



MANAGEMENT DISCUSSION AND ANALYSIS

Three and Nine Months ended March 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 March 31, 2023 compared to the same quarter for 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, 2022 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 May 17, 2023 and contains updated information, unless indicated otherwise. You are invited to review the Company’s profile on SEDAR at www.sedar.com, 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, including, but not limited to those mentioned in the “RISK FACTORS” section. 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 OF MARCH 31, 2023

- Revenues of \$6,230,336 for the quarter ended March 31, 2023, mainly from the sale of ounces of gold from the clean-up at the Sleeping Giant mill.
- Earnings of \$2,089,828 and adjusted net earnings of \$2,336,744, compared to a net loss of \$1,342,164 and an adjusted net loss of \$918,880 for the same period in 2022.
- Cost of sales of \$2,007,760, compared to \$6,333,486 in Q3-2022, a significant decrease explained by the cessation of mining operations at the Elder mine.
- Ounces sold were 2,394 ounces compared to 2,210 for the same period in 2022 and came from the clean-up at the mill. The average price realized on the sale of gold for the quarter was \$2,597 (US\$1,926) per ounce of gold, compared to \$2,369 (US\$1,880) in Q3-2022, which is comparable.

- Cash of \$3,328,497, compared to \$720,512 as at June 30, 2022. Negative working capital of \$1,728,449 compared to a negative working capital of \$5,246,416 as at June 30, 2022. A net improvement of cash and working capital during the quarter and the nine-month period ended March 31, 2023, compared to June 30, 2022, in part related to financing activities.
- On August 1, 2022, the Company ceased the mining operations at the Elder mine.

STRATEGY AND OUTLOOK

During the quarter ended March 31, 2023, the Company completed an updated of the mineral resource estimate (MRE) for the Sleeping Giant mine. This MRE update released on December 13, 2022 in a press release, and published on SEDAR, January 25 2023, in the form of the NI 43-101 Technical Report is as follows:

Mineral Resource Estimate for the Sleeping Giant Mine (Effective as of December 12, 2022)

	Potential Long Holes (cut off at 4,25 g/t Au)			Potential Room and Pillars (Cut-off at 5,0 g/t Au)			Total		
	Tonnes	Grade (Au g/t)	Ounces Au	Tonnes	Grade (Au g/t)	Ounces Au	Tonnes	Grade (Au g/t)	Ounces Au
Indicated Resources									
	677,000	7.03	153,000	78,000	7.98	20,000	755,000	7.14	173,300
Inferred Resources									
	677,000	8.13	177,000	207,000	10.67	71,000	884,000	8.74	248,300

Notes to the 2022 MRE

- The independent and qualified persons for the 2022 MRE, as defined by NI 43-101 are Olivier Vadnais-Leblanc, (P. Geo.) and Eric Lecomte, (P. Eng), both from InnovExplo Inc.
- These mineral resources are not mineral reserves because they do not have demonstrated economic viability. The results are presented undiluted and are considered to have reasonable prospects of economic viability. The 2022 MRE follows the CIM Definition Standards and CIM Guidelines.
- The estimate encompasses 846 mineralized zones modelled using a minimal geological width of 0.5m using Genesis software.
- A density value of 2.85 g/cm³ (based on measurements and mine et mill reconciliation) was assigned to all mineralized zones.
- High-grade capping supported by statistical analysis was established at 95 g/t Au for all mineralized zones and applied to the composite data. Composites (0.5 m) were calculated within the zones using the grade of the adjacent material when assayed or a value of zero when not assayed.
- The RPEEE requirement (Reasonable Prospect of Eventual Economical Extraction) is fulfilled using cut-off grades based on reasonable mining parameters and locally constrained within Deswik Stope Optimizer shapes using a minimal mining width of 1.7 m for both potential methods. It is reported at a rounded cut-off grade of 4.25 g/t Au using the long-hole (“LH”) method, and 5.0 g/t Au, using the room and pillar (“R&P”) method. The cut-off grades were calculated using the following parameters: mining cost = C\$213.96/t (LH) to C\$261.56/t (R&P); processing cost = C\$35.10/t; G&A = C\$22.09/t; gold price

= US\$1,650.00/oz and USD: CAD exchange rate = 1.30. The cut-off grades should be re-evaluated in light of future prevailing market conditions (metal prices, exchange rates, mining costs etc.).

- vii. The estimate was completed using a sub-block model in Surpac 2022. A 4m x 4m x 4m parent block size was used (1m x 1m x 1m sub-blocked). Grade interpolation was obtained by Inverse Distance Squared (ID2) using hard boundaries.
- viii. The mineral resource estimate is classified as Indicated and Inferred. The Inferred category is defined with a minimum of three (3) drill holes within the areas where the drill spacing is less than 75 m and shows reasonable geological and grade continuity. The Indicated mineral resource category is defined with a minimum of four (4) drill holes within the areas where the drill spacing is less than 30 m and shows reasonable geological and grade continuity.
- ix. The number of metric tonnes was rounded to the nearest hundred, following the recommendations in NI 43-101 and any discrepancies in the totals are due to rounding effects. The metal contents are presented in troy ounces (tonnes x grade / 31.10348) rounded to the nearest hundred.
- x. The independent and qualified persons for the 2022 MRE are not aware of any known environmental, permitting, legal, political, title-related, taxation, socio-political, or marketing issues that could materially affect the Mineral Resource Estimate.

During the quarter ended March 31st, the Company worked on developing a Preliminary Economic Assessment (PEA) based on the December 2022 MRE at the Sleeping Giant Mine. Abcourt expects to publish the PEA during the quarter ended June 30, 2023. Thereafter, Abcourt plans to proceed with a drill campaign to convert the inferred resources within the PEA to indicated category to support a Pre-Feasibility Study (PFS). The company also plans to drill in areas where it could anticipate significant increase in resources. Given that the mill at the Sleeping Giant mine is operational and has all the governmental authorizations to start mining and processing the ore at the Sleeping Giant site, Abcourt anticipate a potentially low initial capital cost to start the operations.

Finally, the Company owns several mining properties on which no activity is carried out, and it must assess the relevance of keeping, developing or selling them. The Company started updating the MRE on the Flordin and Discovery deposits in the fall of 2022. The MRE at Discovery was released in April 2023, and the MRE at Flordin was filed at the date of this management report. The company is preparing a drill campaign on the discovery and Flordin deposits in the Lebel-sur-Quévillon area for the Summer/Fall 2023 to potentially increase the resources in the sector.

On June 9, 2022, the Company announced that it had entered into a non-binding letter of intent with Pershimex Resources Corporation ("Pershimex") (TSX Venture: PRO) with respect to a proposed transaction, whereby the Company would acquire all the issued and outstanding securities of Pershimex by way of a three-cornered amalgamation. The proposed transaction will create value for shareholders of both companies and is consistent with Abcourt's vision to become a larger and more diversified emerging gold producer and explorer in Quebec.

On October 5, 2022, the Company announced the signing of an amended letter of intent with Pershimex which amends the letter dated June 9, 2022. The amended letter of intent aims to clarify the rights and obligations of the parties, in particular the abandonment of the exclusivity offered by Pershimex to Abcourt and the extent of the termination fees, all depending on the progress of the discussions between Abcourt and Pershimex to finalize the transaction. In the amended agreement of October 5, 2022, the exchange ratio remains unchanged at 0.5712.

On November 18, 2022, Abcourt and Pershimex entered into a definitive amalgamation agreement (the "Amalgamation Agreement"), pursuant to which Abcourt agreed to acquire all of the issued and outstanding common shares of Pershimex (the "Shares of Pershimex") to create one of the largest property portfolios amongst gold explorers across major gold districts in Quebec and massive diversified emerging gold producers and explorer in Quebec (the "Transaction").

On December 27, 2022, Pershimex shareholders approved in majority the Transaction. On May 11, 2023, the transaction was completed, the shareholders of Pershimex received 0.5712 share of Abcourt for each Pershimex share.

MAIN FINANCIAL AND OPERATIONAL DATA

	March 31, 2023 3 months	March 31, 2022 3 months	Change	March 31, 2023 9 months	March 31, 2022 9 months	Change
Revenues (\$)	6,230,336	5,251,804	19%	13,041,209	19,500,838	-13%
Costs of sales (\$)	2,007,760	6,333,486	-68%	6,802,098	22,098,946	-70%
Gross margin (\$)	4,222,576	(1,081,682)		6,239,111	(2,598,108)	
Administration expenses (\$)	1,930,532	237,524		4,652,103	769,155	
Net income (\$)	2,089,828	(1,342,164)		1,255,416	(3,431,861)	
Adjusted net earnings (1) (\$)	2,336,744	(918,880)		1,758,427	(1,746,874)	
Cash provided by operating activities, after changes in non-cash working capital items (\$)	3,109,292	(677,344)		1,129,989	47,879	
Cash flows from financing activities	(172,818)	860,949	-	975,434	701,118	
Cash flows from investing activities	(665,836)	(158,419)	-	502,562	(2,146,501)	
Basic earnings per share (\$)	0.007	(0.004)	-	0.004	(0.011)	
Adjusted net earnings per share (\$)	0.007	(0.003)	-	0.005	(0.006)	
Cash (\$)	3,328,497	1,057,141	215%			
Working capital (\$)	(1,728,449)	(4,370,888)	62%			
Total assets (\$)	22,066,993	48,239,846	-54%			
Non-current liabilities (\$)	7,341,602	7,726,148	-5%			
Equity (\$)	8,247,264	31,227,827	-73%			
Revenue from gold sales (\$) (Elder and Sleeping giant mines)	6,218,340	5,235,162	19%	12,951,831	19,448,190	-33%
Ounces of gold sold	2,394	2,210	8.3%	5,290	8,498	-38%
Average realized price per ounce (\$)	2,597	2,369	9.7%	2,448	2,289	7%
Average realized price per ounce (US\$)	1,926	1,880	2%	1,832	1,820	1%
Average exchange rate CAN\$ / US\$	1.35	1.26	7%	1.34	1.26	6%

1) Non-IFRS measures. See explanations on page 13.

REVIEW OF FINANCIAL RESULTS

During the quarter, revenues totaled \$6,230,336, an increase of 19% compared to the corresponding period of 2022, when they stood at \$5,251,804. Revenues for the quarter mainly result from the sale of ounces of gold recovered from the clean-up of the mill at the Sleeping Giant site. The Company sold 2,394 ounces of gold during the quarter at an average realized price of \$2,597 (US\$1,926) per ounce versus to 2,210 ounces of gold sold at an average realized price of \$2,369 (US\$1,880) per ounce during the same period of 2022. Revenues of the Company for the same period of 2022 come from the operations at the Elder mine. The Company ceased the mining operations at the Elder mine on August 1, 2022.

Cost of sales for the quarter totaled \$2,007,760 compared to \$6,333,486 for the same period in 2022, a decrease of 68%. The cost of sales for the quarter corresponds mainly to the clean-up work costs at the mill. The cost of sales in 2022 is composed of the production costs of ounces sold from the Elder mine and the Sleeping Giant mine.

Administrative expenses amounted to \$1,930,532 in 2023, compared to \$237,524 in 2022, an increase of \$1,693,008. The increase is mainly due to care and maintenance expenses in the amount of \$1,471,572. Care and maintenance expenses consist of the cost of work to maintain the facilities and equipment of the Company's various sites in good standard. Following the shutdown of production at the Elder mine, all of the Company's sites were placed in care and maintenance mode. The Company has ceased rehabilitation and development operations at the Sleeping Giant mine and placed it in care and maintenance mode and is developing a budget plan to bring the Sleeping Giant mine back into production. The surface infrastructures, the mill and the tailings pond have also been placed in care and maintenance mode.

Shareholder and investor relations and the salaries increased significantly by 230% and 130% compared to the same period in 2022. In 2023, management affected more resources to the development of an investor relations strategy for the Company. In 2023, the salaries include the salary paid to the President, in 2022 the former President received fees which were presented in the professional fees.

The Company realized earnings for the quarter of \$2,089,828, or earnings per share of \$0.007, compared to a loss of \$1,342,164 or a loss per share of \$0.004, for the same period in 2022. The Company has adjusted net earnings of \$2,336,744, or adjusted net earnings per share of \$0.007, compared to an adjusted net loss of \$918,880 or an adjusted net loss per share of \$0.003 for the same period in 2022.

Cash provided by operating activities (after changes in non-cash working capital items) for the quarter was \$3,109,292 compared to (\$677,344) for the same period in 2022. The increase in cash is attributable to the clean-up of the mill of the Sleeping Giant mine site and lower costs since the shutdown of the operations.

As at March 31, 2023, the Company's working capital was (\$1,728,449), compared to (\$5,246,416) as at June 30, 2022. Since June 30, 2022, working capital has improved due to the decrease during the quarter in accounts payable and accrued liabilities and the increase in cash. Cash from the sale of gold recovered from the clean-up at the mill and lower costs have improved the Company's working capital.

Exploration expenses of an amount of \$147,114 for the quarter correspond to the fees of the firm Innov-Explo for the resource update on the Discovery and Flordin properties.

During the quarter, the main capital investments were made at the Sleeping Giant mine. The Company commissioned the independent firm Innov-Explo to prepare a Preliminary Economic Assessment (PEA) for the Sleeping Giant mine based on the December 2022 MRE.

Nine-month period ended March 31, 2023

For the nine-month period, revenues totaled \$13,041,209, a decrease of 33% compared to the corresponding period of 2022, when they stood at \$19,500,838. Revenues for the period mainly result from the sale of ounces of gold and silver in inventory as at June 30, 2022 from the production of the Elder mine and the sale of ounces recovered from the cleaning of the mill at the Sleeping Giant site. During the month of September, the Company began cleaning its mill at the Sleeping Giant mine site in order to recover the ounces of gold and silver in the circuit. The recovery of ounces in the circuit continued through early 2023. During the period, the Company sold 5,290 ounces of gold at an average realized price of \$2,448 (US\$1,832) per ounce compared to 8,498 ounces of gold sold at an average realized price of \$2,289 (US\$1,820) per ounce during the same period in 2022. The Company's revenues for the same period in 2022 are from operations at the Elder mine.

Cost of sales for the period totaled \$6,802,098 compared to \$22,098,946 for the same period in 2022, a decrease of 70%. The cost of sales for the nine-month period corresponds to the costs of inventories as at June 30, 2022, the milling costs of the last tonnes of the Elder mine and from Sleeping Giant mine, as well as to the costs resulting from the work to recover the ounces of gold and silver in the circuit. The cost of sales in 2022 is composed of the production costs of ounces sold from the Elder mine and the Sleeping Giant mine.

Administrative expenses amounted to \$4,652,103 in 2023, compared to \$769,155 in 2022, an increase of \$3,882,948. The increase is mainly due to care and maintenance expenses in the amount of \$3,123,986. Care and maintenance expenses consist of the cost of work to maintain the facilities and equipment of the Company's various sites in good condition. Following the shutdown of production at the Elder mine, all of the Company's sites were placed in care and maintenance mode. The Company has ceased rehabilitation and development activities at the Sleeping Giant mine and placed it in care and maintenance mode and is developing a budget plan to bring the Sleeping Giant mine back into production in 2023. The surface infrastructures, the mill and the tailings pond have also been placed in care and maintenance mode.

Shareholder and investor relations and the salaries increased significantly by 156% and 132% compared to the same period in 2022. In 2023, management affected more resources to the development of an investor relations strategy for the Company. In 2023, the salaries include the salary paid to the president, in 2022 the former president received fees which were presented in the professional fees.

The Company realized earnings for the nine-month period of \$1,255,416, or earning per share of \$0.004, compared to a loss of \$3,431,861 or a loss per share of \$0.011, for the same period in 2022. The Company has adjusted net earnings of \$1,758,427, or adjusted net earning per share of \$0.005, compared to an adjusted net loss of \$1,746,874 or an adjusted net loss per share \$0.006 for the same period in 2022.

Cash provided by operating activities (after changes in non-cash working capital items) for the period was \$1,129,989 compared to \$47,879 for the same period in 2022. The increase in cash is attributable to the

clean-up of the mill of the Sleeping Giant mine site and lower costs since the shutdown of the operations.

KEY QUARTERLY FINANCIAL AND OPERATIONAL DATA

	2023 March	2022 March	2022 Dec.	2021 Dec.	2022 Sept.	2021 Sept.	2022 June	2021 June
<u>FINANCIAL DATA</u>								
Revenues (\$)	6,230,336	5,251,804	4,118,938	7,148,225	2,691,935	7,100,809	4,113,535	6,602,386
Costs of sales (\$)	2,007,760	6,333,486	2,001,514	8,670,386	2,792,824	6,722,895	6,757,597	5,972,046
Gross margin	4,222,576	(1,081,682)	2,117,424	(1,522,161)	(100,889)	377,914	(2,644,062)	630,340
Administrative expenses (\$)	1,930,532	237,524	1,720,431	278,346	1,001,140	253,285	24,562,483	345,536
Net earnings (\$)	2,089,828	(1,342,164)	344,151	(1,821,716)	(1,144,563)	104,198	(27,245,905)	547,232
Adjusted net earnings (1) (\$)	2,336,744	(918,880)	477,855	(1,224,168)	(1,056,172)	768,353	(2,963,102)	999,075
Cash generated (used) by operating activities, after changes in non-cash working capital items (\$)	3,109,292	(677,344)	(624,002)	888,384	(1,355,301)	209,018	(1,748,665)	(104,780)
Net earnings per share basic (\$)	0.01	(0.00)	0.00	(0.00)	(0.00)	0.00	(0.09)	0.00
Adjusted net earnings per share (1) (\$)	0.01	(0.00)	(0.00)	(0.00)	(0.00)	0.00	(0.01)	0.00
<u>OPERATING STATISTICS :</u>								
Elder_Mine :								
Ore extracted (tonnes)	-	13,475	-	16,310	-	24,640	11,651	25,670
Ore milled (tonnes)	-	11,844	-	17,836	-	24,637	12,296	24,509
Grade of tonnes produced (g/t Au)	-	4.9	-	3.7	-	4.3	3.4	4.2
Gold recovery (%)	-	96.2	-	95.86	-	96.16	95.23	96.46
Ounces produced	-	1,791	-	2,017	-	3,271	1,285	3,166
Elder Mine & Sleeping Giant mine:								
Revenue from the sale of gold (\$)	6,218,340	5,235,162	4,053,550	7,132,229	2,658,143	7,056,795	3,192,265	6,579,561
Ounces sold	2,394	2,210	1,726	3,165	1,174	3,123	1,333	2,959
Average realized gold price per ounce (\$)	2,597	2,369	2,353	2,253	2,264	2,260	2,395	2,224
Cash costs per ounce of gold produced (1) (Elder Mine)	-	2,595	-	2,197	-	1,766	3,824	1,803
Total cash costs per ounce of gold produced (\$) (1) (Elder mine)	-	2,743	-	2,693	-	2,095	4,311	2,170
Average price realized per ounce (\$US)	1,926	1,880	1,750	1,794	1,742	1,794	1,871	1,823
Production cash costs per ounce (\$US) (1)	-	1,752	-	1,752	-	1,403	2,988	1,478
Total production cost per ounce (\$US) (1)	-	2,147	-	2,147	-	1,664	3,368	1,779
Average exchange rate \$CAN / \$US	1.35	1.26	1.34	1.25	1.30	1.26	1.28	1.22
All-in sustaining costs	-	29,456	-	1,095,558	-	712,119	1,400	742,324

1) Non-IFRS measures, see explanations on page 13.

FINANCING POSITION

	March 31 2023	June 30, 2022	Explanation of changes
	\$	\$	
Current assets	4,749,678	3,398,973	The increase in current assets is attributable to the increase in Cash.
Non-current assets	17,317,315	17,713,762	Non-current assets are comparable.
Total assets	22,066,993	21,112,735	
Current liabilities	6,478,127	8,645,389	The decrease in non-current liabilities is due to the decrease in accounts payable and accrued liabilities during the nine-month period ended March 31, 2023. During this period, the Company used the funds generated from the issuance of common shares units, the sale of the royalty as well as the sale of gold recovered from the clean-up of the mill of the Sleeping Giant mine to significantly reduce accounts payable.
Non-current liabilities	7,341,602	6,769,342	Non-current liabilities are comparable.
Total liabilities	13,819,729	15,414,731	
Equity	8,247,264	5,698,004	Equity increased due to the issuance of units during the nine-month period ended March 31, 2023.

CASH AND SOURCES OF FINANCING

The Company's strategy is to generate cash from operating activities to fund the operation and development of projects and to meet capital requirements from its cash resources. Significant increases or decreases in the Company's cash and capital resources are primarily determined by the success or failure of the Company's mining, exploration and development programs and its ability to issue shares or obtain other sources of funding.

As at March 31, 2023, the Company had cash of \$3,328,497, compared to \$720,512 as at June 30, 2022. Of this amount, \$1.2 million is reserved for exploration and evaluation expenses.

Sources of equity financing

On July 20, 2022, the Company completed a private placement consisting of 550,000 units at a price of \$0.065 per unit for gross proceeds of \$35,750. Each unit consisted of one Class "B" common share and one warrant. Each whole warrant entitles the holder to subscribe to 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 July 20, 2022, the Company completed a private placement consisting of 14,475,000 flow-through units at a price of \$0.08 per unit for gross proceeds of \$1,158,000. Each unit consists of one Class “B” flow-through common share and one warrant. Each whole warrant entitles the holder to subscribe to 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 5,000,000 units at a price of \$0.065 per unit for gross proceeds of \$325,000. Each unit consists of one Class “B” common share and one warrant. Each warrant entitles the holder to subscribe to 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.

As part of the private placement closed on September 27, 2022, the Company accepted on October 11, 2022 an additional subscription of 500,000 units at a price of \$0.065 per unit for an amount of \$32,500.

On September 22, 2022, the Company sold to Maverix Metals Inc. a 2% net smelter return royalty on all metallic and non-metallic minerals mined or otherwise recovered on each of the Sleeping Giant and Dormex properties in consideration of US\$ 2,000,000 in cash (amount received of \$2,651,875) (the Royalty Agreement).

Pursuant to the Royalty Agreement, the Company may at any time before the third anniversary of its signature, elect to reduce the royalty rate by 0.5% upon payment of an amount of US\$2,000,000 to Maverick Metals Inc., and may, at any time prior to the sixth anniversary of signature of the Royalty Agreement, elect to reduce the royalty rate by 0.5% upon payment of US\$4,000,000 to Maverick Metals Inc., thus reducing the royalty rate to 1.0%, as long as Abcourt has exercised the option before the third anniversary of signature of the Royalty Agreement to reduce the royalty rate by 0.5% by paying US\$2,000,000 to Maverick Metals Inc.

CASH FLOWS

	March 31, 2023 3 months \$	March 31, 2022 3 months \$	March 31, 2023 9 months \$	March 31, 2022 9 months \$
Cash generated (used) by operating activities, after changes in non-cash working capital items	3,109,292	(677,344)	1,129,989	47,897
Cash flows from financing activities	(172,818)	860,949	975,434	701,118
Cash flows from investing activities	(665,836)	(158,419)	502,562	(2,146,501)
Increase (decrease) in cash	2,270,638	25,186	2,607,985	(1,397,504)
Cash, at the end of the quarter	3,328,497	1,057,141	3,328,497	1,057,141

Operating Activities

During the three and nine-month periods ended March 31, 2023, cash flow from operating activities generated \$1.1M, which is due to lower costs and the sale of gold recovered from the clean-up of the Sleeping Giant mill.

Financing Activities

During the three and nine-month period ended March 31, 2023, cash flow from financing activities generated \$1M following the issuance of common share units and flow-through units for a total amount of \$1.5M, less share issuance costs and the repayment of the long-term debt.

Investing Activities

During the three- and nine-month period ended March 31, 2023, cash flows from investing activities generated cash in the amount of \$500K, mainly from the sale of a royalty for an amount of \$2.7M, less the financing costs of an amount of \$175K and the investment in property, plant and equipment and exploration and evaluation assets for a total amount of \$2M.

OUTSTANDING SHARE CAPITAL

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

As at May 17, 2023

Common shares issued	348,814,130
Stock options (average exercise price: \$0.08)	3,800,000
Warrants (average exercise price: \$0.15)	37,275,000
Warrant to intermediaries (average exercise price: \$0.15)	1,162,000

RELATED-PARTY TRANSACTIONS

During the quarter ended March 31, 2023, the Company incurred the following expenses with members of the Board of directors and senior officers of the Company.

In addition to the amounts presented in the note on key management personnel compensation, here are the related party transactions for the quarter:

	March 31, 2023		March 31, 2022	
	3 months \$	9 months \$	3 months \$	9 months \$
Consulting fees ⁽¹⁾	-	-	109,632	283,356
Salaries and benefits	204,992	526,038	55,843	98,691
Total remuneration	<u>204,992</u>	<u>526,038</u>	<u>165,475</u>	<u>382,047</u>

(1) Fees paid to a private company controlled by the Chief Executive Officer and President of the Corporation for his services up to April 15, 2022.

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

	March 31, 2023		March 31, 2022	
	3 months	9 months	3 months	9 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, 2022)	7,653	104,431	83,087	339,128
Professional fees with a firm in which one of the directors of the Company is a partner.	6,350	148,792	-	21,888

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.

As at March 31, 2023, the amount due to related parties was \$190,275 (\$529,162 as at March 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 3 and 4 of the audited annual financial statements dated June 30, 2022.

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 the sites of Elder and Sleeping Giant;
- Gold and silver sales contract with Auramet;
- Loan from Royal Bank of Canada;
- A financing contract with Ford for the purchase of a van;
- General insurance and liability insurance premium financings.

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 will be used when updating the plan within the preliminary economic assessment (PEA) in the spring of 2023.

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 19 of the annual financial statements for the year ended June 30, 2022.

NON-IFRS FINANCIAL PERFORMANCE MEASURES

This MD&A presents certain measures of financial performance, namely total cash production costs per ounce of gold sold, costs to maintain production per ounce of gold sold, and earnings before interest, taxes, amortization and depreciation of property, plant and equipment and exploration and evaluation assets as well as the overall cost of production, which do not have standardized definitions under IFRS.

These performance measures may not be comparable to those presented by other gold producers. Non-IFRS measures of financial performance should be considered in conjunction with other data prepared under IFRS.

Adjusted net earnings is a performance measure that members of management use to assess the performance of the Company's operations, without taking into account the impact of accounting policies, tax laws as well as capital structure because that these latter elements could potentially give

a false representation of the Company's ability to generate cash from its operations. Adjusted net earnings excludes interest, tax, amortization and depreciation of property, plant and equipment and exploration and evaluation assets.

Cash cost and overall cost of production are commonly used performance measures within the gold mining industry. The Company reports cash cost per ounce data based on the number of ounces sold. Cash costs include mining costs and royalty costs but exclude amortization and depletion and capital investments. The overall cost of production includes the cost of sales, the investments necessary to maintain operations, the administration costs, except for depreciation and depletion, the cost of accretion as well as the depreciation of property, plant and equipment and exploration and evaluation assets. The Company considers that the overall cost of production presents a more complete picture of the Company's performance and its ability to generate cash.

Adjusted net earnings (Measures non defined by IFRS):

	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
	3 months	3 months	9 months	9 months
Operational earnings	2,292,044	(1,319,206)	1,587,008	(3,367,263)
Adjustments:				
Interests and penalties on taxes	19,822	14,596	77,843	62,665
Amortization and depletion	-	381,029	35,542	1,546,272
Amortization	24,878	4,701	33,784	11,452
Share-based compensation	-	-	21,000	-
Depreciation of property, plant and equipment	-	-	2,111	-
Depreciation of exploration and evaluation expenses	-	-	1,139	-
Sub-total	44,700	400,326	171,419	1,620,389
Adjusted net earnings	2,336,744	(918,880)	1,758,427	(1,746,874)
Net earnings per share				
Basic	0.007	(0.003)	0.005	(0.006)
Diluted	0.007	(0.003)	0.005	(0.006)
Weighted average of outstanding shares				
Basic	348,814,131	311,539,131	339,163,584	311,539,131
Diluted	349,436,687	311,539,131	339,739,373	311,818,114

Reconciliation of quarterly operating profit to adjusted net profit

	2023	2022	2022	2021	2022	2021	2022	2021
	March	March	Dec.	Dec.	Sept.	Sept.	June	June
<u>Adjusted net earnings: (\$)</u>								
Operating earnings	2,292,044	(1,319,206)	396,993	(1,800,507)	(1,102,029)	124,629	(27,206,545)	284,804
Interests and tax penalties	19,822	14,596	38,037	14,631	19,984	33,438	16,068	92,560
Amortization and depletion	-	381,029	15,434	556,647	20,108	608,596	311,995	619,899
Amortization	24,878	4,701	6,391	5,061	2,515	1,690	4,369	1,812
Share based compensation	-	-	21,000	-	-	-	103,000	-
Depreciation of property, plant and equipment	-	-	-	-	2,111	-	14,455,255	-
Depreciation of exploration and evaluation assets	-	-	-	-	1,139	-	9,352,756	-
Sub-total	44,700	400,326	80,862	576,339	45,857	643,724	24,243,443	714,271
Adjusted net earnings	2,336,744	(918,880)	477,855	(1,224,168)	(1,056,172)	768,353	(2,963,102)	999,075
Adjusted net earnings per share (\$)	0.01	(0.00)	0.00	(0.00)	(0.00)	0.00	(0.01)	0.00
Weighted average number of common shares outstanding basic	348,814,131	311,539,131	348,754,347	311,539,131	340,210,870	311,539,131	317,061,109	311,389,131

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

May 17, 2023