



## **MANAGEMENT DISCUSSION AND ANALYSIS**

**For the Year ended June 30, 2024**

**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, 2024. 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, 2024, 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 October 22, 2024, and contains updated information, unless indicated otherwise.

You are also invited to review the Company's profile on SEDAR at [www.sedar.com](http://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](http://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

In July 2023, the Company published the Technical Report and the Preliminary Economic Assessment for the Sleeping Giant Project in accordance with National Instrument 43-101 - Disclosure Standards for Mining Projects. The technical report entitled "NI 43-101 Technical Report & Preliminary Economic Assessment for Sleeping Giant Project, Eeyou Istchee James Bay, Québec, Canada " and dated July 19, 2023 (with an effective date of June 7, 2023) was prepared for Abcourt by the firm InnovExplo of Val-d'Or. The technical report is available on SEDAR ([www.sedar.com](http://www.sedar.com)) under Abcourt's issuer profile.

In July 2023, appointment of Robert Gagnon, geologist, as Vice-President Exploration for the Company. Robert Gagnon holds a bachelor's degree in geology from the University of Quebec in Chicoutimi and is a member of the Ordre des géologues du Québec. Mr. Gagnon has extensive experience in managing exploration projects and evaluating deposits.

Exploration work totalled \$4,682,986 for the year, consisting mainly of exploration and evaluation expenses incurred on the Sleeping Giant property for the underground drilling campaign in the amount of \$3,827,538 and for the processing of the 5,000-tonne bulk sample from the Courville property (Pershing Manitou).

During the quarter ended June 30, 2024, the Sleeping Giant plant completed the bulk sampling of nearly 5,000 tonnes from the Pershing-Manitou project.

The Company completed approximately 3,143 meters of definition and exploration drilling at the Sleeping Giant mine on the upper 4 levels of the mine to refine the geological model on these levels and support engineering planning towards a pre-feasibility economic study.

Recovered 327.0 ounces of gold from 1,428 tonnes from the Sleeping Giant mine at a head grade of 7.4 g/t, with a mill recovery of 95.7%.

Recovery of 269.6 ounces of gold from 5,361 tonnes of the Pershing-Manitou project at a head grade of 1.7 g/t, with a mill recovery of 89.9%.

Sales of approximately 345 ounces of gold at an average realized price of \$2,674 (US\$1,992) per ounce, compared with 5,545 ounces of gold at an average realized price of \$2,439 (US\$1,832) in 2023. Gold sales are derived from gold recoveries during bulk sampling at the Courville (Pershing Manitou) and Sleeping Giant properties.

On June 17, 2024, the Company entered into an option agreement with Québec Lafleur Minerals Inc. (formerly Québec Pegmatite Holdings Corp.) (« LaFleur ») whereby Abcourt has granted LaFleur the right to acquire a 100% interest in 141 mining claims covering approximately 5,579 hectares located in the province of Québec, Canada. The optioned property includes portions of the Courville and Abcourt-Barvue projects, namely the Jolin (Courville) and Bartec (Abcourt-Barvue) areas and contiguous to the Swanson property. Under the terms of the agreement, LaFleur was required to pay \$500,000 in cash within 10 days of signing the agreement to acquire 25% of the property (conditions met by June 30, 2024).

## **CORPORATE HIGHLIGHTS**

In August and December 2023, the Company granted 19,000,000 share purchase options to directors and officers and certain employees and consultants of the Company.

On August 29, 2023, the Company appointed Jasmine Hinse as director of the Company, replacing Renaud Hinse who died in June 2023.

During the year, the Company entered into an agreement with an insurance company to provide surety bonds to the Ministry of Natural Resources and Forestry (« MNRF ») for the financial guarantees in accordance with the requirements of the restoration plans approved by the MNRF. In 2023, the Quebec government held reclamation deposits totaling \$5,867,786, mainly for the Sleeping Giant and Elder mine sites (\$5,370,241 for Sleeping Giant and \$497,572 for Elder). Under the terms of the bonding agreement, the insurance company guaranteed MNRF's restoration costs as set out in the restoration plans. Also, under the terms of the agreement, the Company provided an irrevocable letter of credit from a Canadian bank equivalent to 50% of the value of the bond. The letter of credit is secured by a guaranteed investment certificate (« GIC ») of the same value. The guarantee provided enabled the Company to recover all the amounts held by MNRF i.e. \$5,370,214. Since February 2024, the bond has included an additional amount

of \$103,427 corresponding to the matured portion of Elder's revised plan. As at June 30, 2024, the total amount of the guarantee is \$5,971,805 (\$5,370,214 Sleeping Giant and \$601,019 Elder) and the letter of credit in the amount of \$2,000,000 is secured by a GIC in the same amount. The Company is currently negotiating with the insurance company to amend the surety bond to include the additional amount of \$3,421,242 payable as at June 30, 2024, and to increase the letter of credit and its guarantees by an additional amount of approximately \$1,710,621.

On February 14, 2024, the Company received approval from the MNRF of the revised plan for the future site restoration costs at the Elder property. Total future costs have been revised to \$704,425. Upward revision of the site restoration costs by \$206,853. The next plan review is scheduled for February 2026. An amount of \$103,427 (50% of the increase) was payable within 90 days of the plan approval letter, and two amounts of \$51,713 in February 2025 and 2026. The \$103,427 has been added to the above-mentioned bonding agreement, and the Company is currently negotiating to include the additional installments as they fall due.

On March 5, 2024, the Company received approval from the MNRF for a revised plan of future site restoration costs for the Sleeping Giant property. Total future costs have been revised to \$12,027,338. Upward revision of the site restoration costs by \$6,842,483. The next plan review is scheduled for March 2027. An amount of \$3,421,242 (50% of the increase) is payable within 90 days of the plan approval letter, i.e. in June 2024, and two amounts of \$1,710,621 in March 2025 and 2026. The Company is currently negotiating to include the increased costs as they fall due in the above-mentioned bonding agreement.

On April 30, 2024, at a special meeting of the Company's shareholders, the shareholders approved, by approximately 97% of the votes cast by the Company's disinterested shareholders, a resolution permitting the creation of a controlling shareholder of the Company (as this term is defined in the policies of the Exchange). A total of 144,601,684 common shares were voted for at the meeting, representing approximately 29.23% of the total number of issued and outstanding common shares.

Following the meeting, the Company issued 7,648,312 units to SARL MF, an entity controlled by François Mestrallet, making him a controlling shareholder of the Company. Following this issue, Mr. Mestrallet holds, with his associates and affiliates, 112,349,000 shares, 52,900,000 warrants and 1,500,000 stock options, representing 19.26% of the 583,213,160 shares issued and outstanding as at June 30, 2024, on a non-diluted basis (27.6% assuming the exercise of convertible securities).

Since May 29, 2024, the Company's shares have been traded on the OTCQB.

## **FINANCIAL HIGHLIGHTS**

Between September 6 and December 15, 2023, the Company closed four tranches of a private placement consisting of 64,503,750 units at a price of \$0.04 per unit for total gross proceeds of \$2,580,150.

Between March 26 and June 27, 2024, the Company closed five tranches of a private placement consisting of 88,434,400 units at a price of \$0.05 per unit for total gross proceeds of \$4,421,720.

## **WORK COMPLETED ON THE MINING PROPERTIES**

*Option agreement*

On June 17, 2024, the Company entered into an option agreement with Québec Lafleur Minerals Inc. (formerly Québec Pegmatite Holdings Corp.) (« LaFleur »), under which Abcourt granted LaFleur the right to acquire a 100% interest in 141 mining claims held by the Company and covering approximately 5,579 hectares. The optioned property includes portions of the Courville and Abcourt Barvue projects, namely the Jolin (Courville) and Bartec (Abcourt-Barvue) areas, and adjoins the Swanson property.

Under the terms of the agreement, LaFleur was to pay \$500,000 in cash within 10 days of signing the agreement to acquire 25% of the property (conditions met by June 30, 2024), and three additional payments of \$500,000 to acquire 50%, 75% and 100% within 6, 18 and 24 months of signing the agreement. The agreement provided for the possibility of making the three payments under certain conditions through the issuance of LaFleur shares.

On July 8, 2024, LaFleur elected to accelerate the exercise of the remaining conditions of the agreement by making payment through the issuance of shares from its share capital for a total of \$1,500,000 to acquire the remaining 75% interest in the property. LaFleur issued 4,299,211 shares to Abcourt at a deemed price of \$0.3489 per share.

### **Flordin property**

The Flordin property is located approximately 25 kilometers north of Lebel-sur-Quévillon and is 100% owned by Abcourt. It comprises 25 cells covering 976 hectares (5.9 km<sup>2</sup>).

On June 29, 2023, the Company published the Technical Report and mineral resource estimate for the Flordin Project (« MRE ») in accordance with National Instrument 43-101 - Disclosure Standards for Mining Projects. The technical report entitled "NI 43-101 Technical Report & Mineral Resource Estimate for the Flordin Project, Québec, Canada" and dated June 29, 2023 (with an effective date of May 15, 2023), was prepared for Abcourt by InnovExplo of Val-d'Or. The technical report is available on SEDAR ([www.sedar.com](http://www.sedar.com)) under Abcourt's issuer profile. This MRE reflects the results of approximately 73.4 thousand metres of drilling, of which 34.9 thousand metres were carried out from 2010 to 2020. In summary, the report identifies 134,700 Measured and Indicated Resource ounces in 1,758,000 tonnes at an average grade of 2.38 g/t Au; and 59,700 Inferred Resource ounces in 575,000 tonnes at an average grade of 3.23 g/t Au.

In November 2023, the Company carried out a drilling program on the property. A total of 1,512 metres of drilling (8 holes) were completed in the fall of 2023 in the eastern sector of the property. This drilling campaign confirmed the presence of new near-surface high-grade gold zones initially identified by hole FL- 18-254 drilled in 2018.

During the drilling in November 2023, Hole FL-23-265 intersected two gold mineralized zones in an interval of 36 to 52 m. **The first mineralized zone returned 3.58 g/t gold over 4 m from 36 to 40 m, and the second returned 14.79 g/t gold over 4 m from 48 to 52 m.** The mineralization consists mainly of fine cubic pyrite disseminated in a sheared, strongly hematized and ankeritized basalt. This style of mineralization does not appear to be associated with tensioned and sheared quartz-carbonate veins and veinlets that are recognized as the main component of the gold mineralization contained in the Flordin deposit. Other drilling on either side of hole FL-23-265 confirmed the lateral continuity of mineralization over more than 200 meters. Indeed, each of the mineralized zones intercepted in the lateral extensions exhibit the same geological signature as that observed in the Poll FL-23-265.

The drilling work carried out in 2023 as well as the new petrographic study, carried out on various mineralized intersections (20 thin-polished sections, examined by Lucie Mathieu, Ph.D., P.Geo. of Consultation GEOX inc.) confirm that gold mineralization is not only associated with the presence of quartz veins and veinlets. Indeed, the best gold intersections obtained during the recent drilling campaign indicate that gold is included in disseminated pyrite zones located in sheared and altered basalt.

Compilation work has enabled us to confirm that the Company's recent drilling in 2023 intersected a style of mineralization similar to Cambior Inc.'s historic hole S-158, published in 1988. Indeed, the geological similarities observed in drilling, combined with the historical data, confirm the possible continuity of the South Zone in the area of the recent drilling. The southern zone could be connected to the Cartwright deposit.

Fieldwork in 2024 will focus on the search for pyrite-mineralized alteration zones, not just quartz veins. This work will enable us to better target the next areas for follow-up drilling, with the aim of increasing the number of ounces of gold available on our Lebel-sur-Quévillon properties.

Figure 1 : Location of the works on the Flordin property



## Sleeping Giant Property

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

The property's assets include a mill with a processing capacity of 700 to 750 tonnes of ore per day, or approximately 250,000 tonnes per year. The process used is coal-in-pulp. There is also a pulp management facility, as well as underground infrastructure comprising two shafts, adjoining drifts, a machine shop, offices, a warehouse, drying rooms, mining equipment, surface facilities and a large parts inventory.

During the year, the Company published the Technical Report and the Preliminary Economic Assessment for the Sleeping Giant Project in accordance with National Instrument 43-101 - Disclosure Standards for Mining Projects. The technical report entitled "NI 43-101 Technical Report & Preliminary Economic Assessment for Sleeping Giant Project, Eeyou Istchee James Bay, Québec, Canada " and dated July 19, 2023 (with an effective date of June 7, 2023) was prepared for Abcourt by the firm InnovExplo of Val-d'Or. The technical report is available on SEDAR ([www.sedar.com](http://www.sedar.com)) under Abcourt's issuer profile,

### PEA Highlights

**Base Case Scenario : Gold Price : 1800 \$ US/oz**

**Exchange Rate : 1.00 USD = 1.30 CAD, Discount Rate : 5%**

▪ NPV <sub>5%</sub> 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

During the year, the Company recovered from the Sleeping Giant mine 327.6 ounces from 1,428 tonnes at a head grade of 7.4 g/t with a mill recovery of 95.9%. the mineralize material process came from existing

workplaces.

### *Drilling*

From December 2023 until April 30, 2024, Abcourt has carried out, from levels 235 and 295, 17 drilling holes totaling 2,005 meters in the DAC 5 area. The first diamond drill holes realized are used to optimize the mining plan of the DAC 5 sector accessible in 2024 for the extraction start.

Abcourt presents the results of 5 drill holes totaling 493m drilled underground from level 295.

The highlights of the analysis results, included in this press release, are as follows:

**91.8 g/t Au over 0.5 meter** in hole 29-269.

**30.8 g/t Au over 0.5 meter** in hole 29-273.

The main results of holes drilled from level 295 are displayed in Table 1.

<b>Main Underground Drilling Results from DAC 5 Stope.</b>						
<b>DDH</b>	<b>From (m)</b>	<b>To (m)</b>	<b>Thickness (m)</b>	<b>Au (g/t)</b>	<b>Vein</b>	
29-267	49.30	49.80	0.50	11.73	Vein 1	
29-268	47.70	48.25	0.55	27.64	Vein 1	
29-269	52.70	53.35	0.65	9.77	Vein 1	
	and	66.00	66.50	0.50	91.76	Vein 4
	and	87.50	88.00	0.50	6.57	Vein 3
29-270	44.00	45.50	1.50	5.99	Vein 1	
	Including	45.00	45.50	0.50	11.65	
29-273	64.00	64.50	0.50	30.80	Vein 1	

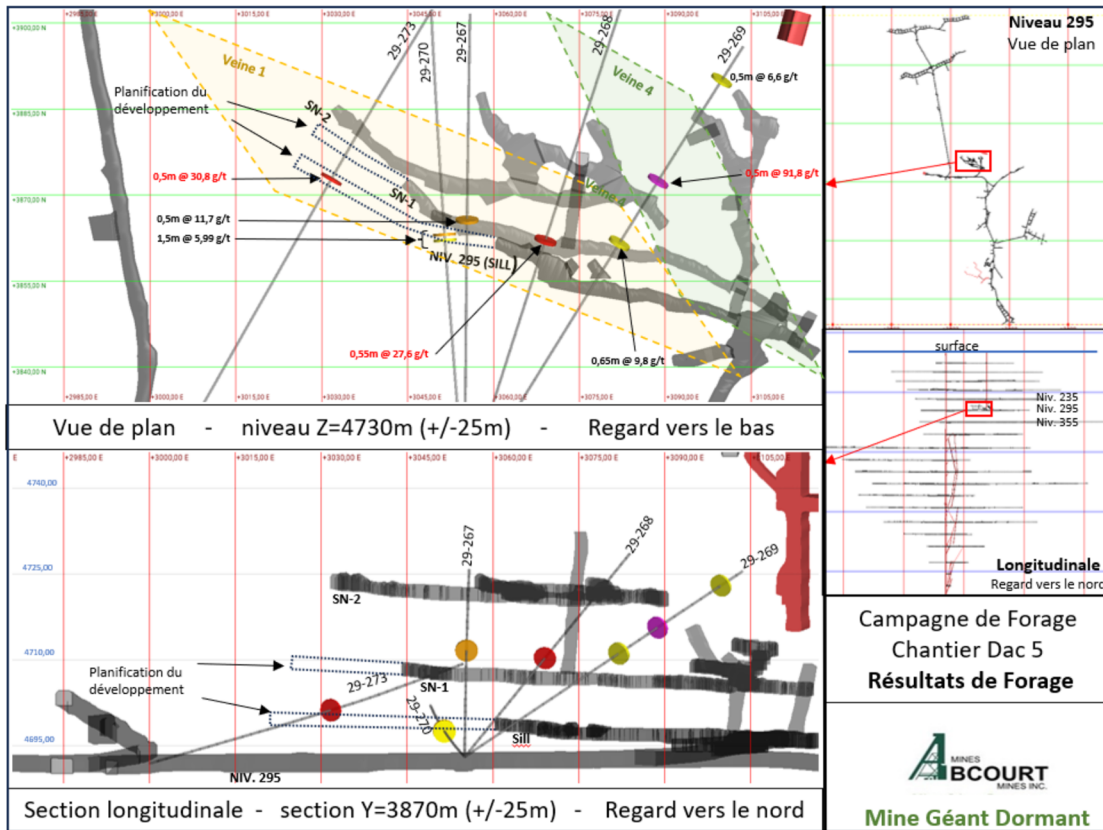
**Notes:**

1. The length represents the length measured along the drill core.
2. Assay results are not capped, but higher-grade sub-intervals are highlighted.



The main results of the holes drilled from the 295 level are shown in a longitudinal section and plan view (Figure 1).

**Figure 1: Level 295, Sector DAC 5, Plan View and Section Looking North.**



Drilling data from holes 29-270 and 29-273 show that the main vein (vein 1) continues westward and that we can advance the development of the sill and sublevel 1.

The drilling data also show the presence of another mineralized vein (vein 4) oriented N-S to NNW-SSE and with a slight dip visible in the sub-levels and intercepted by drilling 29-269.

In light of these results, we added drill holes to evaluate the western and upward extension of vein 1 as well as the northward extension of vein 4.

## **Courville property (Pershing-Manitou project)**

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

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

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

Between November 2023 and April 2024, the Company completed milling of 5,361 tonnes of mineralized material from the Pershing-Manitou deposit at the Sleeping Giant mill. The average feed grade during sampling was 1.74 grams/tonne (gpt). Gold feed was 299,906 ounces, and gold recovery was 269,616 ounces. Gold recovery at the mill was 89.9%. Gold grades at reject were 0.18 gpt. A gold grade of 0.18 gpt at reject is typical of the Sleeping Giant mill. Gold from the Pershing-Manitou deposit is normally recovered in a coal-fired mill such as the Sleeping Giant plant.

These bulk sample data will be considered during future exploration campaigns on the Pershing-Manitou deposit.

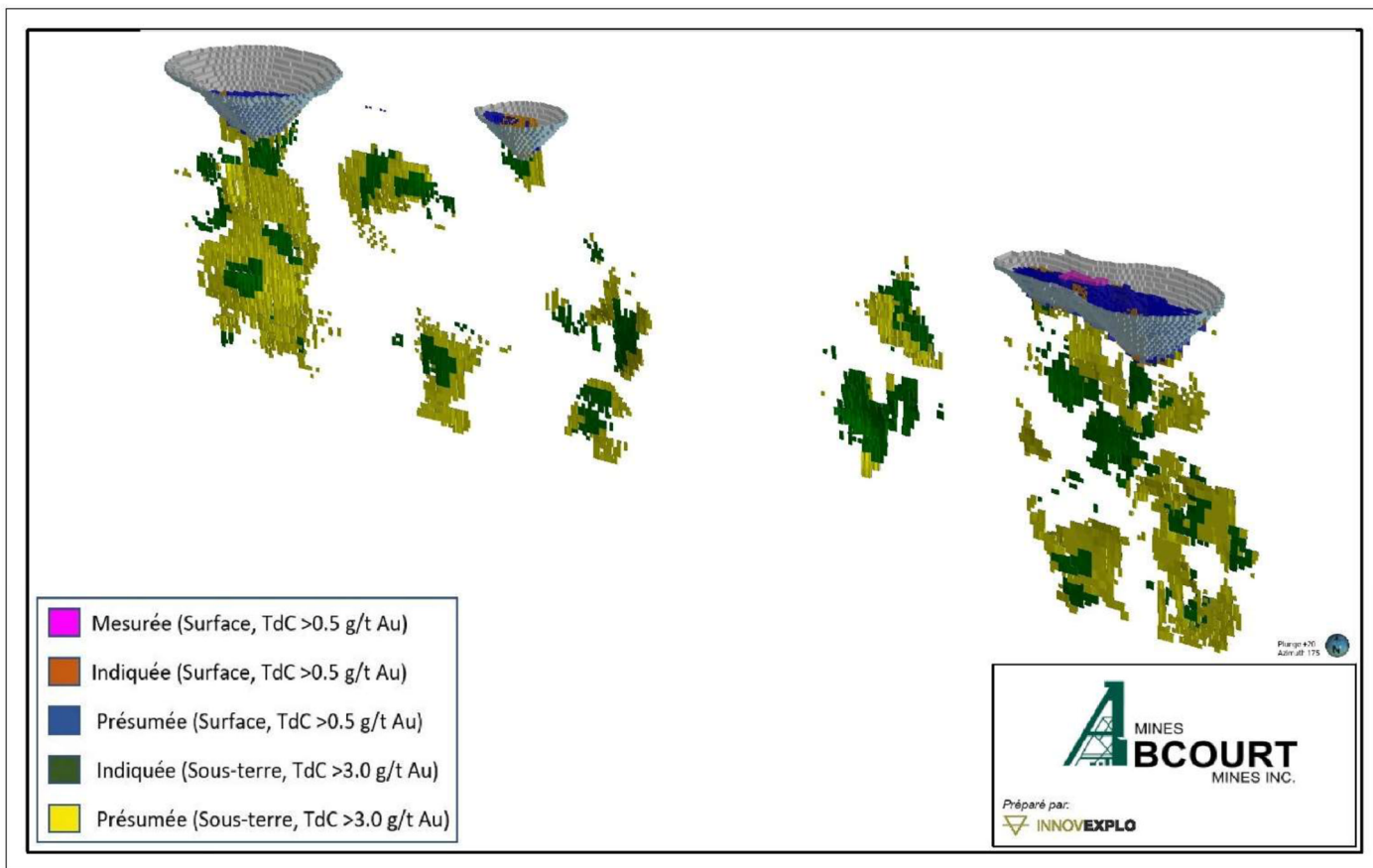
## **Discovery Property**

The Discovery project, a wholly-owned gold deposit 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, Quebec.

On May 18, 2023, the Company published the Technical Report and mineral resource estimate for the Discovery Project (« MRE ») in accordance with National Instrument 43-101 - Disclosure Standards for Mining Projects. The technical report entitled "NI 43-101 Technical Report & Mineral Resource Estimate for the Discovery Project, Québec, Canada" and dated May 18, 2023 (with an effective date of March 28, 2023), was prepared for Abcourt by InnovExplo of Val-d'Or. The technical report is available on SEDAR ([www.sedar.com](http://www.sedar.com)) under Abcourt's issuer profile. This MRE reflects the results of approximately 158 thousand meters of drilling of which 35,551 meters were drilled between 2010 and 2018.

This MRE will serve as the basis for an exploration campaign to explore the deposit's extensions and potentially increase mineral resources.

**Figure 2: Longitudinal section of the Discovery deposit**



## Mineral resource estimate for the Discovery Gold Project

<b>Discovery Gold Project</b>			
<b>Mineral Resources Underground (at 3 g/t Au cut-off)</b>			
<b>Classification</b>	<b>Tonnes</b>	<b>Teneur</b>	<b>Onces</b>
	<b>(t)</b>	<b>(g/t Au)</b>	<b>(Oz Troy Au)</b>
<b>Indicated</b>	<b>955,000</b>	<b>5.09</b>	<b>156,300</b>
<b>Inferred</b>	<b>1,573,000</b>	<b>5.21</b>	<b>263,400</b>
<b>Open-Pit Mineral Resources (at 0.5 g/t Au cut-off)</b>			
<b>Classification</b>	<b>Tonnes</b>	<b>Teneur</b>	<b>Onces</b>
	<b>(t)</b>	<b>(g/t Au)</b>	<b>(Oz Troy Au)</b>
<b>Measured</b>	<b>8,000</b>	<b>3.44</b>	<b>900</b>
<b>Indicated</b>	<b>223,000</b>	<b>2.86</b>	<b>20,500</b>
<b>Total Measured + Indicated</b>	<b>231,000</b>	<b>2.88</b>	<b>21,400</b>
<b>Inferred</b>	<b>397,000</b>	<b>3.15</b>	<b>40,300</b>
<b>Discovery Gold Project Total Resources</b>			
<b>Total Measured + Indicated</b>	<b>1,186,000</b>	<b>4.66</b>	<b>177,700</b>
<b>Total Inferred</b>	<b>1,970,000</b>	<b>4.80</b>	<b>303,700</b>

## MAIN CONSOLIDATED FINANCIAL AND OPERATIONAL DATA

	June 30, 2024 3 months	June 30, 2023 3 months	Change	June 30, 2024 12 months	June 30, 2023 12 months	Change
Revenues (\$)	1 817	-	100%	265 120	7,014,494	-96%
Costs of sales (\$)	-	(42,474)	-100%	-	4,235,799	-100%
Gross margin (\$)	1 817	42,474	-96%	265 120	2,778,695	-90%
Other Expenses :						
Administration (\$)	1,104,291	625,248	77 %	3 762 272	2,128,357	77 %
Care and maintenance (\$)	662,707	940,363	-30 %	2 702 092	4,046,339	-33 %
Exploration and evaluation (\$)	639,307	6,064,345	-82 %	4 682 986	1,644,117	212 %
	<b>2,406,305</b>	7,629,956	<b>-63 %</b>	<b>11 147 350</b>	7 818 813	<b>48 %</b>
Net earning (\$)	<b>(2,892,734)</b>	(7,527,727)		<b>(11 581 571)</b>	(5,337,404)	
Cash provided by operating activities, after changes in non-cash working capital items (\$)	<b>(1,344,995)</b>	(2,180,103)		<b>(10,156,948)</b>	(79,643)	
Cash flows from financing activities (\$)	<b>1,579,116</b>	(175,185)		<b>6,309,210</b>	800,249	
Cash flows from investing activities (\$)	<b>(492,775)</b>	(9,235)		<b>3,641,517</b>	(477,144)	
Basic earnings per share (\$)	<b>(0.01)</b>	(0.02)		<b>(0.02)</b>	(0.01)	
Cash (\$)	<b>757,753</b>	963,974	-21%			
Working capital (\$)	<b>(4,947,411)</b>	(4,476,223)	-20%			
Total assets (\$)	<b>14,063,983</b>	17,400,883	-22%			
Non-current liabilities (\$)	<b>12,261,315</b>	11,949,531	3%			
Equity (\$)	<b>(6,284,136)</b>	(1,867,936)	-260%			
Mineralized material treated (tonnes)	<b>4,464</b>	-		<b>6,789</b>	-	
Grade tonnes milled (g/t AU)	<b>3.5</b>	-		<b>2.9</b>	-	
Gold recovery (%)	<b>93.6</b>	-		<b>93.0</b>	-	
Ounces recovered	<b>467.6</b>	-		<b>596.6</b>	-	
Revenue from gold sales (\$)	-	-		-	6,903,850	-100%
Gold sales from the Sleeping Giant property classified as exploration and evaluation expenses in the consolidated statement of comprehensive income	<b>923 746</b>	650,190	42%	<b>923,746</b>	6,621,014	-86%
Total gold sales :	<b>923 746</b>	650,190		<b>923,746</b>	13,524,864	
Ounces of gold sold	<b>345</b>	255		<b>345</b>	5,545	
Average realized price per ounce (\$)	<b>2,678</b>	2,550		<b>2,678</b>	2,439	
Average realized price per ounce (US\$)	<b>1 992</b>	1,927		<b>1,992</b>	1,825	
Average exchange rate CAN\$ / US\$	<b>1.34</b>	1.32		<b>1.34</b>	1.34	

## REVIEW OF CONSOLIDATED ANNUAL FINANCIAL RESULTS

Revenues for the year totalled \$265,120, down 96% from the same period in 2023. Revenues for the period consisted solely of sales of waste rock. For the same period in 2023, revenues totalled \$7,014,494. Sales for the same period in 2023 consisted primarily of gold and silver.

In 2023, cost of sales totalled \$4,235,799; cost of sales was nil as at June 30, 2024. Cost of sales for 2023 consisted of the cost of recovering gold and silver ounces in circuit at the Sleeping Giant mill.

Administrative expenses are as follow:

	2024	2023
	\$	\$
Professional fees	549,727	414,149
Interest and penalties on taxes	282,475	107,422
Part III.14 taxes	-	7,125
Bank fees	33,838	17,398
Salaries and benefits	1,413,520	789,442
Insurances	166,210	42,119
Office and other expenses	164,207	114,171
Shareholders and investors relations	580,686	564,060
Share-based compensation	275,357	11,758
Amortization of property, plant and equipment	165,854	58,427
Adjustment of provision for restoration of impaired mining assets	130,398	-
Impairment of property, plant and equipment	-	2,286
	<u>3,762,272</u>	<u>2,128,357</u>

Administrative expenses amounted to \$3,762,272 during the year, compared to \$2,128,357 in 2023, a significant increase of \$1,633,915 or 77%. The increase is mainly attributable to increases during the period in salaries and benefits, stock-based compensation, interest and penalties on taxes, professional fees and the adjustment of the provision for restoration of impaired mining assets.

Salaries and benefits include annual management bonuses for two years, 2023 and 2024, which increases the expense for the period. No provision has been made for management bonuses in 2023. The increase is also due to the hiring of accounting and human resources staff in view of the resumption of exploration activities at the Sleeping Giant site. The increase in stock-based compensation is attributable to the granting during the period of 19,000,000 stock options to the Company's directors, officers, employees and consultants engaged in investor relations. The increase in interest and penalties on taxes is attributable to the additional mining taxes payable for 2021 following receipt during the year of a notice of assessment from Revenu Québec. The Company has objected to the notice of assessment. The litige is on the qualification of Sleeping Giant mine expenses. The increase in professional fees is explained by legal fees, i.e. legal and expert fees in the case opposing the Company to Revenu Québec and relating to the claim for resource credits and the refundable credit on duties for the years 2011 to 2014. The adjustment to the provision for restoration of impaired mining assets in the amount of \$130,398 is due to the revision during

the year of the estimated restoration costs for the Elder mine site. In 2022, the Elder mine was fully impaired following the shutdown of the operations, and since then, the revised estimate for the restoration costs have been recognized in the consolidated statement of comprehensive income. Restoration costs estimated by the Company for the site rose from \$497,572 to \$704,425, an increase of \$206,853. The adjustment of \$130,398 takes into account discounting.

During the year, care and maintenance expenses at the Company's three sites totalled \$2,702,092, compared to \$4,046,339 for the same period in 2023, a decrease of 33%. The decrease in costs for the period, compared with the same period in 2023, is explained by the reallocation of the Company's resources from care and maintenance on the Sleeping Giant property to the ongoing drilling program on this property. These expenses were charged to exploration and evaluation expenses in the consolidated statement of comprehensive income.

In 2024 and 2023, the Company incurred the exploration and evaluation expenses shown in the table below:

	2024	2023
	\$	\$
Sleeping Giant	3,827,538	4,858,602
Courville (Pershing-Manitou)	2,011,639	-
Flordin & Discovery	635,284	454,684
Mining claims and others	72,271	7,129
Total	<u>6,546,732</u>	<u>5,320,415</u>
Sale of a property	(500,000)	-
Credit on mining rights refundable and refundable tax credit for resources	(440,000)	-
Acquisition of Pershimex	-	5,484,864
Proceeds from the sale of the royalty	-	(2,476,863)
Proceeds from the sale of gold and silver	(923,746)	(6,684,299)
<b>Total exploration and evaluation expenses</b>	<u><b>4,682,986</b></u>	<u><b>1,644,117</b></u>

During the year, exploration and evaluation expenses totalled \$4,682,986, compared to \$1,644,177 for the same period in 2023. Sales of gold and silver from the Sleeping Giant property were higher in 2023, at \$6,684,299, compared to \$923,746 in 2024. Gold and silver sales and the sale of a royalty on the Sleeping Giant and Dormex properties in 2023, explain the significant variation compared to the total 2024 exploration expenses.

During the year, the Company sold approximately 345 ounces of gold at an average realized price of \$2,674 (US\$1,992) per ounce, compared to 5,545 ounces of gold at an average realized price of \$2,439 (US\$1,832) in 2023. Gold sales are from the Courville (Pershing Manitou) and Sleeping Giant properties. In 2023, gold sales are solely from the Sleeping Giant property.

See the table below for gold recovery statistics for these properties:

Site	Tonnes milled	Head grade (g/t)	% Recovery	Ounces recovered
<b>Sleeping Giant</b>	1,428	7.44	95.7	327.0
<b>Pershing Manitou</b>	5,361	1.74	89.9	269.6
<b>Total</b>	6,789	2.94	93.0	596.6

The exploration and evaluation expenses, excluding gold and silver sales, sale of a property, sale of a royalty and credit on mining rights and tax credit for resources, amounted to \$6,546,732 in 2024, compared to \$5,320,415 in 2023, an increase of \$1,226,317. The increase in expenses is mainly attributable to the 5,000-tonne bulk sample from the Courville site (Pershing-Manitou), which consists of transportation and processing costs for the bulk sample. However, Sleeping Giant's exploration costs have decreased from \$4,858,602 in 2023 to \$3,827,538 in 2024, a decrease of \$1,031,064, or 79%. In 2023, the property's MRE and PEA contributed to the increase of the expenses.

During the year, the Company entered into an option agreement with Québec Lafleur Minerals Inc. (formerly Québec Pegmatite Holdings Corp.) (« LaFleur ») whereby Abcourt has granted LaFleur the right to acquire a 100% interest in 141 mining claims covering approximately 5,579 hectares located in the province of Québec, Canada. The optioned property includes portions of the Courville and Abcourt-Barvue projects, namely the Jolin (Courville) and Bartec (Abcourt-Barvue) areas and contiguous to the Swanson property. Under the terms of the agreement, LaFleur was required to pay \$500,000 in cash within 10 days of signing the agreement to acquire 25% of the property (conditions met by June 30, 2024). The amount of \$500,000 was recognized as a sale of mining property in the consolidated statement of comprehensive income.

For the year 2024, the Company reported a net loss of \$11,585,571, or a loss per share of \$0.02, compared to a net loss of \$5,337,044, or a loss per share of \$0.01, for the same period in 2023. The net loss for the year is explained by the significant decrease in gold sales.

Cash flow from operating activities (after changes in non-cash working capital items) for the year was \$(10,156,948), compared to \$(79,643) for the same period in 2023. The decrease in cash is attributable to significantly lower gold sales for the year.

As at June 30, 2024, negative working capital of \$4,947,411, compared to a negative working capital of \$4,476,223 at June 30, 2023. Since June 30, 2023, working capital has deteriorated slightly despite the slight decrease in cash, while current liabilities, consisting mainly of accounts payable and accrued liabilities, remain high, affecting negatively the working capital.



### Three-month period ended June 30, 2024

No gold sales for the quarter ended June 30, 2024 and 2023.

Administrative expenses are as follow:

	2024	2023
	\$	\$
Professional fees	(1 106)	76 156
Interest and penalties on taxes	170 343	29 579
Part III.14 taxes	-	7 125
Bank fees	14 736	(17 227)
Salaries and benefits	513 280	194 398
Insurances	61 589	12 226
Office and other expenses	44 668	25 032
Shareholders and investors relations	170 465	282 383
Share-based compensation	44 301	(9 242)
Amortization of property, plant and equipment	59 044	24 643
Adjustment of provision for restoration of impaired mining assets	26 971	-
Impairment of property, plant and equipment	-	175
	<u>1 104 291</u>	<u>625 248</u>

Administrative expenses amounted to \$1,104,291 during the quarter, compared to \$625,248 for the same period in 2023, an increase of \$479,043. The increase was mainly due to higher salaries and benefits, as well as interest and penalties on taxes. The increase in salaries and benefits is due to management bonuses provisioned during the quarter. No bonuses provisioned in 2023. The increase in interest and penalties on taxes is attributable to additional mining taxes payable for 2021 following the receipt during the year of a notice of assessment from Revenu Québec. The Company has objected to the notice of assessment. The objection is on the qualification of Sleeping Giant mine expenses.

During the quarter, care and maintenance expenses at the Elder, Abcourt Barvue and Sleeping Giant sites amounted to \$662,707, compared to \$940,363 for the same period in 2023, a decrease of \$277,656. The decrease in costs for the quarter compared with the same period in 2023 is explained by the reallocation of the Company's resources from care and maintenance on the Sleeping Giant property to the ongoing drilling program on this property.

During the quarters ended June 30, 2024 and 2023, the Company carried out the exploration and evaluation expenses presented in the following table:

	<b>2024</b>	<b>2023</b>
	3 months	3 months
	\$	\$
Sleeping Giant	<b>1,584,149</b>	1,123,357
Courville (Pershing-Manitou)	<b>910,162</b>	-
Flordin & Discovery	<b>5,684</b>	110,026
Mining claims and others	<b>3,058</b>	3,771
	<b>2,503,053</b>	1,237,154
Cession d'une propriété	<b>(500,000)</b>	-
Crédit d'impôt relatif aux ressources et crédit de droit pour perte	<b>(440,000)</b>	-
Acquisition Pershimex	-	5,484,864
Produit de la cession d'or et d'argent	<b>(923,746)</b>	(657,673)
Solde des dépenses de prospection et d'évaluation	<b>639,307</b>	6,064,345

During the quarter, exploration and evaluation expenses amounted to \$639,307, compared to \$6,064,345 for the same period in 2023, a decrease of \$4,985,038. The increase in exploration expenses in 2023 is mainly due to the acquisition of the Pershimex properties.

The exploration and evaluation expenses on the Sleeping Giant property during the quarter increased to \$1,584,149, compared to \$1,123,357 in 2023. In January 2024, the Company began a drilling program on the Sleeping Giant property. Following publication of the PEA in 2023, the Company began a drilling program on the Sleeping Giant property to increase the resource and further develop the mine's geological model. The Company plans to issue an MRE following drilling on the Sleeping Giant property to convert inferred resources to indicated resources in support of a potential pre-feasibility study. For the same period in 2023, expenses incurred on the Sleeping Giant property are for the costs of the 2023 MRE and PEA.

Expenses for the Courville property are from the bulk sample of 5,000 tonnes. During the quarter ended June 30, 2024, the Sleeping Giant plant completed the bulk sampling of nearly 5,000 tonnes from the Pershing-Manitou project.

During the quarter, the Company sold approximately 345 ounces of gold at an average realized price of \$2,674 (US\$1,992) per ounce, compared to 255 ounces of gold at an average realized price of \$2,550 (US\$1,927) in 2023. Gold sales are from the Courville (Pershing Manitou) and Sleeping Giant properties. In 2023, gold sales are solely from the Sleeping Giant property.

See the table below for gold recovery statistics for these properties:

<b>Site</b>	<b>Tonnes milled</b>	<b>Head grade (g/t)</b>	<b>% Recovery</b>	<b>Ounces recovered</b>
<b>Sleeping Giant</b>	1,428	7.4	95.9	327.6
<b>Pershing Manitou</b>	3,036	1.6	88.6	140.0
<b>Total</b>	4,464	3.5	93.6	467.6

The Company realized a net loss for the quarter of \$2,892,734, or a loss per share of \$0.01, compared to a net loss of \$7,552,727, or a loss per share of \$0.02, for the same period in 2023.

Cash flow from operating activities (after changes in non-cash working capital items) for the quarter was \$(1,344,995), compared to \$(2,180,103) for the same period in 2023.

## **KEY QUARTERLY FINANCIAL AND OPERATIONAL DATA**

	<b>2024 June</b>	<b>2023 June</b>	<b>2024 March</b>	<b>2023 March</b>	<b>2023 Dec.</b>	<b>2022 Dec.</b>	<b>2023 September</b>	<b>2022 September</b>
<b><u>FINANCIAL DATA</u></b>								
Revenues (\$)	1,817	-	8,303	498,742	-	4,118,938	255,000	2,396,903
Costs of sales (\$)	-	-	-	(46,022)	-	2,001,514	-	2,322,870
Gross margin	1,817	-	8,303	544,764	-	2,117,424	-	74,033
Expenses :								
Administration (\$)	1,104,291	625,248	776,367	472,388	881,874	669,235	999,740	361,486
Care and maintenance	662,707	940,363	239,844	1,453,562	926,103	1,013,899	873,438	638,515
Exploration and evaluation	639,307	6,064,345	1,765,615	(3,055,259)	1,571,293	713,980	706,771	(2,078,860)
Total	2,406,305	7,629,956	2,781,826	(1,129,309)	3,379,270	2,397,114	2,579,949	(1,078,860)
Net earnings (\$)	(2,892,734)	(7,552,727)	(2,892,142)	1,471,857	(3,351,452)	(366,532)	(2,449,949)	1,110,358
Cash generated by operating activities, after changes in non-cash working capital items (\$)	(1,344,995)	(2,180,103)	(3,482,833)	2,491,321	(3,362,629)	(1,300,685)	(1,526,491)	909,824
Net earnings per share basic (\$)	(0.01)	(0.02)	(0.01)	0.00	(0.01)	(0.00)	(0.01)	0.00
Basic weighted average	549,715,330	348,814,131	496,357,040	348,814,131	484,719,791	348,754,347	398,862,037	340,210,870
<b><u>OPERATING STATISTICS :</u></b>								
Mineralized material milled (tonnes)	4,464	-	2,325	-	-	-	-	-
Grade of tonnes recovered (g/t Au)	3.5	-	1.9	-	-	-	-	-
Gold recovery (%)	93.6	-	90.8	-	-	-	-	-
Ounces recovered	467.6	-	129	-	-	-	-	-
Revenue from the sale of gold (\$)	-	-	-	486,724	-	4,053,550	-	2,364,239
Disposal of gold from exploration property	923,746	650,190	-	5,724,356	-	-	-	293,904
Total	923,746	650,190	-	6,211,080	-	4,053,550	-	2,658,143
Ounces of gold sold:	345	254	-	2,394	-	1,726	-	1,174
Average realized gold price per ounce (\$)	2,674	2,555	-	2,594	-	2,353	-	2,264
Average price realized per ounce (\$/US)	1,992	1,927	-	1,926	-	1,750	-	1,742
Average exchange rate \$CAN / \$US	1.34	1.33	-	1.35	-	1.34	-	1.30

## FINANCING POSITION

	June 30 2024	June 30, 2023	Explanation of changes
Current assets	\$ <b>3,139,393</b>	\$ 2,843,065	The increase in current assets is mainly due to the increase in inventories, the resource tax credit and the credit on duties refundable for losses.
Non-current assets	<b>10,924,590</b>	14,557,818	The decrease in assets is attributable to the cashing-in of a portion of the deposit of the financial guarantee following the agreement with an insurance company to provide bonding for the Company's environmental obligations to the MNRF in connection with the Elder and Sleeping Giant mine restoration costs. The Company received \$5,867,786, but was required to provide a cash guarantee representing approximately 50% of the financial guarantee, i.e. \$2,933,893 and, as at June 30, 2024, \$2,000,000.
Total assets	<b>14,063,983</b>	17,400,883	
Current liabilities	<b>8,086,804</b>	7,319,288	The increase in current liabilities is due to the increase in mining tax payable following the receipt of the 2021 mining tax assessment.
Non-current liabilities	<b>12,261,315</b>	11,949,531	The variation is explained by the increase in the provision for mine site restoration, due to the upward revision of estimated restoration costs for the Elder mine site.
Total liabilities	<b>20,348,119</b>	19,268,819	
Equity	<b>(6,284,136)</b>	(1,867,936)	Equity decreased due to the increase of the deficit.

## CASH AND SOURCES OF FINANCING

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

As at June 30, 2024, the Company had cash of \$757,753, compared to \$963,974 as at June 30, 2023.

### Sources of equity financing

Between September 6 and December 15, 2023, the Company completed four tranches of a private placement consisting of 64,503,750 units at a price of \$0.04 per unit. Each unit consisted of one Class « B » common share and one warrant. Each whole warrant entitles the holder to subscribe to one Class « B » common share at an exercise price of \$0.05 for a period of 3 years from the date of issuance of the warrant. The gross proceeds of the placement totaled \$2,580,150.

In connection with the private placement, the Company paid a cash commission of \$1,800 and issued 45,000 warrants to a broker. Each warrant entitles its holder to purchase one unit at a price of \$0.05 for 3 years

from the date of issuance of the unit. Each unit consisted of one Class « B » common share and one warrant. Each warrant entitles its holder to purchase one Class « B » common share at the exercise price of \$0.05 for a period of 3 years from the date of issuance of the warrant.

The Company also issued 2,166,506 units in payment of an amount of \$86,660 representing a 2% net smelter return royalty payable on metallic minerals recovered on the Sleeping Giant property over the past twelve months, in accordance with the terms of a royalty agreement with Triple Flag (formerly Maverix Metals Inc.).

Between March 26 and June 27, 2024, the Company completed five tranches of a private placement consisting of 88,434,400 units at a price of \$0.05 per unit. Each unit consisted of one Class « B » common share and one warrant. Each warrant entitles the holder to purchase one Class « B » common share at an exercise price of \$0.06 for a period of 3 years from the date of issuance of the warrant. The gross proceeds of the placement totaled \$4,421,720

Following this placement, François Mestrallet, a director of the Company, became a controlling shareholder of the Company.

## CASH FLOWS

	<b>30 juin 2024 3 months \$</b>	30 juin 2023 3 months \$	<b>30 juin 2024 12 months \$</b>	30 juin 2023 12 months \$
Cash generated (used) by operating activities, after changes in non-cash working capital items	<b>(1,689,562)</b>	(2,275,197)	<b>(10,156,948)</b>	(79,643)
Cash flows from financing activities	<b>1,483,683</b>	(175,185)	<b>6,309,210</b>	800,249
Cash flows from investing activities	<b>(52,775)</b>	85,859	<b>3,641,517</b>	(477,144)
Increase (decrease) in cash	<b>(258,654)</b>	(2,364,523)	<b>(206,221)</b>	243,462
Cash, at the end of the quarter	<b>757,753</b>	963,974	<b>757,753</b>	963,974

## Operating Activities

During the year ended June 30, 2024, cash flows from operating activities used \$10.2M, due to the significant decrease in revenues during the period.

## Financing Activities

During the year ended June 30, 2024, cash flows from financing activities generated \$6.3M following the issue of common units for a total amount of approximately \$7M, less share issue expenses as well as the repayment of long-term debt.

## Investing Activities

During the year ended June 30, 2024, cash flows from investing activities generated cash in the amount of approximately \$3.7M from the receipt of the financial guarantee following the conclusion of an agreement

with an insurance company to provide the bond required from the Quebec government for the Company's environmental obligations for the Elder and Sleeping Giant mine sites, in accordance with the requirements under the restoration plans approved by the MNRF.

## 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 October 22, 2024**

Common shares issued	716,579,826
Stock options (average exercise price: \$0.06)	31,497,600
Warrants to investors (average exercise price: \$0.07)	327,378,322
Warrant to intermediaries (average exercise price: \$0.15)	1,217,500

## RELATED-PARTY TRANSACTIONS

During the year ended June 30, 2024, the Company incurred the following expenses with members of the Board of Directors and senior officers of the Company.

	<b>2024</b>		<b>2023</b>	
	<b>3 months</b>	<b>12 months</b>	<b>3 months</b>	<b>12 months</b>
			\$	\$
Salaries and benefits	493,085	1,269,039	154,960	680,998
Share-based compensation	<u>24,102</u>	<u>198,612</u>	<u>11,758</u>	<u>11,758</u>
Total remuneration	<u>517,187</u>	<u>1,467,651</u>	<u>166,718</u>	<u>692,756</u>

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

	<b>2024</b>		<b>2023</b>	
	<b>3 months</b>	<b>12 months</b>	<b>3 months</b>	<b>12 months</b>
	\$	\$	\$	\$
Payment of a royalty (2% NSR on the Elder Property) to a company controlled by one of the directors of the Company.	-	-	7,653	104,431
Professional fees with a firm in which one of the directors of the Company is a partner.	37,095	154,145	83,767	226,209

As at June 30, 2024, the due to related parties amounts to \$542,590 (\$171,693 as at June 30, 2023). 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 as issued by the International Accounting Standards Board (« IASB ») (« IFRS accounting standards ») in effect as at June 30, 2024.

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, 2024.

## **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;
- Loan from Royal Bank of Canada;
- General insurance and liability insurance premium financings.
- Letter of guarantee for the financial security of the Company's environmental obligations for the Elder and Sleeping Giant mine sites.



## **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 20 of the annual financial statements for the year ended June 30, 2024.

## **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

October 22, 2024