	185,188	-	185,188
Current assets	3,326,764	-	72,209	3,398,973
Restoration deposit	497,572	5,370,214	-	5,867,786
Property, plant and equipment	2,837,260	10,776,964	-	13,614,224
Exploration and evaluation assets	-	1,060,476	-	1,060,476
Total assets	6,661,596	17,207,654	72,209	23,941,459

(in Canadian dollars)

22- SEGMENTED INFORMATION (continued)

2021
Segmented information concerning the statement of comprehensive income

	Operating mining site	Exploration and development	Corporate	Total
	$	$	$	$
Revenues	27,587,100	-	-	27,587,100
Mining operating cost	21,534,030	-	-	21,534,723
Amortization and depletion	2,626,723	-	-	2,626,723
Cost of sales	24,160,753	-	-	24,160,753
GROSS MARGIN	3,426,347	-	-	3,426,347
Expenses	-	-	1,145,117	1,145,117
Amortization of property, plant and equipment	-	-	7,503	7,5035
	-	-	1,152,620	1,152,620
OPERATING EARNINGS	3,426,347	-	(1,152,620)	2,273,727
FINANCE COSTS AND REVENUES	2,995	26,189	(2,065)	27,119
EARNINGS BEFORE INCOME AND MINING TAXES	3,423,352	(26,189)	(1,150,555)	2,246,608
Addition of property, plant and equipment	2,493,225	2,839,140	-	5,332,365
Addition to exploration and evaluation expenses	-	449,773	-	449,773
Current assets	6,786,265	-	147,300	6,933,565
Restoration deposit	497,572	5,370,214	-	5,867,786
Property, plant and equipment	14,566,026	10,712,070	-	25,278,096
Exploration and evaluation assets	-	10,288,044	-	10,228,044
Deferred income and mining tax assets	1,407,185	-		1,407,185
Total assets	23,312,048	26,255,328	147,300	49,714,676