



MANAGEMENT DISCUSSION AND ANALYSIS

For the Year ended June 30, 2023

ABCOURT MINES INC.

MANAGEMENT'S DISCUSSION AND ANALYSIS

This management's discussion and analysis report ("MD&A") provides an analysis of our mining operation, exploration and evaluation results, as well as of our financial position which will enable the reader to assess material changes in mining operation, exploration and evaluation, and financial position results of Abcourt Mines Inc. (the "Company") for the year ended June 30, 2023. This MD&A supplements our audited financial statements and should be read in conjunction with our consolidated financial statements and the accompanying notes. Consolidated financial statements for the year ended June 30, 2023, were prepared in accordance with the applicable international accounting system. All monetary values included in this report are in Canadian dollars, unless it is indicated otherwise. Our consolidated 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 November 24, 2023, and contains updated information, unless indicated otherwise.

You are also 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

Some statements contained in this MD&A constitute forward-looking statements including, without limitation, anticipated development in the Company's operations in future periods as well as other events or conditions that may occur in the future. Forward-looking statements are statements about future events that involve inherent uncertainties. These statements are about the future and are inherently uncertain and actual achievements of the Company or other future events or conditions may differ materially from those reflected in the forward-looking statements due to a variety of risks, uncertainties and other factors, including, without limitation, those mentioned herein under heading « RISKS AND UNCERTAINTIES ». Management believes that the expectations reflected in those statements are reasonable but no assurance can be given that these expectations will prove to be correct. It is recommended not to place undue reliance on forward-looking statements as the plans, intentions or expectations upon which they are based might not occur.

HIGHLIGHTS FOR THE YEAR

- Revenues of \$7,014,494 for the year ended June 30, 2023, from the sale of ounces of gold from the clean-up at the Sleeping Giant mill.
- Proceeds from the sale of gold from the Sleeping Giant property for an amount of \$6,684,299 from the clean-up of the Sleeping Giant mill.
- Net loss of \$5,337,044 compared to a net loss of \$21,621,251 in 2022.
- Cost of sales of \$4,235,799, compared to \$22,808,329 in 2022, a significant decrease explained by the shut-down of the mining operations at the Elder mine.

- 5,545 ounces of gold sold compared to 10,157 for the same period in 2022 and came from the clean-up of the Sleeping giant mill. The average realized price for the sale of gold for the year was \$2,439 (US\$1,825) per ounce of gold, compared to \$2,305 (US\$1,833) in 2022, which is comparable.
- Cash of \$963,974, compared to \$720,512 as at June 30, 2022. Negative working capital of \$4,476,223 compared to a negative working capital of \$5,246,416 as at June 30, 2022; an improvement of cash and working capital during the year, in part due to financing activities and the sale of the royalty on the Sleeping Giant and Dormex properties.
- As at August 1, 2022, the Company shut-down operations at the Elder mine, and placed the mine on a care and maintenance mode. All underground equipment has been brought to the surface. The skips and cables from the mine shaft have been salvaged. The site has been secured and the mine flooded.
- On September 22, 2022, the Company sold a 2% net smelter return royalty to Maverix (« Maverix ») on all metallic and non-metallic minerals mined or otherwise recovered on each of the Sleeping Giant and Dormex properties for a consideration of US\$2,000,000 in cash.

According to the royalty agreement, the Company may at any time prior to the third anniversary of signing the agreement, elect to reduce the royalty rate by 0.5% upon payment of an amount of US\$2,000,000, and may, at any time prior to the sixth anniversary of the signing of the royalty agreement, elect to reduce the royalty rate by 0.5% upon payment of an amount of US\$4,000,000 to Maverix, thus reducing the royalty rate at 1.0%, provided that Abcourt has opted to exercise the option before the third anniversary of the signing of the agreement to reduce the royalty rate by 0.5% by paying US\$2,000,000 to Maverix.

The Company paid a 4% fee to Red Cloud Securities Inc. for its services as financial advisor in connection with the Transaction.

- On September 27, 2022, the Company closed a private placement consisting of 5,000,000 units at price of \$0.065 per unit for gross proceeds of \$325,000. Each unit is composed of one Class « B » common share and one warrant. Each warrant entitles its holder to purchase one Class « B » common share at an exercise price of \$0.15 for a period of 3 years from the date of issuance of the warrant.

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

- On December 13, 2022, the Company announced an update of the Mineral Resource Estimate (“MRE”) for the Sleeping Giant mine. This MRE reflects the results of approximately 1.19 million meters of drilling, of which 9,281 meters were carried out by Abcourt from 2016 up to May 2022, as well as all assay results received until September 2022. The MRE was carried out by the firm InnovExplo of Val-d’Or.
- On April 6, 2023, the Company announced its first MRE for the Discovery project, a gold deposit entirely owned by the Company and located in the Abitibi greenstone belt, 80 km east of the Sleeping

Giant mill and 35 km north of the town of Lebel-sur-Quévillon in Quebec. This MRE reflects the results of approximately 158 thousand meters of drilling, including 35,551 meters that were carried out from 2010 up to 2018. The MRE was carried out by the firm InnovExplo of Val-d'Or.

- On May 11, 2023, the Company announced that it had completed the previously announced acquisition of all of the issued and outstanding common shares of Pershimex (the “Pershimex shares”) by way of a three-cornered amalgamation (the “Amalgamation”) under the Canadian Business Corporations Act. Under the terms of the Amalgamation, Abcourt acquired all of the issued and outstanding shares of Pershimex for a consideration (the “exchange ratio”) of 0.5712 common share of Abcourt (the “Abcourt Shares”) for each outstanding share of Pershimex.
- On May 18, 2023, the Company announced its first MRE for the Flordin project, a gold deposit entirely owned by the Company and located in the Abitibi greenstone belt, 85 km east of the Sleeping Giant mill and 30 km north of the town of Lebel-sur-Quévillon in Quebec. This MRE reflects the results of approximately 73.4 thousand meters of drilling, including 34,9 thousand of meters that were carried out from 2010 up to 2020. The ERM was carried out by the firm InnovExplo of Val-d'Or.
- On June 5, 2023, the Company announced the death of the Company's founder, Renaud Hinse. Mr. Hinse founded the Company in 1979 and served as its President and CEO until April 2022. He was still a director of the Company at the time of his death.
- On June 7, 2023, the Company announced the positive results of an independent Preliminary Economic Analysis (“PEA”) prepared in accordance with NI 43-101 for the Sleeping Giant project.

PEA Highlights

Base Case Scenario :

Gold Price : 1800 \$ US/oz, Exchange Rate : 1.00 USD = 1.30 CAD, Discount Rate : 5%

▪ NPV _{5%} after taxes and mining duties (CAD M)	53.4
▪ IRR after taxes and mining duties (%)	32.8
▪ Initial capital costs (preproduction) M CAD	42.1
▪ Average annual production (oz)	30,600
▪ Mill Net recovery (%)	96.7
▪ Average diluted gold grade (g/t Au)	8.10
▪ Life of mine (excluding preproduction) (years)	5.8
▪ Mineralized material extracted (t)	720,000
▪ Gold produced (oz)	181,300
▪ All in sustaining cost (USD/oz)	1,156
▪ Total unit operating cost (CAD/tonne milled)	321
▪ Gross revenues (M CAD)	424
▪ Operating cash flows	178
▪ Pre-production period (years)	1.5

STRATEGY AND OUTLOOK

During the year, the Company published mineral resource estimates (MRE) for the Sleeping Giant Mine, the Discovery and the Flordin deposits, and acquired the Pershing-Manitou deposit with an MRE. The Company now has 4 deposits with MRE that comply with NI 43-101.

Following the publication of the Preliminary Economic Assessment (PEA) in June 2023, the mine team continued to develop the geological model of the Sleeping Giant mine. From the information collected since the June PEA, the Company has decided to start a small underground operation at the Sleeping Giant mine while it continues to develop the geological model in order to update the MRE and prepare for a pre-feasibility study.

During the months of September to November 2023, the Company completed the work required for the restart of the mill operations. Before starting a small-scale operation at the Sleeping Giant mine, the Company plans to process a 5,000-tonne bulk sample from the Pershing-Manitou deposit.

While the Company carries out a small-scale operation from the upper 4 levels of the mine Sleeping Giant, the technical team will convert inferred resources into indicated resources by increasing drilling density in the areas identified in the PEA.

The Company plans to publish an MRE after the drill campaign to convert the inferred resources into indicated resources to support a pre-feasibility study in late 2024.

For other assets, the Company plans to complete a drilling campaign at the end of fall 2023 on its Flordin and Discovery deposits. The drilling campaign is underway and the Company plans to complete it by the end December.

After completion of processing of the bulk sample from the Pershing-Manitou deposit at the Sleeping Giant mill, the Company will evaluate the possibility of completing an update of the MRE at Pershing-Manitou.

MAIN CONSOLIDATED FINANCIAL AND OPERATIONAL DATA

	June 30, 2023 3 months	June 30, 2022 3 months	Change	June 30, 2023 12 months	June 30, 2022 12 months	Change
Revenues (\$)	-	3,314,870	-100%	7,014,494	20,394,883	-66%
Costs of sales (\$)	-	5,409,471	-101%	4,235,799	22,808,329	-81%
Gross margin (\$)	-	(2,094,601)	102%	2,778,695	(2,413,446)	215%
Expenses :						
Administration (\$)	601,379	15,209,727	-96%	2,128,357	15,978,882	
Care and maintenance (\$)	922,353	-	100%	4,046,339	-	100%
Exploration and evaluation (\$)	6,122,904	597,823	932%	1,644,117	3,077,692	
Net income (\$)	(7,611,970)	(17,988,784)	-58%	(5,337,044)	(21,621,252)	75%
Cash provided by operating activities, after changes in non-cash working capital items (\$)	(2,275,197)	(1,833,127)	-24%	(79,643)	(1,963,186)	96%
Cash flows from financing activities (\$)	(175,185)	1,504,532	-220%	800,249	2,205,650	-64%
Cash flows from investing activities (\$)	85,859	(8,035)	207%	(477,144)	(1,976,598)	77%
Basic earnings per share (\$)	(0.02)	(0.06)	62%	(0.02)	(0.07)	78%
Cash (\$)	963,974	720,512	34%			
Working capital (\$)	(4,476,223)	(5,246,416)	15%			
Total assets (\$)	17,400,883	12,288,384	42%			
Non-current liabilities (\$)	11,949,531	6,769,342	77%			
Equity (\$)	(1,867,936)	(1,326,347)	-41%			
Revenue from gold sales (\$)	-	3,179,817	-100%	6,903,850	20,219,630	-66%
Gold sales from the Sleeping Giant property classified as exploration and evaluation expenses in the consolidated statement of comprehensive income	650,190	777,281	-18%	6,621,014	3,192,713	107%
TOTAL GOLD SALES :	650,190	3,969,546		13,524,864	23,412,343	
Ounces of gold sold	255	1,658	-84.7%	5,545	10,157	-54%
Average realized price per ounce (\$)	2,555	2,394	6.7%	2,439	2,305	3%
Average realized price per ounce (US\$)	1,927	1,871	3%	1,825	1,833	1%
Average exchange rate CAN\$ / US\$	1.33	1.28	4%	1.34	1.26	7%

REVIEW OF CONSOLIDATED ANNUAL FINANCIAL RESULTS

During the year, revenues totaled \$7,014,494, a decrease of 66% compared to the corresponding period of 2022, at \$20,394,883. The revenues for the year are mainly from the sale of gold and silver ounces recovered from the clean-up at the Sleeping Giant mill site. The Company also received an amount of approximately \$6,684,299 from the sale of gold and silver ounces recovered from the clean-up at the Sleeping Giant mill from past operations at the Sleeping Giant property. An amount of \$3,192,713 in 2022. This amount was presented in exploration and evaluation expenses in the statements of comprehensive income. See the paragraph below on the expenses for an explanation of the accounting treatment of the sales of gold and silver of the Sleeping Giant property. During the year, the Company recovered and sold 5,545 ounces of gold from the mill clean-up at an average realized price of \$2,439 (US\$1,825) per ounce compared to 10,157 ounces of gold sold at an average realized price of \$2,305 (US\$1,833). The Company's revenues for the same period of 2022 came from the Elder mine operations.

Cost of sales for the year totaled \$4,235,799, compared to \$22,808,329 for the same period in 2022, a decrease of 80%. The Company achieved a gross margin of \$2,778,695 in 2023, compared to a negative gross margin of \$2,413,446 in 2022. The cost of sales for the year is mainly the costs of clean-up work at the mill. Cost of sales in 2022 are Elder mine mining and milling operating costs.

The Company's expenses consist of administration, care and maintenance, exploration and evaluation expenses. Expenses were \$7,818,813 in 2023, compared to \$19,056,574 in 2022, a decrease of 59%. The decrease of the expenses is mainly explained by the significant reduction in administration expenses, i.e. approximately 81%. In 2022, the Company recognized an impairment of the property, plant and equipment for its Elder and Abcourt Barvue projects for a total amount of \$14,455,255. No impairment was recognized in 2023.

Following the end of production at the Elder mine in August 2022, all of the Company's sites were placed on care and maintenance mode. During the year, the care and maintenance expenses of the Company's three sites amounted \$4,046,339. Care and maintenance expenses are made up of costs to maintain installations and equipment in good condition. The Company has ceased its rehabilitation operations at the Sleeping Giant mine and placed it in care and maintenance mode. The surface infrastructures, the mill as well as the tailings pond were also placed on care and maintenance mode. With the end of work on the Sleeping Giant project, management has revised the progress level of the Sleeping Giant project. Following its analysis, management and the Board of Directors have determined that the technical feasibility and commercial viability of this project had not yet been demonstrated. This project has been reclassified as an exploration and evaluation project. This change was applied retroactively to the consolidated financial statements of the Company ended June 30, 2023. This change had the effect, during the year ended June 30, 2023, of increasing the deficit and reduce property, plan and equipment by an amount of \$9,591,202 and increase the income of the year in the amount of \$933,304.

During the year, the Company also revised its accounting policies and those of its subsidiary relating to exploration and evaluation assets. Previously, for the parent company and its subsidiary, the costs related to the acquisition of mining rights as well as expenses related to exploration and evaluation of mining properties less tax credits related to these expenses were recognized as exploration and evaluation assets. The Company has retrospectively adopted the accounting method of recognizing costs related to the acquisition of mining rights and exploration and evaluation expenses in the consolidated statements of comprehensive income. The change in accounting policies relating to the exploration and evaluation assets and the reclassification of the Sleeping Giant project as an exploration project resulted in increasing the

deficit by an amount of \$17,006,989 for the year ended June 30, 2023.

As at June 30, 2023, exploration and evaluation expenses in the consolidated statements of comprehensive income consist of an amount of \$10,805,279 in exploration and evaluation expenses, proceeds from the sale of the royalty to Maverix for an amount of \$2,476,863 (\$2,651,875 presented net of transaction fees of an amount of \$175,012) and the proceeds from the sale of gold and silver from the Sleeping Giant property for an amount of \$6,684,299. As at June 30, 2022, these expenses consist of exploration and evaluation expenses for an amount of \$6,297,183 and the proceeds from the sale of gold and silver from the Sleeping Giant property for an amount of \$3,219,491. Overall exploration and evaluation expenses decreased by approximately 47% compared to the same period of 2022. Despite the significant increase in exploration and evaluation expenses during the year compared to 2022, the sale of the royalty on the Sleeping Giant property and the sale of gold and silver from the Sleeping Giant property had the overall effect of reducing the exploration and evaluation expenses in 2023 compared to 2022.

In addition to the proceeds from the sale of the royalty and the sale of gold and silver, exploration and evaluation expenses for the year ended June 30, 2023, consist primarily of the costs of the acquisition of the mining properties from Pershimex as part of the amalgamation for an amount of \$5.8M. These expenses also consisted of the geology and engineering fees for consultants for the MREs on the Discovery, Flordin and Sleeping Giant properties, and for the PEA for the Sleeping Giant as well as the cost of salaries and benefits of Abcourt geologists, for an amount of \$1.8M. Finally, also consisted of the costs of the clean-up of the mill to recover gold and silver ounces from the Sleeping Giant property for an amount of \$3M.

The Company recorded a net loss for the year of \$5,337,044, or a loss per share of \$0.02, compared to a loss of \$21,621,252 or a loss per share of \$0.07, for the same period in 2022.

Cash from operational activities (after the change in non-cash items of the working capital) for the year was (\$79,643), compared to (\$1,963,186) for the same period in 2022. The increase in cash from operating activities is due to the reduction of expenses during the year. In fact, revenues in 2023 have decreased by 60% compared to 2022, while operating costs decreased by 80% compared to 2022, a 20% higher decrease than the revenues. In 2023, cost reductions enabled the Company to achieve a gross margin of \$2,778,695 compared to a gross margin of (\$2,413,446) in 2022. The definitive shut-down of operations at Elder helped reduced operating expenses.

As at June 30, the Company's working capital is \$(4,476,223), compared to \$(5,246,416) as at June 30, 2022. Since June 30, 2022, working capital has improved due to the decrease in accounts payable and accrued liabilities of approximately \$1M and the increase in cash. Cash from financing activities and proceeds from the sale of the royalty on the Sleeping Giant and Dormex properties for an amount of \$2,476,863 improved significantly the working capital of the Company.

Three-month period ended June 30, 2023

For the three-month period ended June 30, 2022, revenues totaled \$3,314,870, no revenues from the sale of gold and silver for the three-month period ended June 30, 2023. The proceeds from the sale of gold and silver recovered from the Sleeping Giant property from the clean-up at the mill for the three-month period ended June 30, 2023 and recognized as exploration and evaluation expenses in the consolidated statements of comprehensive income amounted \$650,190, compared to \$789,729 for the same period in 2022. During the month of September 2022, the Company began cleaning its mill at the site of the Sleeping Giant mine in order to recover the ounces of gold and silver in the circuit. The recovery of ounces in the circuit

continued until early 2023. Proceeds from the sale of gold and silver from the Sleeping Giant property of the period comes exclusively from ounces of gold and silver recovered during the clean-up of the mill. During the period, the Company sold 254 ounces of gold at an average realized price of \$2,555 (US\$1,927) per ounce compared to 1,658 ounces of gold sold at an average realized price of \$2,394 (US\$1,870) per ounce during the same period in 2022. The Company's revenues for the same period in 2022 come from the sale of gold and silver ounces from operations at the Elder mine and the proceeds from the sale of gold and silver ounces from the mineralized material extracted from the Sleeping Giant property.

Expenses amounted to \$7,646,904 in 2023, compared to \$15,807,550 in 2022, i.e. decrease of 52%. The decrease in expenses is mainly explained by the significant decrease in administrative expenses, i.e. approximately 96%. In 2022, the Company recorded in this item the impairment of the property, plant and equipment of its Elder and Abcourt Barvue projects for an total amount of \$14,455,255. No significant impairment of property, plant and equipment was recognized in 2023. Exploration and evaluation expenses increased significantly compared to the same period in 2022, they increased from \$597,823 in 2022 to \$6,122,904 in 2023. The significant increase is due to the acquisition of the Malartic, Villebon and Courville mining properties for an amount of \$5,777,467 as part of the amalgamation with Pershimex that took place on May 11, 2023. Other exploration and evaluation expenses for the quarter consisted of the geological and engineering expenses incurred for the completion of MREs on the Discovery and Flordin properties and for the completion of the PEA on the Sleeping Giant property.

The Company realized a net loss for the three-month period for an amount of \$7,611,971, or a loss per share of \$0.02, compared to a loss of \$17,988,784 or a loss per share of \$0.06, for the same period in 2022.

Cash from operating activities (after the change in non-cash items of working capital) for the period were \$(2,275,108), compared to \$(1,833,127) for the same period in 2022. The decrease in cash is attributable to the decrease in sales of gold and silver during the quarter which were \$653,682 (sale of ounces of gold and silver from the Sleeping Giant property recognized as exploration and evaluation expenses in the consolidated statements of comprehensive income for the quarter).

KEY QUARTERLY FINANCIAL AND OPERATIONAL DATA

	2023 June	2022 June	2022 Dec.	2021 Dec	2022 Sept.	2021 Sept.	2023 March	2022 March
<u>FINANCIAL DATA</u>								
Revenues (\$)	-	3,314,870	4,118,938	6,244,370	2,396,903	6,659,898	493,984	4,175,745
Costs of sales (\$)	-	5,409,471	2,001,514	6,648,137	2,322,870	5,793,250	(46,022)	4,957,471
Gross margin		(2,094,601)	2,117,424	(403,767)	74,033	866,648	540,006	(781,726)
Expenses :								
Administration (\$)	601,379	15,209,727	706,532	278,346	361,486	253,285	458,960	237,524
Care and maintenance	922,353	-	1,013,899		638,515	-	1,471,572	
Exploration and evaluation	6,122,904	597,823	617,440	1,209,120	(2,078,860)	916,479	(3,064,599)	354,271
Net earnings (\$)	(7,611,971)	(17,988,784)	(307,289)	(1,912,442)	1,110,358	(323,547)	1,471,857	(1,396,479)
Cash generated by operating activities, after changes in non-cash working capital items (\$)	(2,275,197)	(1,833,127)	(1,228,947)	804,445	909,824	(212,528)	2,514,677	(721,976)
Net earnings per share basic (\$)	(0.02)	(0.06)	(0.001)	(0.000)	0.003	(0.001)	0.004	(0.004)
Basic weighted average	348,814,131	317,061,109	344,482,609	311,539,131	340,210,870	311,539,131	339,163,584	311,539,131
<u>OPERATING STATISTICS :</u>								
Ore extracted (tonnes)	-	11,651	-	16,310	-	24,640	-	13,475
Ore milled (tonnes)	-	12,296	-	17,836	-	24,637	-	11,844
Grade of tonnes produced (g/t Au)	-	3.4	-	3.7	-	4.3	-	4.9
Gold recovery (%)	-	95.23	-	95.86	-	96.16	-	96.2
Ounces produced	-	1,285	-	2,017	-	3,271	-	1,791
Revenue from the sale of gold (\$)	-	3,179,817	4,053,550	6,228,373	2,364,239	6,615,883	493,984	4,159,103
Disposal of gold result from Sleeping Giant deposit	650,190	789,729	-	903,856	293,904	440,912	5,724,356	-
Total	650,190	3,959,546	4,053,550	6,228,373	2,658,143	7,056,795	6,218,340	4,159,103
Ounces of gold sold:	254	1,658	1,723	2,765	1,174	3,123	2,394	1,760
Average realized gold price per ounce (\$)	2,555	2,394	2,353	2,253	2,264	2,260	2,597	2,363
Cash costs per ounce of gold produced (1)	-	3,824	-	2,197	-	1,766	-	2,595
Total cash costs per ounce of gold produced (\$) (1)	-	4,311	-	2,693	-	2,095	-	2,743
Average price realized per ounce (\$US)	1,927	1,870	1,750	1,796	1,742	1,794	1,926	1,876
Production cash costs per ounce (\$US) (1)	-	2,988	-	1,752	-	1,403	-	2,060
Total production cost per ounce (\$US) (1)	-	3,368	-	2,147	-	1,664	-	2,178
Average exchange rate \$CAN / \$US	1.33	1.28	1.34	1.2544	1.30	1.26	1.26	1.2596
All-in sustaining costs	-	1,400	-	1,095,558	-	712,119	-	29,456

FINANCING POSITION

	June 30 2023	June 30, 2022	Explanation of changes
	\$	\$	
Current assets	2,843,065	3,398,973	The decrease in current assets is attributable to the decrease of gold and silver in circuit inventory at the Sleeping Giant mill.
Non-current assets	14,557,818	8,889,411	The increase in non-current assets is due to accounting of an increase of about \$6M for the restoration provision. The counterpart of the restoration provision adjustment is recognized as an increase in assets.
Total assets	17,400,883	12,288,384	
Current liabilities	7,319,288	8,645,389	The decrease in current liabilities is attributable to the decrease in creditors and accrued liabilities and to part of the mortgage loan maturing during the next quarter.
Non-current liabilities	11,949,531	6,769,342	The increase in liabilities is explained by the increase in the restoration provision. The Company has implemented a new restoration plan during the year for the Sleeping Giant property site and the new plan provides for an increase in future restoration costs of approximately \$6M.
Total liabilities	19,268,819	15,414,731	
Equity	(1,867,936)	(3,126,347)	Equity increased due to the issuance of units during the year.

CASH AND SOURCES OF FINANCING

The Company's strategy is based on achieving positive cash flows from operations to internally fund operating, capital and project development. Significant increases or decreases in the Company's liquidity and capital resources are primarily determined by the success or failure of the Company's operations, exploration and development programs and its ability to issue shares or obtain other sources of financing. As at June 30, 2023, the Company had \$963,974 in cash, compared to \$720,512 as at June 30, 2022. Of this amount, \$1,158,000 is reserved for exploration expenses following the private placement completed in 2022. The Company is actively seeking financing in order to fulfill its flow-through financing commitments within the stipulated deadlines.

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.

Sources of financing through the sale of a royalty

On September 22, 2022, the Company sold a royalty of 2% of the net smelter return to Maverix, 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).

Pursuant to the Royalty Agreement, the Company may at any time before the third anniversary of the signature of the agreement, elect to reduce the royalty rate by 0.5% upon payment of an amount of US\$2,000,000 to Maverix, 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 Maverix, thus reducing the royalty rate to 1.0%, as long as Abcourt has opted to exercise the option to reduce the royalty rate by 0.5% by paying US\$2,000,000 to Maverix before the third anniversary of signature of the Royalty Agreement.

CASH FLOWS

	June 30, 2023 3 months \$	June 30, 2022 3 months \$	June 30, 2023 12 months \$	June 30, 2022 12 months \$
Cash generated (used) by operating activities, after changes in non-cash working capital items	(2,275,197)	(1,833,127)	(79,643)	(1,963,185)
Cash flows from financing activities	(175,185)	1,504,532	800,249	2,205,650
Cash flows from investing activities	85,859	(8,034)	(477,144)	(1,976,598)
Increase (decrease) in cash	(2,364,523)	(336,629)	243,462	(1,734,133)
Cash, at the end of the quarter	963,974	720,512	963,974	720,512

Operating Activities

During the year, cash flow from operating activities used \$80K, which is due to a decrease in expenses compared to 2022.

Financing Activities

During the year, cash flow from financing activities generated \$800K following the issuance of common share units and flow-through units for a total amount of \$1.5M, less share issuance expenses and the repayment of the long-term debt for an amount of \$625K.

Investing Activities

During the year, cash flows from investing activities used \$477K mainly for the purchase of property, plant and equipment.

OUTSTANDING SHARE CAPITAL

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

As at November 24, 2023

Common shares issued	488,528,759
Stock options (average exercise price: \$0.08)	27,297,600
Warrants to investors (average exercise price: \$0.15)	104,680,216
Warrant to intermediaries (average exercise price: \$0.15)	1,207,500

RELATED-PARTY TRANSACTIONS

During the year ended June 30, 2023, the Company incurred the following expenses with members of the Board of Directors and senior officers of the Company.

	2023	2022
	\$	\$
Consulting fees ⁽¹⁾	-	297,550
Salaries and benefits	680,998	243,114
Share-based compensation	11,758	103,000
Total remuneration	<u>692,756</u>	<u>643,664</u>

(1) Fees paid to a private company controlled by the former 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 year:

	2023	2022
	\$	\$
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 up to April 15, 2022)	104,431	407,427
Professional fees with a firm in which one of the directors of the Company is a partner.	<u>226,209</u>	<u>21,888</u>

As at June 30, 2023, the due to related parties amounts to \$171,693 (\$240,066 as at June 30, 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 consolidated audited annual financial statements of the Company have been prepared by management in accordance with International Financial Reporting Standards (“IFRS”), as issued by the IASB and in accordance with IAS 34, Interim Financial Reporting.

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

BASIS OF VALUATION

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

ADDITIONAL INFORMATION REQUIRED FROM A VENTURE ISSUER

The Company has no deferred costs other than mining properties and deferred exploration and evaluation expenses. 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 Elder and Sleeping Giant sites;
- Gold and silver sales contract with Auramet;
- Loan from Royal Bank of Canada;
- General insurance and liability insurance premium financings.

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, 2023.

CERTIFICATION

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

(s) Pascal Hamelin

Pascal Hamelin

President and CEO

November 24, 2023