



**ABCOURT MINES INC.**  
**INTERIM FINANCIAL STATEMENTS**  
**THREE AND NINE-MONTH PERIODS ENDED MARCH 31, 2023 (unaudited)**

**INTERIM FINANCIAL STATEMENTS**

Interim Statements of Financial Position

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# ABCOURT MINES INC.

## INTERIM STATEMENTS OF FINANCIAL POSITION (UNAUDITED)

(in Canadian dollars)

		<b>March 31, 2023</b>	June 30,
		\$	\$
	Notes	(unaudited)	(audited)
<b>ASSETS</b>			
Current assets			
Cash		3,328,497	720,512
Receivable	5	763,063	337,403
Prepaid expenses		169,540	44,339
Inventory	6	488,578	2,296,719
Total current assets		4,749,678	3,398,973
Non-current assets			
Restoration deposits	11	5,867,786	5,867,786
Property, plant and equipment	7	10,049,954	10,785,500
Exploration and evaluation assets	8	1,399,575	1,060,476
Total non-current assets		17,317,315	17,713,762
<b>Total assets</b>		<b>22,066,993</b>	<b>21,112,735</b>
<b>LIABILITIES</b>			
Current liabilities			
Accounts payable and accrued liabilities	9	4,915,956	6,613,532
Income and mining taxes payable		214,286	157,470
Current portion of long-term debt	10	1,177,173	1,874,387
Other liabilities		170,712	-
Total current liabilities		6,478,127	8,645,389
Long-term debt	10	833,333	604,241
Provisions related to restoration of mining sites	11	6,508,269	6,165,101
Total liabilities		13,819,729	15,414,731
<b>EQUITY</b>			
Share capital	12	47,313,780	46,186,602
Contributed surplus	13	7,232,117	7,197,317
Warrants		594,260	340,900
Deficit		(46,892,893)	(48,026,815)
Total equity		8,247,264	5,698,004
<b>Total liabilities and equity</b>		<b>22,066,993</b>	<b>21,112,735</b>

ON BEHALF OF THE BOARD

(s) Pascal Hamelin, President and Director

(s) Nicole Veilleux, Director

# ABCOURT MINES INC.

## STATEMENTS OF COMPREHENSIVE INCOME THREE AND NINE MONTHS ENDED MARCH 31, (In Canadian dollars)

	Notes	2023		2022	
		3 months \$	9 months \$	3 months \$	9 months \$
Revenue	14	6,230,336	13,041,209	5,251,804	19,500,838
Mining operation costs		2,007,760	6,766,556	5,952,457	20,552,674
Amortization and depletion		-	35,542	381,029	1,546,272
Cost of sales		2,007,760	6,802,098	6,333,486	22,098,946
<b>GROSS MARGIN</b>		<u>4,222,576</u>	<u>6,239,111</u>	<u>(1,081,682)</u>	<u>(2,598,108)</u>
<b>ADMINISTRATIVE EXPENSES</b>					
Professional fees		52,754	337,993	52,523	204,443
Interests and penalties on taxes		19,822	77,843	14,596	62,665
Bank expenses		5,934	34,625	1,866	6,665
Salaries and benefits		202,528	595,044	88,745	255,854
Insurances		12,263	29,893	9,461	23,741
Office expenses and other expenses		39,113	89,139	30,875	94,197
Shareholder and investor relations		115,096	281,677	34,757	110,138
Project evaluation		4,582	41,879	-	-
Share-based compensation		-	21,000	-	-
Depreciation of property, plant and equipment		6,868	15,774	4,701	11,452
Care and maintenance expenses		1,471,572	3,123,986	-	-
Impairment of property, plant and equipment		-	2,111	-	-
Impairment of exploration and evaluation expenses		-	1,139	-	-
<b>Total administrative expenses</b>		<u>1,930,532</u>	<u>4,652,103</u>	<u>237,524</u>	<u>769,155</u>
<b>OPERATING EARNINGS (LOSS)</b>		<u>2,292,044</u>	<u>1,587,008</u>	<u>(1,319,206)</u>	<u>(3,367,263)</u>
<b>FINANCE INCOME AND COSTS</b>					
Finance income		(61,187)	(61,187)	(32)	(382)
Finance costs		83,117	178,493	22,990	61,039
		<u>21,930</u>	<u>117,306</u>	<u>22,958</u>	<u>60,657</u>
<b>EARNINGS (LOSS) BEFORE INCOME AND MINING TAXES</b>		<u>2,270,114</u>	<u>1,469,702</u>	<u>(1,342,164)</u>	<u>(3,427,920)</u>
Income and mining taxes		180,286	214,286	-	3,941
<b>NET EARNINGS (LOSS) AND TOTAL COMPREHENSIVE INCOME</b>		<u>2,089,828</u>	<u>1,255,416</u>	<u>(1,342,164)</u>	<u>(3,431,861)</u>
<b>NET EARNINGS (LOSS) PER SHARE</b>					
Basic		0.007	0.004	(0.004)	(0.011)
Diluted		0.007	0.004	(0.004)	(0.011)
<b>WEIGHTED AVERAGE NUMBER OF SHARES OUTSTANDING</b>					
Basic		348,814,131	339,163,584	311,539,131	311,539,131
Diluted		349,116,822	339,739,373	311,539,131	311,539,131

**ABCOURT MINES INC.**  
**STATEMENTS OF CHANGES IN EQUITY**  
(in Canadian dollars)

	Notes	Share Capital	Warrants	Contributed Surplus	Deficit	Total Equity
		\$	\$	\$	\$	\$
<b>Balance as at June 30, 2022</b>		<b>46,186,602</b>	<b>340,900</b>	<b>7,197,317</b>	<b>(48,026,815)</b>	<b>5,698,004</b>
Net earnings and comprehensive income		-	-	-	1,255,416	1,255,416
Issued units	12-13	331,053	62,197	-	-	393,250
Flow-through units	12-13	796,125	191,163	-	-	987,288
Stock options	13	-	-	21,000	-	21,000
Issuance expenses		-	-	13,800	(121,494)	(107,694)
<b>Balance as at March 31, 2023</b>		<b>47,313,780</b>	<b>594,260</b>	<b>7,232,117</b>	<b>(46,892,893)</b>	<b>8,247,264</b>
<b>Balance as at June 30, 2021</b>		<b>44,852,502</b>	<b>-</b>	<b>7,094,317</b>	<b>(17,287,131)</b>	<b>34,659,688</b>
Net earnings and comprehensive income		-	-	-	(30,725,039)	(30,725,039)
Issued units	12 - 13	1,334,100	340,900	-	-	1,675,000
Stock options	12 - 13	-	-	103,000	-	103,000
Issuance expenses	13	-	-	-	(14,645)	(14,645)
<b>Balance as at June 30, 2022</b>		<b>46,186,602</b>	<b>340,900</b>	<b>7,197,317</b>	<b>(48,026,815)</b>	<b>5,698,004</b>

# ABCOURT MINES INC.

## STATEMENTS OF CASH FLOWS

THREE AND NINE MONTHS ENDED MARCH 31,

(in Canadian dollars)

	Notes	March 31, 2023		March 31, 2022	
		3 months \$	9 months \$	3 months \$	9 months \$
<b>OPERATING ACTIVITIES</b>					
Net earnings		2,089,828	1,255,416	(1,342,164)	(3,431,861)
Non-cash items:					
Accretion expense		73,304	164,477	21,741	52,347
Effective interest expense		-	-	792	8,235
Share-based compensation		-	21,000	-	-
Amortization and depletion		24,878	69,326	385,730	1,557,724
Impairment of property, plant and equipment		-	2,111	-	-
Impairment of exploration and evaluation assets		-	1,139	-	-
		<u>2,188,010</u>	<u>1,513,469</u>	<u>(933,901)</u>	<u>(1,813,555)</u>
Net change in non-cash operating working capital items	4	<u>921,282</u>	<u>(383,480)</u>	<u>256,557</u>	<u>1,861,434</u>
		<u>3,109,292</u>	<u>1,129,989</u>	<u>(677,344)</u>	<u>47,879</u>
<b>FINANCING ACTIVITIES</b>					
Issuance of units		-	393,250	-	-
Issuance of flow-through shares		-	1,158,000	-	-
Share issuance expenses		-	(107,694)	-	-
Proceeds from long-term debt		-	-	1,000,000	1,047,631
Repayment of long-term debt		(172,818)	(468,122)	(139,051)	(346,513)
		<u>(172,818)</u>	<u>975,434</u>	<u>860,949</u>	<u>701,118</u>
<b>INVESTING ACTIVITIES</b>					
Royalty		-	2,651,875	-	-
Expenses related to the sale of the royalty		-	(175,012)	-	-
Purchase of property, plant and equipment		(528,811)	(1,634,063)	(102,014)	(1,996,499)
Purchase of exploration and evaluation assets		(147,114)	(350,327)	(56,405)	(150,002)
Tax credit related to resources		10,089	10,089	-	-
		<u>(665,836)</u>	<u>502,562</u>	<u>(158,419)</u>	<u>(2,146,501)</u>
<b>NET CHANGE IN CASH</b>		<b>2,270,638</b>	<b>2,607,985</b>	<b>25,186</b>	<b>(1,397,504)</b>
<b>CASH, AT BEGINNING</b>		<b>1,057,859</b>	<b>720,512</b>	<b>1,031,955</b>	<b>2,454,645</b>
<b>CASH, AT THE END</b>		<b>3,328,497</b>	<b>3,328,497</b>	<b>1,057,141</b>	<b>1,057,141</b>

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

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**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, evaluation, development and exploitation of mining properties in Canada, principally auriferous. 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 address of the Company's head office is 475 De l'Eglise Avenue, Rouyn-Noranda, (Quebec) J0Z 1Y0.

These financial statements were approved for issue by the Board of Directors on May 18<sup>th</sup>, 2023.

**2- GENERAL INFORMATION AND BASIS OF PRESENTATION**

These interim financial statements have been prepared by the Company's management in accordance with International Financial Reporting Standards ("IFRS"), as established by the International Accounting Standards Board and in accordance with IAS 34 "Interim Financial Reporting". These interim financial statements were prepared using the same basis of presentation and accounting policies outlined in the annual financial statements for the year ended June 30, 2022. They do not include all the information required in annual financial statements in accordance with IFRS and must be read in conjunction with the audited financial statements for the year ended June 30, 2022.

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

**JUDGMENTS, ESTIMATES AND ASSUMPTIONS**

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

The judgments, estimates and assumptions applied in the interim financial statements, including the key sources of estimation uncertainty, were the same as those applied in the Company's last annual financial statements for the year ended June 30, 2022.

**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'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 continued 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 March 31, 2023, the Company has a deficit of \$46,892,893, cash of \$3,328,497 and negative working capital of \$1,728,449.

These material uncertainties therefore cast significant doubt on the Company's ability to continue its operations.

The financial statements do not reflect the adjustments to carrying values of assets and liabilities to the income and expenses presented and to the reported financial position classifications that would be necessary if the going concern assumption was inappropriate. These adjustments could be material.

**3- NEW OR REVISED STANDARDS AND INTERPRETATIONS**

**New and revised IFRSs issued but not yet effective**

At the date of authorization for issuance of these financial statements, several new interpretations, standards and amendments to existing standards had been published by the IASB but were not yet effective. The Company has not adopted any of these standards or amendments to existing standards early.

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

**3- NEW OR REVISED STANDARDS AND INTERPRETATIONS (continued)**

Management anticipates that all relevant pronouncements will be adopted in the first open period after their effective date. The new standards, amendments and interpretations which have not been adopted in advance and which are not listed below are not likely to have a significant 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 accounting for 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 application of this new standard for the quarters ended March 31, 2023, and June 30, 2022, had the effect of increasing the deficit and decreasing property, plant and equipment by a net amount of \$2,828,724 and, for the three- and nine-month periods ended March 31, 2022, of increasing the net loss by an amount of \$299,956 and \$2,279,263.

**4- COMPLEMENTARY INFORMATION PERTAINING TO CASH FLOWS**

Net variation in non-cash operating working capital items

	March 31, 2023		March 31, 2022	
	3 months	9 months	3 months	9 months
	\$	\$	\$	\$
Receivables	(325,815)	(425,660)	109,122	164,520
Prepaid expenses	(70,370)	(125,201)	(9,134)	4,351
Inventory	25,728	1,808,141	(403,566)	452,207
Accounts payable and accrued liabilities	1,111,453	(1,697,576)	560,135	1,402,834
Income tax payable	180,286	56,816	-	(162,478)
	921,282	(383,480)	256,557	1,861,434

For the nine-month period ended March 31, 2023, the Company paid \$157,470 in income taxes (\$162,478 as at March 31, 2022).

Items not affecting cash:

	March 31, 2023	March 31, 2022
	\$	\$
Warrants granted to investors	253,360	-
Warrants granted to intermediaries	13,800	-
Adjustments of provisions for restoration of mining sites accounted for as property, plant and equipment	178,691	45,025
Effective interest expense recorded to the long-term debt	-	792
Tax credit related to resources accounted for in exploration and evaluation assets	10,089	-

**5- RECEIVABLES**

	March 31, 2023	June 30, 2022
	\$	\$
Taxes receivable	740,825	325,309
Accounts receivable	13,323	1,309
Other accounts receivable	8,915	10,785
	763,063	337,403

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

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**6- INVENTORY**

	<b>March 31,</b>	June 30,
	<b>2023</b>	2022
	<b>\$</b>	<b>\$</b>
Gold and silver inventory	-	1,725,888
Ore	-	105,900
Supplies	488,578	464,931
	<u>488,578</u>	<u>2,296,719</u>



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

**7- PROPERTY, PLANT AND EQUIPMENT**

	Costs					March 31, 2023	Accumulated Amortization			Net book value	
	June 30, 2022	Addition	Depreciation	Royalty	Transfer / Mine Restoration provision adjustment		June 30, 2022	Amortization	Transfer	March 31, 2023	March 31, 2023
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	
<b>Corporate</b>											
Office Equipment	-	-	-	-	50,357	50,357	-	1,980	33,322	35,302	15,055
Computer hardware	-	50,055	-	-	29,534	79,589	-	11,279	11,803	23,082	56,507
	-	50,055	-	-	79,891	129,946	-	13,259	45,125	58,384	71,562
<b>Elder Mine site</b>											
Lands	37,263	-	-	-	-	37,263	-	-	-	-	37,263
Furniture and Equipment	50,357	-	-	-	(50,357)	-	32,283	1,039	(33,322)	-	-
Elder Mine	-	2,111	(2,111)	-	-	-	-	-	-	-	-
Computer hardware	18,846	10,688	-	-	(29,534)	-	10,327	1,476	(11,803)	-	-
	106,466	12,799	(2,111)	-	(79,891)	37,263	42,610	2,515	(45,125)	-	37,263
<b>Sleeping Giant Site</b>											
Sleeping Giant Mine <sup>(1)</sup>	7,893,240	1,161,091	-	(2,476,863)	178,691	6,756,159	-	-	-	-	6,756,159
Mill and production equipment	4,374,600	282,857	-	-	-	4,657,457	1,978,357	4,082	-	1,982,439	2,675,018
Building	491,054	21,223	-	-	-	512,277	234,325	1,884	-	236,209	276,068
Lands	19,000	-	-	-	-	19,000	-	-	-	-	19,000
Mobile equipment	477,225	49,130	-	-	-	526,355	400,441	30,890	-	431,331	95,024
Computer hardware	58,399	56,908	-	-	-	115,307	33,751	16,696	-	50,447	64,860
	13,313,518	1,571,209	-	(2,476,863)	178,691	12,586,555	2,646,874	53,552	-	2,700,426	9,886,129
<b>Exploration</b>											
Lands	55,000	-	-	-	-	55,000	-	-	-	-	55,000
	55,000	-	-	-	-	55,000	-	-	-	-	55,000
	13,474,984	1,634,063	(2,111)	(2,476,863)	178,691	12,808,764	2,689,484	69,326	-	2,758,810	10,049,954

(1) The Company sold a 2% net smelter return royalty on all metallic and non-metallic minerals mined or otherwise recovered on the property for cash consideration of \$2,651,875. The royalty is presented net of fees in the amount of \$175,012.

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

**8- EXPLORATION AND EVALUATION ASSETS**

	<b>March 31, 2023</b>	<b>June 30, 2022</b>
	\$	\$
Mining properties	35,906	31,381
Exploration and evaluation expenses	1,363,669	1,029,095
	<u>1,399,575</u>	<u>1,060,476</u>

**Mining properties**

	Balance as at June 30, 2022	Addition	Depreciation	Balance as at March 31, 2023
	\$	\$	\$	\$
<b>Properties in Quebec</b>				
Abcourt-Barvue	-	2,945	-	2,945
Aldermac	-	416	(416)	-
Discovery – Flordin	21,699	-	-	21,699
Dormex	9,682	1,580	-	11,262
Others (% variable)	-	723	(723)	-
	<u>31,381</u>	<u>5,664</u>	<u>(1,139)</u>	<u>35,906</u>

**Exploration and evaluation expenses**

	Balance as at June 30, 2022	Addition	Tax credit ressources	Balance as at March 31, 2023
	\$	\$	\$	\$
Discovery-Flordin	844,034	344,663	(10,089)	1,178,608
Dormex	185,061	-	-	185,061
	<u>1,029,095</u>	<u>344,663</u>	<u>(10,089)</u>	<u>1,363,669</u>

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

<u>Properties</u>	<u>Royalties</u>
Elder	2 to 3% NSR
Vendôme	2% NSR on Xstrata's claims
Tagami	1 to 2% NSR
Jonpol	2.5% NSR
Aldermac	\$2.00/tonne over 1.5 M tonnes
West Aldermac	2% NSR
Sleeping Giant	\$5/ tonne, for a total of 350,000 tonnes. 2% NSR

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

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

**9- ACCOUNTS PAYABLE AND ACCRUED LIABILITIES**

	<b>March 31,</b>	June 30,
	<b>2023</b>	2022
	\$	\$
Accounts payable	2,658,967	3,714,052
Royalties payable	457,352	684,828
Salaries and vacation payable	295,476	407,311
Amounts due to governments	1,504,161	1,807,341
	<u>4,915,956</u>	<u>6,613,532</u>

**10- LONG-TERM DEBT**

	<b>March 31,</b>	June 30,
	<b>2023</b>	2022
	\$	\$
Loan authorized for a maximum amount of \$3,000,000, bearing interest at a fixed rate of 5.66%, 7.25% and 7.26%, maturing in January and February 2024 and February 2026 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 receivables and inventory.	2,000,000	2,450,000
Loan authorized for a maximum amount of \$47,631, bearing interest at a fixed rate of 7.33%, secured by mobile equipment, maturing in August 2023.	<u>10,506</u>	<u>28,628</u>
Current Portion	<u>(1,177,173)</u>	<u>(1,874,387)</u>
	<u>833,333</u>	<u>604,241</u>

Reconciliation of changes of long-term debt to cash flows arising from financing activities	<b>March 31,</b>	June 30,
	<b>2023</b>	2022
	\$	\$
<b>Balance, beginning of year</b>	2,478,628	1,925,098
Cash flows		
Proceeds from long-term debt	-	1,047,631
Repayment of long-term debt	(468,122)	(502,336)
Non-cash flows		
Effective interest expense	-	8,235
<b>Balance, end of the year</b>	<u>2,010,506</u>	<u>2,478,628</u>

As at March 31, 2023, and June 30, 2022, principal payments required in the next years are as follows:

Within one year	1,177,173	1,874,387
More than one year and less than five years	833,333	604,241

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

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

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

	<b>March 31,</b>	June 30,
	<b>2023</b>	2022
	\$	\$
Balance, beginning of the period	6,165,101	6,243,320
Change to estimates	178,691	(169,789)
Accretion expenses	164,477	91,570
Balance, end of period	<u>6,508,269</u>	<u>6,165,101</u>

The inflation rate used to determine the future value of the bonds is 2.77% (4.9% as at June 30, 2022), while the rate reflecting current market assessments (adjusted to take account of risks specific to this liability) used to determine the present value of the provisions is 3.54% and 2.74% (3.12% and 3.06% as at June 30, 2022). The payment schedules were determined taking into account the measured and indicated resources estimates, the expected annual production level and the estimated life of mine.

The revision of the estimates follows the revision of the estimated cash flow schedules following the update of the resources and their estimated life as well as the revision of the future restoration costs of the Elder and Sleeping Giant mines. The revised estimates have been charged to property, plant and equipment.

The following table presents the estimated undiscounted cash flows arising from future restoration costs used in the calculation of provisions related to the restoration of mining sites as at March 31, 2023.

	Estimated total amount of expected cash flow in 2024 and 2030
	\$
Elder Mine	587,062
Sleeping Giant Mine	7,243,798
	<u>7,830,860</u>

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

	<b>March 31,</b>	June 30,
	<b>2023</b>	2022
	\$	\$
Elder Mine	541,172	502,554
Sleeping Giant Mine	5,967,097	5,662,547
	<u>6,508,269</u>	<u>6,165,101</u>

**ABCOURT MINES INC.**  
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**12- 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:

	<b>March 31,</b>		June 30,	
	<b>2023</b>		<b>2022</b>	
	Number	Amount \$	Number	Amount \$
<b>Balance, at beginning</b>	328,289,131	46,186,602	311,539,131	44,852,502
Issuance of common shares	6,050,000	331,053	16,750,000	1,334,100
Issuance of flow-through shares	<u>14,475,000</u>	<u>796,125</u>	<u>-</u>	<u>-</u>
<b>Balance, at the end</b>	<u>348,814,131</u>	<u>47,313,780</u>	<u>328,289,131</u>	<u>46,186,602</u>

On July 20, 2022, the Company completed a private placement consisting of 550,000 units at a price of \$0.065 per unit. Each unit consisted of one Class "B" common share and one warrant. Each whole warrant entitles 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. The gross proceeds of this placement in the amount of \$35,750 were presented net of the fair value of the warrants, in the amount of \$6,922.

On July 20, 2022, the Company completed a private placement consisting of 14,475,000 flow-through units at a price of \$0.08 per unit. Each unit 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. The gross proceeds of this placement in the amount of \$1,158,000 were presented net of the fair value of the warrants, in the amount of \$191,163 and the flow-through share premium in the amount of \$170,712.

In connection with the placement, the Company paid a cash commission of \$69,000 and issued 862,500 warrants to an intermediary. Each warrant entitles the holder to subscribe to 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 consists of one Class "B" common share and a warrant to subscribe for 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. 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. The gross proceeds of this placement in the amount of \$325,000 were presented net of the fair value of the warrants, in the amount of \$49,775.

As part of the private placement closed on September 27, 2022, the Company accepted on October 11, 2022 an additional subscription of 500,000 units at a price of \$0.065 per unit. The gross proceeds from the subscription in the amount of \$325,000 were presented net of the fair value of the warrants in the amount of \$5,500.

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 the holder to subscribe to one unit at an exercise price of \$0.15 for a period of 3 years from the date of issue of the warrant. Each unit consists of one Class "B" common share and a warrant to subscribe for 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.

**Year ended June 30, 2022**

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 warrant entitling the holder to subscribe for one Class "B" common share at \$0.15 for a period of 3 years. The gross proceeds of this placement in the amount of \$1,675,000 were presented net of the fair value of the warrants, in the amount of \$340,900.

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**13- STOCK OPTIONS AND WARRANTS**

The shareholders of the Company approved a stock option plan (the "Plan") whereby the Board of Directors may grant to directors, officers, employees and suppliers of the Company, share purchase options to acquire shares of the Company. It was first adopted in October 1996 and approved by the shareholders of the Company on December 1<sup>st</sup>, 1997, and has subsequently been amended a few times with the approval of the 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 options 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.

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. The options will expire no later than five years after being granted.

**Stock Options**

Changes in the Company' stock options were as follows:

	<b>March 31,</b>		<b>June 30,</b>	
	<b>2023</b>		<b>2022</b>	
	Number	Weighted average exercise price	Number	Weighted average exercise price
		\$		\$
<b>Balance, at the beginning</b>	2,800,000	0.09	6,900,000	0.12
Exercised	-	-	-	-
Granted	1,000,000	0.05	2,000,000	0.10
Cancelled and expired	-	-	(6,100,000)	0.125
<b>Outstanding and exercisable, at the end</b>	<u>3,800,000</u>	0.08	<u>2,800,000</u>	0.09

During the nine-month period ended March 31, 2023, the Company granted stock options to an officer of the Company. The weighted average fair value of \$0.06 for the options was determined using the Black-Scholes valuation model and the following weighted average assumptions:

	<b>March 31,</b>	<b>June 30,</b>
	<b>2023</b>	<b>2022</b>
Average price of the shares at the date of the grant	\$0.04	\$0.09
Expected dividend rate	-	-
Expected average volatility	75%	71%
Average risk-free interest rate	3.78%	2.52%
Average contractual life	3 years	5 years
Average exercise price	\$0.05	\$0.10

The underlying expected volatility has been determined against historical data for the Company's shares over the average expected life.

In total, an amount of \$21,000 (\$103,000 as at June 30, 2022) of share-based compensation was recognized in net income and credited to contributed surplus.

**ABCOURT MINES INC.**  
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**13- STOCK OPTIONS AND WARRANTS (continued)**

**Stock Options (continued)**

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

Outstanding as at March 31, 2023	Weighted average remaining contractual life	Exercise price <sup>s</sup>
800,000	0.7 year	0.07
1,000,000	2.6 years	0.05
<u>2,000,000</u>	4 years	0.10
<u>3,800,000</u>		

  

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

**Warrants to investors**

Changes in the Company' Warrants were as follows:

	<b>March 31, 2023</b>		<b>June 30, 2022</b>	
	<b>Number</b>	<b>Weighted average exercise price \$</b>	<b>Number</b>	<b>Weighted average exercise price \$</b>
<b>Balance, at beginning</b>	16,750,000	0.15	-	-
Granted	<u>20,525,000</u>	0.15	<u>16,750,000</u>	0.15
<b>Outstanding and exercisable, at the end</b>	<u>37,275,000</u>	0.15	<u>16,750,000</u>	0.15

During the nine-month period ended March 31, 2023, the Company issued warrants to investors in connection with private placements. The weighted average relative fair value of \$0.0123 (\$0.0203 as at June 30, 2022) of the warrants was determined using the Black-Scholes valuation model and the following weighted average assumptions:

	<b>March 31, 2023</b>	<b>June 30, 2022</b>
Average share price at the date of the grant	\$0.05	\$0.06
Expected dividend rate	-	-
Expected average volatility	71%	72%
Average risk-free interest rate	3.38%	2.67%
Average contractual life	3 years	3 years
Average exercise price	\$0.15	\$0.15

**ABCOURT MINES INC.**  
**NOTES TO INTERIM FINANCIAL STATEMENTS**  
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**13- STOCK OPTIONS AND WARRANTS (continued)**

**Warrants to investors (continued)**

The following tables summarize the information pertaining to the warrants to investors:

Outstanding as at March 31, 2023	Exercise price	Expiration date
	\$	
16,750,000	0.15	July 2025
20,025,000	0.15	September 2025
<u>500,000</u>	0.15	October 2025
<u>37,275,000</u>		
Outstanding as at June 30, 2022	Exercise price	Expiration date
	\$	
<u>16,750,000</u>	0.15	July 2025

**Warrants to intermediaries**

Changes in the Company intermediaries' warrants were as follows:

	March 31, 2023		June 30, 2022	
	Number	Weighted average exercise price	Number	Weighted average exercise price
		\$		\$
<b>Balance, at the beginning</b>	-	-	-	-
Granted	<u>1,162,000</u>	0.15	<u>-</u>	-
<b>Outstanding and exercisable, at the end</b>	<u>1,162,000</u>	0.15	<u>-</u>	-

During the nine-month period ended March 31, 2023, the Company issued non-transferable warrants to intermediaries in connection with private placements. The weighted average relative fair value of \$0.0119 of the warrants was determined using the Black-Scholes valuation model and the following weighted average assumptions:

	March 31, 2023
Average share price at the date of the grant	\$0.052
Expected dividend rate	-
Average expected volatility	71%
Risk-free interest rate expected	3.37%
Average expected life	3 years
Average exercise price	\$0.15

The underlying expected volatility has been determined against historical data for the Company's shares over the average expected life.

In total, an amount of \$13,800 was recorded as share issue costs in the deficit and credited to contributed surplus.



**ABCOURT MINES INC.**  
**NOTES TO INTERIM FINANCIAL STATEMENTS**  
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**13- STOCK OPTIONS AND WARRANTS** (continued)

The following tables summarize the information pertaining to intermediaries' warrants:

Outstanding as at March 31, 2023	Exercise price	Expiration date
	\$	
862,500	0.15	July 2025
<u>300,000</u>	0.15	September 2025
<u>1,162,000</u>		

**14- REVENUE**

	March 31, 2023		March 31, 2022	
	3 months	9 months	3 months	9 months
			\$	\$
Gold and silver sales	6,218,340	12,951,831	5,235,162	19,448,190
Analysis service	-	-	16,642	52,648
Other income	11,996	89,378	-	-
	<u>6,230,336</u>	<u>13,041,209</u>	<u>5,251,804</u>	<u>19,500,838</u>

**15 - RELATED PARTY TRANSACTIONS**

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

Remuneration of the senior officers includes the following expenses:

	March 31, 2023		March 31, 2022	
	3 months	9 months	3 months	9 months
	\$	\$	\$	\$
Consulting fees <sup>(1)</sup>	-	-	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) Consulting fees paid to a company controlled by the Chief Executive Officer and President of the Company for his services up to April 15, 2022.

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

***Other related party transactions***

In addition to the amounts listed above as compensation to senior officers, following are the related party transactions for the period ended March 31, 2023, and 2022:

	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 March 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

As at March 31, 2023, the 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. Outstanding balances are usually settled in cash.

**16- CAPITAL MANAGEMENT POLICIES AND PROCEDURES**

As at March 31, 2023, the Company's capital is made up of shareholders' equity which amounts to \$8,247,264 (\$5,698,004 as at June 30, 2022). The Company's capital management objective is to ensure that it has sufficient capital to meet its obligations with respect to its operations and its exploration and evaluation plan and thus ensure the growth of its activities. It also aims to ensure that it has sufficient cash to fund its operations, exploration, and evaluation costs, investing activities and working capital requirements.

There were no significant changes to the capital management policy approach during the nine-month period ended March 31, 2023. The Company is subject to regulatory requirements in relation to the use of funds raised through flow-through financings, which must be spent on eligible prospecting and evaluation expenses. During the year, the Company complied with these regulatory requirements. Other than flow-through financings, the Company is not subject to any externally imposed capital requirements.

**17- COMMITMENTS**

The Company is partly financed by the issuance of flow-through shares. However, there is no guarantee that the funds spent by the Company will qualify as Canadian exploration expenses, even if the Company is committed to take all the necessary measures for this purpose. Refusal of certain expenses by tax authorities would have negative tax consequences for the Company or for the investors. In the past, the Company has respected all its obligations under the flow-through share agreements signed. During the nine-month period ended March 31, 2023, the Company received \$1,158,000 (none in 2022) following flow-through placements for which the Company renounced tax deductions to investors as at March 31, 2023. Management is required to fulfil its commitments within the stipulated deadline of one year from this date.

As at March 31, 2023, the product of unspent funding related to flow-through financings totals \$1,158,000 (no amount as at March 31, 2022) to be spend before December 31, 2023.

**18- SEGMENTED INFORMATION**

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

There was no difference as at March 31, 2023, compared to the annual financial statements ended June 30, 2022, in the basis of segmentation or the basis of evaluation of segment result.

# ABCOURT MINES INC.

## NOTES TO INTERIM FINANCIAL STATEMENTS

MARCH 31, 2023, AND 2022

(in Canadian dollars)

### 18- SEGMENTED INFORMATION (continued)

#### Three and nine months ended March 31, 2023

Segmented information concerning the statement of comprehensive income

	Operating mining site		Exploration and development		Corporate		Total	
	\$		\$		\$		\$	
	3 months	9 months	3 months	9 months	3 months	9 months	3 months	9 months
Revenue	6,230,336	13,041,209	-	-	-	-	6,230,336	13,041,209
Mining operating costs	2,007,760	6,766,556	-	-	-	-	2,007,760	6,766,556
Amortization and depletion	-	35,542	-	-	-	-	-	35,542
Cost of sales	2,007,760	6,802,098	-	-	-	-	2,007,760	6,802,098
<b>GROSS PROFIT</b>	<b>4,222,576</b>	<b>6,239,111</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4,222,576</b>	<b>6,239,111</b>
Expenses	495,927	1,377,488	957,635	1,728,488	452,092	1,512,343	1,905,654	4,618,319
Amortization of property, plant and equipment	-	-	18,010	18,010	6,868	15,774	24,878	33,784
	495,927	1,377,488	975,645	1,746,498	458,960	1,528,117	1,930,532	4,652,103
<b>OPERATING EARNINGS (LOSS)</b>	<b>3,726,649</b>	<b>4,861,623</b>	<b>(975,645)</b>	<b>(1,746,498)</b>	<b>(458,960)</b>	<b>(1,528,117)</b>	<b>2,292,044</b>	<b>1,587,008</b>
<b>REVENUE AND FINANCE COSTS</b>	<b>29,576</b>	<b>38,618</b>	<b>43,728</b>	<b>125,859</b>	<b>(51,374)</b>	<b>(47,171)</b>	<b>21,930</b>	<b>117,306</b>
<b>EARNINGS (LOSS) BEFORE TAXES</b>	<b>3,697,073</b>	<b>4,823,005</b>	<b>(1,019,373)</b>	<b>(1,872,357)</b>	<b>(407,586)</b>	<b>(1,480,946)</b>	<b>2,270,114</b>	<b>1,469,702</b>
Addition to property, plant and equipment	-	-	528,811	1,571,209	7,770	62,854	536,581	1,634,063
Addition to exploration and evaluation expenses	-	-	147,114	350,327	-	-	147,114	350,327
Current assets		4,654,684		-		94,994		4,749,678
Restoration deposit		497,572		5,370,214		-		5,867,786
Property, plant and equipment		37,263		9,941,129		71,562		10,049,954
Exploration and evaluation assets		-		1,399,575		-		1,399,575
Total assets		5,189,519		16,710,918		166,556		22,066,993