Cartier Resources Inc.

(an exploration company)

Interim Condensed Consolidated Financial Statements (unaudited)

Second quarter ended June 30, 2023

Cartier Resources Inc.

(an exploration company)

Interim Condensed Consolidated Statements of Financial Position (unaudited)

(In Canadian $)

	March 31, 2023	December 31, 2022
	$	$
Assets		
Current		
Cash and cash equivalents (note 4)	**2,874,895**	6,973,515
Other short-term financial assets (note 5)	**226,400**	40,800
Receivables (note 6)	**759,126**	359,776
Prepaid expenses	**90,114**	73,014
	3,950,535	7,447,105
Non-current		
Fixed assets	**17,366**	19,239
Right-of-use assets (note 7)	**24,947**	41,578
Mining assets and deferred exploration costs (note 8)	**41,674,782**	37,629,230
TOTAL ASSETS	**45,667,630**	45,137,152
Liabilities		
Current		
Accounts payable and accrued liabilities	**375,649**	869,210
Current portion of lease obligations (note 9)	**27,393**	36,030
Liability related to flow-through shares (note 16)	**133,062**	647,378
Current portion of loan (note 10)	**40,000**	40,000
	576,104	1,592,618
Non-current		
Lease obligations (note 9)	**-**	9,214
Deferred income and mining taxes	**4,670,666**	4,028,679
TOTAL LIABILITIES	**5,246,770**	5,630,511
EQUITY		
Share capital (note 11)	**56,566,641**	55,129,043
Warrants	**443,800**	443,800
Contributed surplus	**3,964,477**	3,818,810
Deficit	**(20,509,314)**	(19,876,668)
Accumulated other comprehensive loss	**(44,744)**	(8,344)
TOTAL EQUITY	**40,420,860**	39,506,641
TOTAL LIABILITIES AND EQUITY	**45,667,630**	45,137,152

Basis of preparation and going concern (note 2)
Contingencies and commitments (note 16)

The accompanying notes are an integral part of these interim condensed consolidated financial statements.

Approved on behalf of the Board of Directors

(Signed) Philippe Cloutier, Director

(Signed) Daniel Massé, Director

Cartier Resources Inc.

(an exploration company)

Interim Condensed Consolidated Statements of changes in equity (unaudited)

(In Canadian $)

	Number of shares	Share capital	Warrants	Contributed surplus	Deficit	Accumulated other comprehensive (loss)	Total equity
		$	$	$	$	$	$
BALANCE AS AT DECEMBER 31, 2022	**314,820,044**	**55,129,043**	**443,800**	**3,818,810**	**(19,876,668)**	**(8,344)**	**39,506,641**
Net loss for the period	**-**	**-**	**-**	**-**	**(632,646)**	**-**	**(632,646)**
Other comprehensive income	**-**	**-**	**-**	**-**	**-**	**(36,400)**	**(36,400)**
Total comprehensive loss	**-**	**-**	**-**	**-**	**(632,646)**	**(36,400)**	**(669,046)**
Issuance of shares net of issue costs (note 11)	**11,474,033**	**1,437,598**	**-**	**-**	**-**	**-**	**1,437,598**
Effect of share-based payments (note 11)	**-**	**-**	**-**	**145,667**	**-**	**-**	**145,667**
BALANCE AS AT JUNE 30, 2023	**326,294,077**	**56,566,641**	**443,800**	**3,964,477**	**(20,509,314)**	**(44,744)**	**40,420,860**
BALANCE AS AT DECEMBER 31, 2021	218,145,393	43,928,692	-	3,592,816	(18,822,947)	52,073	28,750,634
Net loss for the period	-	-	-	-	(728,396)	-	(728,396)
Other comprehensive loss	-	-	-	-	-	(79,000)	(79,000)
Total comprehensive loss	-	-	-	-	(728,396)	(79,000)	(807,396)
Issuance of shares for acquisition of East Cadillac Property net of issue costs (note 11)	46,273,265	6,686,197	-	-	-	-	6,686,197
Issuance of shares net of issue costs (note 11)	14,000,000	1,349,873	443,800	-	-	-	1,793,673
Effect of share-based payments (note 11)	-	-	-	102,415	-	-	102,415
BALANCE AS AT JUNE 30, 2022	278,418,658	51,964,762	443,800	3,695,231	(19,551,343)	(26,927)	36,525,523

The accompanying notes are an integral part of these interim condensed consolidated financial statements.

Cartier Resources Inc.

(an exploration company)

Interim Condensed Consolidated Statements of loss and comprehensive loss (unaudited)

(In Canadian $)

	Three-month periods ended		Six-month periods ended	
	June 30, 2023	June 30, 2022	**June 30, 2023**	June 30, 2022
	$	$	**$**	$
Administrative expenses				
Salaries	**130,123**	135,077	**263,896**	280,236
Consultants	**1,111**	2,757	**1,111**	5,114
Share-based payments-employees (note 11)	**65,277**	59,171	**116,975**	81,443
Share-based payments-consultants (note 11)	**242**	4,676	**1,290**	7,468
Professional fees	**49,090**	34,462	**70,990**	48,381
Business development expenditures (analysts and brokers)	**89,336**	57,351	**174,318**	117,787
Road shows and gold shows	**39,810**	20,449	**83,392**	23,766
Investor relations	**54,210**	37,771	**94,073**	85,162
Insurance, taxes and permits	**4,905**	4,211	**12,139**	10,876
Depreciation of fixed assets	**768**	768	**1,536**	1,244
Depreciation of right-of-use assets	**4,917**	4,917	**9,834**	10,950
Office supplies	**12,350**	6,039	**29,451**	14,895
Telecommunications	**1,636**	3,105	**2,966**	5,331
Training and travel	**5,813**	4,969	**9,359**	6,644
Advertising and sponsoring	**6,838**	5,373	**8,496**	8,406
Information to shareholder	**22,421**	20,396	**34,254**	32,454
	488,847	401,492	**914,080**	740,157
Other expenses (income)				
Sale of a written-off property option (note 8 (a))	**(94,000)**	(7,000)	**(94,000)**	(7,000)
Other exploration costs	**678**	9,267	**1,276**	52,598
Financial expenses (note 13)	**1,680**	3,002	**4,428**	6,620
Interest income	**(30,969)**	(13,065)	**(83,466)**	(19,995)
Loss before deferred income and mining taxes	**(366,236)**	(393,696)	**(742,318)**	(772,380)
Deferred income and mining taxes	**(14,200)**	(36,584)	**(109,672)**	(43,984)
Net loss for the period attributable to shareholders	**(352,036)**	(357,112)	**(632,646)**	(728,396)
Change in fair value of other short-term financial assets	**(73,444)**	(63,500)	**(36,400)**	(79,000)
Comprehensive loss for the period attributable to shareholders	**(425,480)**	(420,612)	**(669,046)**	(807,396)
Loss per share basic and diluted	**(0.00)**	(0.00)	**(0.00)**	(0.00)
Weighted average number of common shares outstanding basic and diluted	**322,257,240**	267,166,868	**318,559,187**	242,791,549

The accompanying notes are an integral part of these interim condensed consolidated financial statements.

Cartier Resources Inc.

(an exploration company)

Interim Condensed Consolidated Statements of Cash Flows (unaudited)

(In Canadian $)

	Six-month periods ended June 30, 2023	June 30, 2022
	$	$
OPERATING ACTIVITIES		
Net Loss	**(632,646)**	(728,396)
Adjustments for:		
Deferred income and mining taxes	**(109,672)**	(43,984)
Share-based payments-employees (note 11)	**116,975**	81,443
Share-based payments-consultants (note 11)	**1,290**	7,468
Sale of a written-off property option	**(94,000)**	(7,000)
Interests on lease obligations (note 13)	**323**	1,244
Depreciation of fixed assets	**1,536**	1,244
Depreciation of right-of-use assets	**9,834**	10,950
Interest paid on lease obligations	**(689)**	(1,327)
Interest income	**(83,466)**	(19,995)
Interest received	**76,049**	19,995
	(714,466)	(678,358)
Net change in non-cash working capital items		
Receivables	**(220,109)**	49,396
Prepaid expenses	**(17,100)**	(45,221)
Accounts payables and accrued liabilities	**(47,948)**	(30,624)
Cash flow used in operating activities	**(999,623)**	(704,807)
FINANCING ACTIVITIES		
Shares issue (note 11)	**1,750,700**	1,820,000
Shares issue expenses	**(73,938)**	(48,869)
Payments on lease obligations	**(17,851)**	(17,213)
Cash flow from financing activities	**1,658,911**	1,753,918
INVESTING ACTIVITIES		
Disposal of property's option (note 8)	**-**	150,000
Acquisition of property, plant and equipment	**(962)**	(14,183)
Acquisition of mining assets and deferred exploration costs	**(4,756,946)**	(576,243)
Cash flow used in investing activities	**(4,757,908)**	(440,426)
Net change in cash and cash equivalents	**(4,098,620)**	608,685
Cash and cash equivalents at the beginning of the period	**6,973,515**	6,200,786
Cash and cash equivalents at the end of the period (note 4)	**2,874,895**	6,809,471

Additional information (note 14)

The accompanying notes are an integral part of these interim condensed consolidated financial statements.

Incorporation and Nature of Operations

Cartier Resources Inc. (the "Company"), initially incorporated under Part 1 A of the Québec *Companies Act* on July 17, 2006, has been governed by the *Business Corporations Act* (Quebec) since February 14, 2011. The head office is at 1740, chemin Sullivan, Suite 1000, Val-d'Or, Quebec. Its activities primaily include the acquisition and exploration of mining properties in Canada.

The Company has not yet determined whether these properties contain economically recoverable ore reserves. Although, at the current stage of the exploration work, the Company is taking all industry standard measures to ensure that the mining property titles in which it has a financial interest are in good standing, these measures in place do not guarantee property titles to the Company. Property titles may be subject to prior unregistered agreements or non-compliance with regulatory requirements.

The recoverability of amounts reported for mining properties and deferred exploration expenses is dependent on the discovery of economically recoverable reserves, the ability of the Company to obtain the necessary financing to complete the development and future profitable production, or the proceeds of the transfer of such property. At the date of the financial statements, the carrying value of mining properties and deferred exploration expenses represents, in management's opinion, the best estimate of their net recoverable value. This value could however be reduced in the future.

On August 14, 2023, the Company's Board of Directors approved these unaudited interim condensed consolidated financial statements for the period ended June 30, 2023.

1. Acquisition

On April 7, 2022, the Company completed the acquisition of all of the issued and outstanding shares of Chalice Gold Mines (Quebec) Inc. (“Chalice Quebec”), a wholly-owned subsidiary of O3 Mining, which owns a 100% interest in the East Cadillac property contiguous with the Company’s Chimo Mine property in the Val-d’Or Gold Camp, Quebec, Canada.

The acquisition of Chalice Quebec was completed in consideration for the issuance of 46,273,265 shares of the Company representing 17.5% of the common shares outstanding at the closing of the transaction, including the fair value on the date of acquisition is $6,709,623. Issuance costs of $23,426 were applied against the share capital.

On April 21, 2022 Chalice Gold Québec inc. changed its name to Chimex Resources inc.

Management has concluded that Chalice Quebec does not meet the definition of a business because the assets and activities acquired do not include a substantial process and there are no outputs, therefore the transaction was accounted for as an asset acquisition. The fair value of the shares issued as consideration was determined based on the market price of the shares.

The following table details the fair value of the total consideration transferred and the fair value of identifiable assets acquired and identifiable liabilities assumed at the date of acquisition of East Cadillac's property:

(In Canadian $)

1. ACQUISITION (continued)

Fair value of consideration for acquisition

	$
Equity consideration	**6,709,623**
Transaction fees	**180,126**
Total value of consideration paid	**6,889,749**
Amount recognized as Mining Property	**6,889,749**

2. Basis of preparation and going concern

Cartier Resources Inc. and its subidiary Chimex Resources Inc. (the “Company”) are exploration companies with activities in Canada.

These unaudited interim condensed consolidated financial statements have been prepared by the Company’s management in accordance with (“IFRS”), and in accordance with IAS 34, “Interim Financial Reporting” as issued by the International Accounting Standards Board (“IASB”). They do not include all the information required in annual financial statements in accordance with IFRS. These unaudited interim condensed consolidated financial statements should be read in conjunction with the audited consolidated financial statements for the year ended December 31, 2022.

These unaudited interim condensed consolidated financial statements were prepared on a going concern basis, using historical costs method, except for "Other short-term financial assets" and "Share-based payments" which are measured at fair value.

The unaudited interim condensed consolidated financial statements have been prepared on a going concern basis, meaning that the Company will be able to realized its assets and discharge its commitments and liabilities in the normal course of operations. The Company's ability to continue as a going concern depends on its ability to realize its assets and to obtain additional financing. While it has been successful in raising financing to date, there can be no assurance it will be able to do so in the future. The Company believes it has sufficient liquidity to meet its obligations for the next 12 months. The Company has not yet determined whether its properties contain economically recoverable ore reserves and has not yet generated revenues from operations. The recoverability of the amounts shown for mining properties is dependent upon the existence of economic ore reserves, the ability of the Company to obtain the necessary financing to complete the exploration and development of its properties, and future profitable production or proceeds from the disposal of properties. The above conditions indicate the existence of material uncertainty that may cast significant doubt on the Company's ability to continue as a going concern.

These unaudited interim condensed consolidated financial statements do not reflect the adjustments to the carrying values of assets and liabilities, the reported amounts of expenses and the classification of statement of financial position items if the going concern assumption was deemed inappropriate, and these adjustments could be material.

In preparing these unaudited interim condensed consolidated financial statements, the important judgments that were made by management in applying the Company's accounting policies and the main sources of estimation uncertainty were the same as those described in the audited consolidated financial statements for the year ended December 31, 2022.

(In Canadian $)

3. New accounting method

As of the date of approval of these unaudited interim condensed consolidated financial statements, several new standards, amendments to existing standards and interpretations of existing standards had been issued by the IASB but were not yet effective. None of these standards or amendments to existing standards have been early adopted by the Company. Management expects that all relevant pronouncements will be adopted on the first fiscal year beginning on or after their effective date. New standards, amendments and interpretations not adopted for the current fiscal year have not been disclosed, since they should not have a material impact on the Company's Interim unaudited interim condensed consolidated financial statements.

4. Cash and cash equivalents

As at June 30, 2023 and as at December 31, 2022, cash and cash equivalents included an account bearing interest and an account without interest, as shown below:

	June 30, 2023		December 31, 2022	
	$	**Interest rate**	$	Interest rate
Account bearing interest	**2,584,841**	**4.05%-4.30%**	6,729,014	0.60%-4.05%
Account without interest	**290,054**	**-**	244,501	-
Total	**2,874,895**		6,973,515	

Cash and cash equivalents include $860,530 ($3,107,418 as at December 31, 2022) of funds to be incurred in eligible exploration expenses before December 31, 2024.

5. Other short-term financial assets

Marketable securities of a quoted mining exploration company, at fair value

	June 30, 2023	December 31, 2022
	$	$
Balance at the beginning of the period	**40,800**	80,500
Additions (note 8)	**222,000**	42,500
Change of value	**(36,400)**	(82,200)
Balance at the end of the period	**226,400**	40,800

6. Receivables

	June 30, 2023	December 31, 2022
	$	$
Credit on mining rights refundable and refundable tax credit for resources	**210,773**	38,949
Commodity taxes	**548,353**	320,827
	759,126	359,776

(In Canadian $)

7. Right-of-use assets

	Building Total
	$
Balance as at December 31, 2022	41,578
Depreciation	(16,631)
Balance as at June 30, 2023	**24,947**

8. Mining assets and deferred exploration costs

	Chimo Mine	East Cadillac	Wilson (b)	Benoist	Fenton (c)	Total
Ownership interest	100%	100%	100%	100%	100%	
	$	$	$	$	$	$
Mining assets						
Balance as at June 30, 2023 and December 31, 2022	**457,024**	**6,889,749**	**72,000**	**737,723**	**724,644**	**8,881,140**
Deferred exploration costs						
Balance as at December 31, 2022	13,278,652	3,578,078	622,857	9,181,135	2,087,368	28,748,090
Additions						
Geology	-	198,820	-	-	-	198,820
Drilling	-	3,583,130	-	-	-	3,583,130
Geochemistry	-	198,330	-	-	-	198,330
Exploration office expenses	-	6,472	-	-	-	6,472
Surveying and access roads	-	681	-	-	-	681
Core shack rental and maintenance	-	2,168	-	-	-	2,168
Duties, taxes and permits	315,110	3,979	170	2,345	128	321,732
Depreciation of exploration leasehold improvements	-	1,299	-	-	-	1,299
Depreciation of right-of-use assets	-	6,797	-	-	-	6,797
Interest on lease obligations	-	366	-	-	-	366
Share-based payments - employees (note 11)	-	27,402	-	-	-	27,402
Option sale on properties (note 8 (b))	-	-	(128,000)	-	-	(128,000)
Total deferred exploration costs during the period	315,110	4,029,444	(127,830)	2,345	128	4,219,197
Tax credits	-	(173,645)	-	-	-	(173,645)
Additions during the period	315,110	3,855,799	(127,830)	2,345	128	4,045,552
Total deferred exploration costs as at June 30, 2023	**13,593,762**	**7,433,877**	**495,027**	**9,183,480**	**2,087,496**	**32,793,642**
Total mining asset and deferred exploration costs as at June 30, 2023	**14,050,786**	**14,323,626**	**567,027**	**9,921,203**	**2,812,140**	**41,674,782**

All mining properties held by the Company are located in northwestern Quebec.

The Company is subject to royalties on certain properties.

8. Mining assets and deferred exploration costs (continued)

(a) On May 12, 2021, an option agreement with Delta Resources Limited ("Delta") was signed, Delta has the option to acquire 100% of the interests of the Dollier property, located 30 km south of the municipality of Chibougamau . During the 4 years option period, Delta will have the exclusive right to acquire 100% interest by issuing the Company a total of 600,000 common shares of Delta and incurring expenses of at least $1,000,000 on the Dollier property.
Upon signing of the agreement, the Company received $10,000 in cash and 100,000 common shares of Delta with a fair value of $42,000. All the shares issued to the Company, within the framework of the agreement, will be subject to a statutory holding period of 4 months. In the event Delta acquires a 100% interest in the Dollier property, the Company will retain a production royalty of 2% NSR on the Dollier property, of which 1% will be redeemable for an amount of $2,000,000 and the other 1% will be redeemable, by Delta, for an amount of $15,000,000.

On the first anniversary date, May 25, 2022, the Company received 100,000 common shares of Delta with a fair value of $11,000. This amount was recorded in the Interim Condensed Consolidated Statements of loss and comprehensive loss as the sale of a property option.

On the second anniversary date, May 26, 2023, the Company received 200,000 common shares of Delta with a fair value of $94,000. This amount was recorded in the Interim Condensed Consolidated Statements of loss and comprehensive loss as the sale of a property option.

The property Dollier was written off during the year ended December 31, 2015.

(b) On April 26, 2021, an option agreement with Earthwise (formerly Hawkmoon Resources Corporation) ("Earthwise") was signed, Hawkmoon has the option to acquire 100% of the interests of the Wilson property, located 15 km east of the municipality of Lebel-sur-Quévillon . During the 5 years option period, Earthwise will have the exclusive right to acquire 100% interest by paying the Company an amount totaling $1,000,000 in cash, issuing to the Company a total of 5,000,000 common shares of Earthwise, incurring expenses of at least $6,000,000 and completing at least 24,000 m of diamond drilling on the Wilson property.

Upon signing of the agreement, the Company received an amount of $200,000 in cash and 700,000 common shares of Earthwise with a fair value of $91,000. The amount of $291,000 has been recorded as a reduction of the cost of the asset during the year ended December 31, 2021. All the shares issued to the Company, within the framework of the agreement, will be subject to a statutory holding period of 4 months. In the event Earthwise earns a 100% interest in the Wilson property, the Company will retain a production royalty of 2% NSR on the Wilson property, of which 1% will be redeemable for an amount of $4,000,000.

On the first anniversary date, April 22, 2022, the Company received an amount totaling $150,000 in cash and 700,000 common shares of Earthwise with a fair value of $31,500. The amount of $181,500 was recorded as a reduction of the cost of the asset during the year ended December 31, 2022.

On the second anniversary date, May 4, 2023, pursuant to the terms of the option agreement, Earthwise issued to Cartier 1,600,000 common shares at a price of $0.08 per share, with a fair value of $128,000 in satisfaction of the scheduled share issuance required to be made by Earthwise under the terms of the option agreement. The 1,600,000 shares will be subject to a contractual release period, as follows: (a) July 22, 2023: 25%; (b) October 22, 2023: 25%; (c) January 22, 2024: 25%; and (d) April 22, 2024: 25%. The amount was recorded as a reduction of the cost of the asset during the six-month period ended June 30, 2023.

Following the transaction, the Company owns 1,740,000 common shares, representing approximately 15.54% of the issued and outstanding common shares of Earthwise on a non-diluted basis.

(In Canadian $)

9. Lease obligations

Lease obligations included in the statement of financial position	**June 30, 2023**	December 31, 2022
	$	$
Balance at the beginning of the period	**45,244**	79,989
Interests	**689**	2,335
Payments	**(18,540)**	(37,080)
Balance at the end of the period	**27,393**	45,244
Current portion of lease obligations	**(27,393)**	(36,030)
Lease obligations	**-**	9,214

Maturity analysis – contractual undiscounted cash flows

Less than one year	27,810	37,080
One to five years	-	9,270
Total undiscounted lease obligations	**27,810**	46,350

10. Loan

Loan of $60,000 from the Canadian Small Business Emergency Account, interest free, repayable by December 31, 2023 with 33.33% write-off of the loan, up to $20,000, conditional on repaying the loan at maturity by the Company. The Company recognized a gain related to this loan of $20,000 during the year ended December 31, 2020, because it considers reasonable that the conditions required to recognize the gain will be met.

11. Share capital

Authorized

Unlimited number of common shares, without par value, voting and participating

	June 30, 2023		December 31, 2022	
	Number	**Amount**	Number	Amount
		$		$
Balance, beginning of the period	**314,820,044**	**55,129,043**	218,145,393	43,928,692
Shares issued and paid				
Private placement (a) (e)	**1,457,143**	**204,000**	14,000,000	1,376,200
Flow-through private placements (b) (c) (d)	**10,016,890**	**1,593,101**	36,401,386	4,326,165
Renouncement of tax deductions on flow-through shares (b) (c) (d)	**-**	**(239,164)**	-	(875,033)
Acquisition of East-Cadillac Property (Note 1)	**-**	**-**	46,273,265	6,709,623
	11,474,033	**1,557,937**	96,674,651	11,536,955
Share issue expenses (Note 1 and (a)(b) (c) (d) (e))	**-**	**(120,339)**	-	(336,604)
Balance, at end of the period	**326,294,077**	**56,566,641**	314,820,044	55,129,043

11. Share capital (continued)

a) Issuance of common shares on May 9, 2023

On May 9, 2022, the Company completed a private placement amounting to $204,000. The Company issued a total of 1,457,443 common shares at a price of $0.14 each. Issuance costs of $10,033 were applied against share capital.

(b) Issuance of flow-through shares on May 1, 2023

On May 1, 2023, the Company completed a non-broker private placement. The Company issued 5,140,000 flow-through shares at a price of $0.155 per share for gross proceeds of $796,700 and 4,545,455 flow-through shares at a price of $0.165 per share for gross proceeds of $750,000, totalling an amount in cash of $1,546,700. In connection with the offering, the agent received a cash fee equal to 3% of the gross proceeds for an amount of $46,401 of the offering and shares equal to 3% of the gross proceeds of the offering, which represents 331,435 shares for a value of $46,401. Share issue expenses totalling $110,306 were applied against the share capital.

The Company also renounced the tax deduction related to the flow-through shares, which reduced share capital by $239,164. The consideration is presented as a liability related to flow-through shares.

(c) Issuance of flow-through shares on October 28, 2022

On October 28, 2022, the Company completed a non-broker private placement. The Company issued 22,501,333 flow-through shares at a price of $0.12 per share for gross proceeds of $2,700,160. In connection with the offering, the agent received a cash fee equal to 3% of the gross proceeds of the offering for an amount of $81,005 and shares equal to 3% of the gross proceeds of the offering, which represents 900,053 shares for a value of $81,005. Share issue expenses totalling $182,336 were applied against the share capital.

The Company also renounced the tax deduction related to the flow-through shares, which reduced share capital by $562,533, The consideration is presented as a liability related to flow-through shares.

(d) Issuance of flow-through shares on October 18, 2022

On October 18, 2022, the Company completed a non-broker private placement. The Company issued 12,500,000 flow-through shares at a price of $0.12 per share for gross proceeds of $1,500,000. In connection with the offering, the agent received a cash fee equal to 3% of the gross proceeds of the offering for an amount of $45,000 and shares equal to 3% of the gross proceeds of the offering, which represents 500,000 shares for a value of $45,000. Share issue expenses totalling $104,515 were applied against the share capital.

The Company also renounced the tax deduction related to the flow-through shares, which reduced share capital by $312,500. The consideration is presented as a liability related to flow-through shares.

(e) On May 20, 2022, the Company completed a private placement amounting to $1,820,000. The Company issued a total of 14,000,000 units (the "units") at a price of $0.13 per unit, each unit consisting of one common share with a value of $0.10 per share and one half-warrant with a valut of $0.03, each entitling its holder to subscribe for one common share at a price of $0.16 for a period of 36 months following the closing date. The warrants were valued at $443,800 using the Black-Scholes model. Issuance costs of $26,327 were applied against share capital.

(In Canadian $)

11. Share capital (continued)

Share Option Plan

The Company has a share option plan that has been approved by the shareholders. The maximum number of common shares which may be reserved under the plan is limited to 10% of the number of common shares issued and outstanding (on a non-diluted basis). The options granted to any optionnee cannot exceed 5% of the issued and outstanding common shares. The options are vested over a period of 12 months and are exercisable over a maximum of five years.

The following table summarizes the information about the outstanding share options:

	Juin 30, 2023		December 31, 2022	
	Number	**Weighted average exercise price**	Number	Weighted average exercise price
		$		$
Outstanding - Beginning	**18,225,000**	**0.17**	16,400,000	0.20
Granted-employees	**2,600,000**	**0.11**	4,750,000	0.12
Granted-consultants	**-**	**-**	150,000	0.15
Expired	**(2,125,000)**	**0.17**	(3,075,000)	0.25
Outstanding - End of the period	**18,700,000**	**0.16**	18,225,000	0.17
Exercisable - End of the period	**14,900,000**	**0.18**	14,575,000	0.19

The following table summarizes certain information for share options outstanding and exercisable:

	Outstanding options March 31, 2023			**Exercisable options March 31, 2023**		
Exercise price	**Number of options**	**Weighted average remaining life**	**Weighted average exercise price**	**Number of options**	**Weighted average remaining life**	**Weighted average exercise price**
		(years)	**$**		**(years)**	**$**
$0.01 to $0.105	**2,400,000**	**4.46**	**0.09**	**1,200,000**	**4.46**	**0.09**
$0.11 to $0.215	**12,150,000**	**2.58**	**0.14**	**9,550,000**	**1.94**	**0.15**
$0.22 to $0.315	**4,150,000**	**2.68**	**0.27**	**4,150,000**	**2.68**	**0.27**
$0.085 to $0.305	**18,700,000**	**2.84**	**0.16**	**14,900,000**	**2.35**	**0.18**

During the three-month and six-month periods ended June 30, 2023, the share-based payment expense was $80,910 and $145,667 ($73,794 and $102,415 for the same periods in 2022). An amount of $65,519 and $118,265 for the three-month and six-month periods ended June 30, 2023 respectively was presented in the statement of loss ($63,847 and $88,911 for the same periods in 2022) and an amount of $15,391 and $27,402 for the three-month and six-month periods ended June 30, 2023 respectively was presented in mining assets and deferred exploration costs ($9,947 and $13,504 for the same periods in 2022) .

(In Canadian $)

11. Share capital (continued)

Warrants

The following table presents the changes that occurred during the period:

	June 30, 2023			December 31, 2022		
	Number	**Weighted average exercise price**	**Weighted average remaining contractual life**	Number	Weighted average exercise price	Weighted average remaining contractual life
		$	**(years)**		$	(years)
Outstanding - Beginning	**7,000,000**	**0.16**	**1.89**	-	-	-
Granted-private placements	**-**	**-**	**-**	7,000,000	0.16	2.39
Outstanding - End	**7,000,000**	**0.16**	**1.89**	7,000,000	0.16	2.39

(1) At issuance, the warrants are subject to a 4 month and 1 day statutory hold period. These warrants have a maximum term of 36 months following their date of issue.

The outstanding warrants are as follows:

Maturity date	**Exercise price**	**Number**
	$	
May 2025	0.16	7,000,000

12. Employee remuneration

Employee benefits recognized are detailed below:

	Three-month periods ended		Six-month periods ended	
	June 30, 2023	June 30, 2022	**June 30, 2023**	June 30, 2022
	$	$	**$**	$
Salaries and fees	**223,658**	202,260	**454,296**	427,312
Fringe benefits	**14,962**	13,415	**41,690**	37,372
Share-based payments-employees	**80,667**	69,119	**144,377**	94,947
Defined contribution pension plan	**12,534**	9,912	**24,328**	20,940
	331,821	294,706	**664,691**	580,571
Less: salaries and share-based payments-employees capitalized in exploration and evaluation assets	**(113,771)**	(95,869)	**(235,714)**	(165,800)
Employee benefits	**218,050**	198,837	**428,977**	414,771

(In Canadian $)

12. Employee remuneration (continued)

Employee benefits expense is allocated to the following items:

	Three-month periods ended		Six-month periods ended	
	June 30, 2023	June 30, 2022	**June 30, 2023**	June 30, 2022
	$	$	**$**	$
Salaries	**130,123**	135,077	**263,896**	280,236
Share-based payments-employees	**65,277**	59,171	**116,975**	81,443
Road shows and gold shows	**20,205**	7,514	**44,448**	10,831
Training and travel	**2,445**	-	**3,657**	203
Other exploration costs	**-**	(2,925)	**-**	42,058
	218,050	198,837	**428,976**	414,771

13. Financial expenses

	Three-month periods ended		Six-month periods ended	
	June 30, 2023	June 30, 2022	**June 30, 2023**	June 30, 2022
	$	$	**$**	$
Interest and bank charges	**1,538**	2,437	**4,105**	5,727
Interests on lease obligations	**142**	565	**323**	893
Total of financial expenses	**1,680**	3,002	**4,428**	6,620

(In Canadian $)

14. Cash flows

Additional information	Six-month periods ended June 30, 2023	June 30, 2022
	$	$
Items not affecting cash and cash equivalents related to operating, financing and investing activities		
Shares issued for the acquisition of mining properties and royalty	**-**	6,709,623
Shares issued for the acquisition of mining properties		
Variation of share issue expenses included in accounts payable and accrued liabilities	**-**	884
Variation of deferred exploration costs included in accounts payable and accrued liabilities	**(445,613)**	15,364
Option sale on properties	**128,000**	181,500

15. Financial Instruments

Objectives and policies for managing financial risks

The Company is exposed to various financial risks resulting from its operations and investing activities. The directors and officers of the Company manage these risks.

The Company does not enter into speculative derivative financial instruments.

Financial risks

The following paragraphs describe the main financial risks the Company is exposed to and its risk management policies.

Interest risk

Interest rate risk is the risk that a financial instrument's fair value or future cash flows will fluctuate due to changes in market interest rates. Cash equivalents bear interest at a fixed rate. In relation to these, the Company is exposed to a limited extent to a change in fair value because they are redeemable at any time, or the Company plans to use them in the short term for its operations. The Company's exposure to cash flow risk related to the interest rate of its loan is limited since it does not bear interest.

Liquidity risks

The Company establishes cash forecasts to ensure it has the necessary funds to fulfill its obligations. Obtaining additional funds makes it possible for the Company to continue its operations. While it has been successful in doing so in the past, there is no assurance that it will be able to do so in the future.

Liquidity risk analysis

Liquidity risk management serves to maintain a sufficient amount of cash and to ensure that the Company has financing sources such as private and public investments for a sufficient amount.

Over the fiscal year, the Company has financed its exploration expense commitments, working capital requirements and acquisitions through private and flow-through financings.

All financial liabilities mature in less than 12 months.

(In Canadian $)

15. Financial Instruments (continued)

Sensitivity to credit risk

The Company's exposure to credit risk is limited to the carrying value of its financial assets at the date of presentation of the financial information as disclose below:

	June 30, 2023	December 31, 2022
	$	$
Cash and cash equivalents	**2,874,895**	6,973,515

The Company's financial assets are not secured by collateral or other credit enhancements.

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

Fair value of financial instruments

The Company discloses the fair value hierarchy by which the financial instruments are evaluated and assigned to the following levels. Level 1 features a valuation based on quoted prices (unadjusted) in active markets for identical assets or liabilities. Level 2 includes inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly. Level 3 includes inputs for the asset or liability that are not based on observable market data. Marketable securities of a quoted mining exploration company are classified under Level 1.

The carrying amount of cash and cash equivalents, accounts payables and accrued liabilities and loan approximate fair value based on the close date.

16. Contingencies and commitments

The Company is partially financed through the issuance of flow-through shares. However, there is no guarantee that its expenses will qualify as Canadian exploration expenses, even if the Company is committed to taking all the necessary measures in this regard. Refusal of certain expenses by the tax authorities would have a negative tax impact for investors. Moreover, tax rules regarding flow-through placements set deadlines for carrying out the exploration work no later than the first of the following dates:

– One year following the flow-through placements; or
– one year after the Company has renounced the tax deductions relating to the exploration work.

If the Company does not incur eligible exploration expenditures it will be required to indemnify the holders of such shares against all taxes and other expenses incurred as a result of the Company not incurring the required exploration expenses.

During the six month period ended June 30, 2023, the Company receive an amount of $1,546,700 from flow-through financings. Of the total 2023 flow-through financing, an amount of $686,170 was used as deferred exploration expenses as at June 30, 2023. The Company renounced tax deductions in connection with this flow-through financings and a liability related to the flow-through shares issued in 2023 totaling $239,164 which was recorded as a liability related to the flow-through shares at the time of the issuances. Management is required to incur eligible exploration expenditures by December 31, 2024. As at June 30, 2023, the portion of the liability related to flow-through shares is $133,062.

(In Canadian $)

16. Contingencies and commitments (continued)

During the year ended December 31, 2022, the Company received an amount of $4,200,160 from flow-through financings. The Company has used all of this amount in exploration expenses and therefore no longer has any liability related to flow-through shares with respect to this financing.

17. Transactions with key management personnel

The Company's key management personnel are members of the Board of Directors, the president, the vice-president and chief financial officer. The remuneration of key management personnel includes the following expenses:

	Three-month periods ended		**Six-month periods ended**	
	June 30, 2023	June 30, 2022	**June 30, 2023**	June 30, 2022
	$	$	**$**	$
Short-term employee benefits				
Salaries and fees including bonuses and benefits	**180,616**	173,186	**380,524**	360,479
Social security costs and contributions to the pension plan	**11,386**	7,695	**43,287**	38,461
Total short-term employee benefits	**192,002**	180,881	**423,811**	398,940
Share-based payments-employees	**73,772**	63,099	**132,143**	86,135
Total remuneration	**265,774**	243,980	**555,954**	485,075

During the three and six month periods ended June 30, 2023 and 2022, no key management personnel exercised share options granted through the share-based payment plans.

18. Capital disclosures

The Company's objectives in managing its capital are to ensure sufficient liquidity to pursue its organic growth strategy and undertake selective acquisitions. The Company manages its capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may issue new shares and acquire or sell mining properties to improve its financial performance and flexibility.

The Company's capital is composed of shareholders' equity. The Company's primary uses of capital are to finance exploration expenditures and acquire properties. To effectively manage the Company's capital requirements, the Company has in place a rigorous planning and budgeting process to help determine the funds required to ensure the Company has appropriate liquidity to meet its operating and growth objectives.

The Company expects that its current capital resources and its ability to obtain additional financing will support further exploration and development of its mineral properties for the next 12 months.

The Company is not subject, with regards to external rules, to any requirements regarding its capital, unless the Company completes a flow-through financing for which the cash must be reserved for exploration. As of June 30, 2023, the Company has $860,530 cash reserved for exploration ($3,107,418 as of December 31, 2022).