



Kintavar Exploration Inc.

Unaudited Condensed Consolidated Interim Financial Statements

Nine months ended September 30, 2019

The attached financial statements have been prepared by Management of Kintavar Exploration Inc. and have not been reviewed by the auditors

Kintavar Exploration Inc.

Consolidated Statements of Financial Position (Unaudited, in Canadian Dollars)

	Note	As at September 30, 2019 \$	As at December 31, 2018 \$
Assets			
Current assets			
Cash and cash equivalents	5	4,037,673	1,125,844
Investments		-	5,000,000
Receivables	6	632,502	666,798
Stock		52,710	-
Prepaid expenses		209,971	266,600
Assets held for sale	8	1,944,400	1,922,859
Current assets		6,877,256	8,982,101
Non-current assets			
Tax credits and mining rights receivable		14,892	41,701
Exploration and evaluation assets	7	1,146,413	1,112,805
Property and equipment	9	2,497,616	28,317
Non-current assets		3,658,921	1,182,823
Total assets		10,536,177	10,164,924
Liabilities			
Current liabilities			
Trade and other payables	10	557,741	450,378
Deferred revenues		46,357	-
Obligations under finance leases	11	16,938	68,686
Long-term debt	13	48,654	-
Liability related to the premium on flow-through shares	12	-	120,167
Current liabilities		669,690	639,231
Non-current liabilities			
Obligations under finance leases	11	28,158	1,501
Long-term debt	13	1,002,449	-
Non-current liabilities		1,030,607	1,501
Total liabilities		1,700,297	640,732
Equity			
Share capital	14	16,391,573	15,481,922
Warrants	15	1,090,478	1,174,607
Broker options	16	48,971	50,259
Stock options	17	1,504,536	945,835
Contributed Surplus		30,267	4,176
Deficit		(10,229,945)	(8,132,607)
Total equity		8,835,880	9,524,192
Total liabilities and equity		10,536,177	10,164,924

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

Kintavar Exploration Inc.

Consolidated Statements of loss and comprehensive loss
(Unaudited, in Canadian dollars)

	Note	Three months ended September 30		Nine months ended September 30	
		2019	2018	2019	2018
		\$	\$	\$	\$
Operating expenses					
Exploration and evaluation, net of tax credits	18	501,041	1,828,410	1,035,183	2,927,493
Salaries and benefits		72,384	59,004	208,612	144,093
Share-based compensation		151,271	411,155	585,480	449,471
Professional fees		13,498	30,795	72,964	150,263
Travel, conference and investor relations		74,155	143,887	291,937	321,634
Administration		4,972	4,120	22,578	16,389
Filing fees		21,222	11,407	34,187	23,495
Rent		3,875	2,400	12,725	6,950
Insurance and taxes		3,758	2,301	9,210	7,821
Depreciation of property, plant and equipment		3,115	9,462	9,346	23,472
Operating loss		(849,291)	(2,502,941)	(2,282,222)	(4,071,081)
Other income (expenses)					
Interest income		22,569	32,921	91,769	39,797
Finance costs		(197)	(1,652)	(1,903)	(5,210)
Other expenses	4	(21,717)	-	(21,717)	-
		655	31,269	68,149	34,587
Net loss before income taxes		(848,636)	(2,471,672)	(2,214,073)	(4,036,494)
Deferred income tax recovery		-	495,000	120,167	633,848
Net loss - continued operations		(848,685)	(1,976,672)	(2,093,906)	(3,402,646)
Net loss - discontinued operations	8	(2,098)	(3,974)	(3,432)	(30,787)
Net loss and comprehensive loss		(850,734)	(1,980,646)	(2,097,338)	(3,433,433)
Basic and diluted loss per share		(0.01)	(0.02)	(0.03)	(0.05)
Basic and diluted loss per share - Continued operations		(0.01)	(0.02)	(0.03)	(0.05)
Basic and diluted loss per share - Discontinued operations		(0.00)	(0.00)	(0.00)	(0.00)
Weighted average number of basic and diluted outstanding shares		84,105,158	79,298,082	82,218,795	65,878,074

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

Kintavar Exploration Inc.

Consolidated Statement of Changes in Equity

(Unaudited, in Canadian Dollars)

	Note	Number of shares outstanding	Capital stock \$	Warrants \$	Broker Options \$	Stock Options \$	Contributed surplus \$	Deficit \$	Total equity \$
Balance at January 1, 2019		80,236,127	15,481,922	1,174,607	50,259	945,835	4,176	(8,132,607)	9,524,192
Loss and comprehensive loss for the period		-	-	-	-	-	-	(2,097,338)	(2,097,338)
Issuance of shares	14	3,125,000	500,000	-	-	-	-	-	500,000
Exercised stock options	17	30,000	7,320	-	-	(3,120)	-	-	4,200
Exercised warrants	15	1,767,696	399,663	(82,277)	-	-	-	-	317,386
Exercised broker options	16	10,895	2,668	-	(708)	-	-	-	1,960
Stock-based compensation		-	-	-	-	585,480	-	-	585,480
Expired Options		-	-	-	-	(23,659)	23,659	-	-
Expired warrants		-	-	(1,852)	-	-	1,852	-	-
Expired broker options		-	-	-	(580)	-	580	-	-
Balance at September 30, 2019		85,169,718	15,891,573	1,090,478	48,971	1,504,536	30,267	(10,229,945)	8,835,880

	Note	Number of shares outstanding	Capital stock \$	Warrants \$	Broker Options \$	Stock Options \$	Contributed surplus \$	Deficit \$	Total equity \$
Balance at January 1, 2018		54,406,503	7,127,210	234,205	12,448	100,921	176	(3,443,081)	4,031,879
Loss and comprehensive loss for the period		-	-	-	-	-	-	(3,433,433)	(3,433,433)
Issuance of shares under a private placement		17,598,182	5,734,977	1,020,502	-	-	-	-	6,755,479
Issuance of shares under a flow-through private placement		5,767,247	2,980,743	-	40,830	-	-	-	3,021,573
Less: premium		-	(927,958)	-	-	-	-	-	(927,958)
Exercised stock options		48,750	11,895	-	-	(5,070)	-	-	6,825
Exercised warrants		1,355,109	291,340	(60,217)	-	-	-	-	231,123
Exercised broker options		48,758	10,796	-	(3,019)	-	-	-	7,777
Acquisition of mining properties for shares		40,000	13,755	19,600	-	-	-	-	33,355
Repurchase of mining royalties for shares		131,578	48,481	-	-	-	-	-	48,481
Options cancelled		-	-	-	-	(4,000)	4,000	-	-
Stock-based compensation		-	-	-	-	449,471	-	-	449,471
Balance at September 30, 2018		79,396,127	15,291,239	1,214,090	50,259	541,322	4,176	(6,876,514)	10,224,572

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

Kintavar Exploration Inc.
Consolidated Statements of Cash Flows
(Unaudited, in Canadian dollars)

		Nine months ended September 30	
	Note	2019	2018
		\$	\$
Operating activities			
Net loss - continuing operations		(2,093,906)	(3,402,646)
Net loss - discontinued operations	8	(3,432)	(30,787)
Net loss for the period		(2,097,338)	(3,433,433)
Adjustments for:			
Stock-based compensation		585,480	449,471
Accrued interests on investments		(40,015)	(31,466)
Depreciation of property and equipment		32,146	23,472
Deferred income tax recovery		(120,167)	(633,848)
Gain on write-off of obligation under finance lease	11	(4,537)	-
Changes in non-cash working capital items	19	219,195	(474,519)
Cash flows used in operating activities		(1,425,236)	(4,100,323)
Investing activities			
Business acquisition	4	(2,376,390)	-
Addition to investments		-	(5,000,000)
Additions to property and equipment		-	(29,500)
Provision or withdrawal of maturing investments		5,000,000	-
Additions to exploration and evaluation assets		(55,149)	(17,578)
Cash flows from (used) in investing activities		2,568,461	(5,047,078)
Financing activities			
Private placements		500,000	7,080,103
Flow-through private placements		-	3,114,314
Units issuance costs		-	(477,699)
Warrants exercised		317,386	231,123
Broker warrants exercised		1,960	7,777
Options exercised		4,200	6,825
Increase in long-term debt		1,000,000	-
Repayment of long-term debt		(4,317)	-
Repayment of obligations under finance leases		(16,366)	(9,458)
Cash flows from financing activities		1,802,863	9,952,985
Net change in cash and cash equivalents		2,946,088	805,584
Cash and cash equivalents - beginning		1,125,844	1,095,504
Cash and cash equivalents - ending		4,071,932	1,901,088

Transactions without effect on cash flow (note 19)

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

KINTAVAR EXPLORATION Inc.

Notes to the Condensed Interim Financial Statements

Nine months ended September 30, 2019

(Unaudited, in Canadian dollars)

1. STATUTE OF INCORPORATION AND NATURE OF ACTIVITIES

Kintavar Exploration Inc. (the "Corporation") was formed on March 24, 2017 upon the issuance of an amalgamation certificate under the *Business Corporations Act* (Quebec) and is engaged in the acquisition, exploration and evaluation of mining properties in Canada. The Corporation's shares are listed on the TSX Venture Exchange (the "Exchange") under symbol KTR. The address of the Corporation's registered office and principal place of business is 75, boul. de Mortagne, Boucherville, Quebec, Canada, J4B 6Y4. These unaudited interim consolidated financial statements (the "Financial Statements") were approved by the Corporation's Board of Directors on November 26, 2019.

The Corporation has not yet determined whether its mineral properties contain ore reserves that are economically recoverable. The recoverability of the amounts shown for exploration and evaluation assets is dependent upon the ability of the Corporation to obtain necessary financing to pursue the exploration and evaluation on its mining properties.

These Financial Statements have been prepared in accordance with the going concern accounting principles which provide that the Corporation will be able to realize its assets the normal course of business. In assessing the validity of the going concern principle, management considers all available data for the future, which represents at least, but not limited to, the twelve months following the end of the reporting period. As at September 30, 2019, the Corporation recorded a net loss of \$2,097,338 (\$3,433,433 in 2018) and a deficit of \$10,229,945 at that date. As at September 30, 2019, the Corporation had a working capital of \$6,207,566 (December 31, 2018 - \$8,342,870).

Management of the Corporation believes it has sufficient funds to pay its ongoing general and administrative expenses, to pursue its budgeted exploration and evaluation expenditures, and to meet its liabilities, obligations and existing commitments for the ensuing twelve (12) months as they fall due. While management has been successful in securing financing in the past, there can be no assurance that it will be able to do so in the future or that these sources of funding or initiatives will be available to the Corporation or that they will be available on terms which are acceptable to the Corporation.

2. BASIS OF PRESENTATION

These Financial Statements have been prepared in accordance with the International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") applicable to the preparation of interim financial statements, including International Accounting Standard ("IAS") 34, Interim Financial Reporting.

The Financial Statements should be read in conjunction with the annual financial statements for the year ended December 31, 2018, which have been prepared in accordance with IFRS. The accounting policies, methods of computation and presentation applied in these Financial Statements are consistent with those of the previous financial year, except for the new accounting policies described below:

Consolidation method

The financial statements of the Corporation include its accounts and those of its subsidiary Pourvoirie Fer à Cheval wholly owned and acquired on August 1, 2019. Control refers to the power to direct the financial and operating policies of an entity in order to benefit from its activities. All intra-group transactions, balances, revenues and expenses are eliminated upon consolidation.

KINTAVAR EXPLORATION Inc.

Notes to the Condensed Interim Financial Statements

Nine months ended September 30, 2019

(Unaudited, in Canadian dollars)

2. BASIS OF PRESENTATION (CONT'D)

Stock

The stock consists of gasoline, food, beverages, housekeeping materials and promotional materials that will be used to sell products or provide future services to the Pourvoirie Fer à Cheval. The stock is valued at the lower of cost and net realizable value. The cost is determined using the average cost method.

Property, plant and equipment

Following the business acquisition that took place on August 1, 2019, the note to the December 31, 2018 financial statements on property, plant and equipment remains the same, with the exception of the property, plant and equipment categories, where new categories were added:

Rolling stock	Linear 3 years
Assets for use rights	Linear 3 to 5 years
Exclusive territory	N / A
Outfitter trails	Linear 20 years
Electric line	Linear 20 years
Spawning grounds	Linear 20 years
Outfitting equipment	Linear 10 years
Buildings	Linear 20 years

Deferred revenues

Amounts received or receivable prior to the service delivery are classified as deferred revenues. Deferred revenues include the portion of the amounts received or charged on hunting and fishing packages for which services have not yet been rendered. Since the deposit period from customers never exceeds 12 months, all deferred revenues are classified as current liabilities.

Revenue recognition

Revenue consists of revenue from the sale of outfitting packages and the sale of related goods such as promotional material, gasoline, hunting and fishing licenses, food and beverages.

Revenue from the sale of packages is recognized as services are rendered. Revenue from the sale of goods is recognized when control is transferred to the customer, which is realized upon delivery of the product.

Revenue is measured at the fair value of the consideration received.

3. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The preparation of Interim Financial Statements in conformity with IFRS requires the Corporation to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the Financial Statements and the reported amounts of revenues and expenses during the reporting period. The Corporation also makes estimates and assumptions concerning the future. The determination of estimates requires the exercise of judgement based on various assumptions and other factors such as historical experience and current and expected economic conditions. Actual results could differ from those estimates.

KINTAVAR EXPLORATION Inc.

Notes to the Condensed Interim Financial Statements

Nine months ended September 30, 2019

(Unaudited, in Canadian dollars)

3. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS (CONT'D)

Estimates and assumptions are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

In preparing the Financial Statements, the significant judgements made by management in applying the Corporation's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the annual financial statements for the year ended December 31, 2018 with the exception of the judgments and estimates related to the business acquisition described in Note 4.

4. BUSINESS ACQUISITION

On August 1, 2019, the Corporation acquired 100% of the issued and outstanding shares of the Pourvoirie Fer à Cheval. The consideration paid for this transaction is detailed in the table below. This business combination has been accounted for using the acquisition method and the results of operations have been included starting from the effective date of the acquisition.

Assets acquired and liabilities assumed have been recorded at their estimated fair value at the closing date of the acquisition, which is August 1, 2019.

The purchase price allocation is based on management's best estimate, as follows:

Acquisition costs	\$
Cash	800,000
Issue of 3,125,000 shares ⁽ⁱ⁾	500,000
Long-term debt ⁽ⁱⁱ⁾	1,000,000
Working capital adjustment	(19,197)
Acquisition fees	95,587
	<u>2,376,390</u>
 Net assets acquired	 \$
Cash and cash equivalents	5,524
Receivables	21,614
Stock	64,460
Prepaid expenses	44,294
Property and equipment	2,501,445
Line of credit	(39,783)
Trade and other payables	(66,742)
Deferred revenues	(48,563)
Obligations under finance leases ⁽ⁱⁱⁱ⁾	(50,439)
Long-term debt ⁽ⁱⁱ⁾	(55,420)
	<u>2,376,390</u>

(i) See note 14 for details on the shares issued in connection with the acquisition.

(ii) See note 13 for details of long-term debt acquired or incurred in connection with the acquisition.

(iii) See note 11 for details on the obligations under finance leases acquired in connection with the acquisition.

KINTAVAR EXPLORATION Inc.

Notes to the Condensed Interim Financial Statements

Nine months ended September 30, 2019

(Unaudited, in Canadian dollars)

4. BUSINESS ACQUISITION (CONT'D)

For the quarter ended September 30, 2019, the Fer à Cheval's revenues represented \$181,207, earnings before depreciation, taxes and interest were of \$14,251 and net loss was of \$21,717. The net loss is recorded as other expenses in the Consolidated Statements of Loss and Comprehensive loss. Transactions between the Fer à Cheval and the Parent Corporation are eliminated and are not reflected in the consolidated financial statements.

5. CASH AND CASH EQUIVALENTS

Cash and cash equivalents include available cash, bank balances, line of credit and short-term liquid investments with an original maturity of up to 3 months or redeemable at any time without penalty.

The short-term investments held as at September 30, 2019 and classified as cash equivalents are as follows:

- Redeemable with no penalty guaranteed investment certificate with a 2.20% interest payable annually, maturing on October 31, 2019 and having a Maturity Value of \$224,268.
- Redeemable with no penalty guaranteed investment certificate with a 2.14% interest payable annually, maturing on January 25, 2020 and having a Maturity Value of \$136,217.
- Redeemable with no penalty guaranteed investment certificate with a 2.10% interest payable annually, maturing on August 6, 2020 and having a Maturity Value of \$2,645,573.
- Non-cashable Guaranteed Investment Certificate with a 2.15% interest payable annually, maturing on October 9, 2019 and having a Maturity Value of \$1,003,714.

The Corporation has the following credit facility:

- Operating line of credit, which provides for advances of up to \$50,000, bearing interest at the financial institution's prime rate (effective rate of 3.95% as at September 30, 2019). As at September 30, 2019, the amount outstanding under this credit facility was \$37,616.

The total of funds raised through the flow-through financing of June 15 and 27, 2018 were spent as of September 30, 2019. Therefore, there is no longer any liability related to the flow-through share premium as at September 30, 2019.

6. RECEIVABLES

	As at September 30, 2019	As at December 31, 2018
	\$	\$
Accounts receivable	37,107	1,494
Sales taxes receivable	184,357	307,325
Tax credits and mining rights receivable	344,699	244,494
Interest receivable	40,015	58,858
Others	26,324	54,627
Receivables	632,502	666,798

KINTAVAR EXPLORATION Inc.

Notes to the Condensed Interim Financial Statements

Nine months ended September 30, 2019

(Unaudited, in Canadian dollars)

7. EXPLORATION AND EVALUATION ASSETS

Mineral properties acquisition costs	As at	Additions	Depreciation	Transferred - held for sale (note 8)	As at
	January 1, 2019				September 30, 2019
	\$	\$	\$	\$	
Mitchi	931,164	14,347	-	-	945,511
Anik	-	21,541	-	(21,541)	-
Rivière à l'aigle	117,046	12,848	-	-	129,894
Gaspard nord	1,133	653	-	-	1,786
Cousineau	3,785	2,105	-	-	5,890
New Mosher	8,883	914	-	-	9,797
Wabash	25,534	650	-	-	26,184
Baie Johann Beetz	25,260	2,092	-	-	27,352
	1,112,805	55,149	-	(21,541)	1,146,413

Mineral properties acquisition costs	As at	Additions	Depreciation	Transferred - held for sale (note 8)	As at
	January 1, 2018				December 30, 2018
	\$	\$	\$	\$	
Mitchi	871,365	59,799	-	-	931,164
Anik	1,918,950	3,909	-	(1,922,859)	-
Rivière à l'aigle	160,324	-	(43,278) ¹⁾	-	117,046
Gaspard nord	1,133	-	-	-	1,133
Cousineau	3,785	-	-	-	3,785
New Mosher	8,883	-	-	-	8,883
Dalime	13,370	-	(13,370) ²⁾	-	-
Wabash	-	25,534	-	-	25,534
Baie Johann Beetz	-	25,260	-	-	25,260
	2,977,810	114,502	(56,648)	(1,922,859)	1,112,805

1) The Corporation abandoned certain claims and made a partial impairment

2) The Corporation abandoned the property and proceeded with a complete write-off.

8. DISCONTINUED OPERATIONS AND ASSETS HELD FOR SALE

On January 24, 2019, the Corporation signed a letter of intent to sell a property (the "Letter of Intent") to Monster Exploration. The Letter of Intent is for the Anik Gold Property ("Anik") 100% owned by the Corporation. Monster Exploration is a corporation offered by TomaGold Corporation and all its interests in exploration projects of Monster Lake (joint venture with IAMGOLD - 50%) and Irene Lake. It is anticipated that upon closing of the transaction, the Corporation will own approximately 14% of Monster Exploration.

At the close of the transaction, Monster Exploration's assets will be divided as follows:

- Monster Lake joint venture: 50% interest in Monster Lake, Winchester and Yellow Water Lake properties (IAMGOLD 50%)
- 100% interest in six adjacent properties (Monster Lake East, Monster Lake West, Anik, Lake Doda, Irene Lake and Diego)
- 70% interest in Hazeur property

KINTAVAR EXPLORATION Inc.

Notes to the Condensed Interim Financial Statements

Nine months ended September 30, 2019

(Unaudited, in Canadian dollars)

8. DISCONTINUED OPERATIONS AND ASSETS HELD FOR SALE (CONT'D)

- Option to acquire a 50-100% interest in the Philibert property

Assets held for sale

The book value of Anik's assets recorded on the statement of financial position has been reclassified as held for sale. The balances recorded are as follows:

	As at September 30, 2019	As at December 31, 2018
	\$	\$
Exploration and evaluation assets	1,944,400	1,922,859
Assets held for sale	1,944,400	1,922,859

As at September 30, 2019, there is no indication of impairment of assets held for sale

Loss related to discontinued operations

The loss related to the Anik property was separated from the continuing activities. The loss from discontinued operations consists of:

	Three months ended September 30,		Nine months ended September 30,	
	2019	2018	2019	2018
	\$	\$	\$	\$
Exploration and evaluation, net of tax credits	(2,098)	(3,974)	(3,432)	(30,787)
Loss related to discontinued operations	(2,098)	(3,974)	(3,432)	(30,787)

Cash flows from discontinued operations

Cash flows attributable to the Anik property were separated from continuing operations. Net cash flows from discontinued operations consist of:

	Nine months ended September 30, 2019	Nine months ended September 30, 2018
	\$	\$
Cash flows from operating activities	(3,432)	(30,787)
Cash flows from discontinued operations	(3,432)	(30,787)

KINTAVAR EXPLORATION Inc.

Notes to the Condensed Interim Financial Statements

Nine months ended September 30, 2019

(Unaudited, in Canadian dollars)

9. PROPERTY AND EQUIPMENT

	Net book value January 1, 2019				Net book value September 30, 2019
		Additions	Write-off	Depreciation	
	\$	\$		\$	\$
Rolling stock	24,586	-	-	(7,371)	17,215
Assets for use rights	3,731	-	-	(1,995)	1,756
Exclusive Territory ¹⁾	-	181,840	-	-	181,840
Outfitter trails ¹⁾	-	76,404	-	(637)	75,767
Electric line ¹⁾	-	152,806	-	(1,273)	151,533
Spawning grounds ¹⁾	-	76,403	-	(637)	75,766
Outfitting equipment ¹⁾	-	416,398	-	(6,940)	409,458
Buildings ¹⁾	-	1,597,594	-	(13,313)	1,584,281
	28,317	2,538,845	-	(32,146)	2,497,616

	Net book value January 1, 2018				Net book value December 31, 2018
		Additions	Write-off	Depreciation	
	\$	\$		\$	\$
Rolling stock	-	29,500	-	(4,914)	24,586
Assets for use rights	6,364	76,160	(57,120) ²⁾	(21,673)	3,731
	6,364	105,660	(57,120)	(26 587)	28 317

	As at September 30, 2019			As at December 31, 2018
	Cost	Accumulated Depreciation	Net book value	Net book value
	\$	\$	\$	\$
Rolling stock	29,500	(12,285)	17,215	24,586
Assets for use rights	7,900	(6,144)	1,756	3,731
Exclusive Territory ¹⁾	181,840	-	181,840	-
Outfitter trails ¹⁾	76,404	(637)	75,767	-
Electric line ¹⁾	152,806	(1,273)	151,533	-
Spawning grounds ¹⁾	76,403	(637)	75,766	-
Outfitting equipment ¹⁾	416,398	(6,940)	409,458	-
Buildings ¹⁾	1,597,594	(13,313)	1,584,281	-
	2,538,845	(41,229)	2,497,616	28,317

¹⁾ Assets acquired in connection with the business acquisition that took place on August 1, 2019. See note 4 for more information on this transaction.

²⁾ A vehicle acquired in 2018 suffered an accident during the year leading to its total loss. A claim has been submitted to the insurance Corporation. As at December 31, 2018, an amount receivable of \$54,627 for the purpose of extinguishing the debt was recorded in the prepaids and others.

KINTAVAR EXPLORATION Inc.

Notes to the Condensed Interim Financial Statements

Nine months ended September 30, 2019

(Unaudited, in Canadian dollars)

10. TRADE AND OTHER PAYABLES

	As at September 30, 2019	As at December 31, 2018
	\$	\$
Trade payables	303,241	328,344
Accrued liabilities	42,527	16,280
Due to Geomega Resources Inc.	40,340	37,844
Accrued salaries	79,072	28,530
Vacations payable	57,829	39,380
Sales taxes payable	32,769	-
Government remittances	1,963	-
Trade and other payables	557,741	450,378

11. OBLIGATIONS UNDER FINANCE LEASES

	As at September 30, 2019	As at December 31, 2018
	\$	\$
Obligation under finance lease, at 26.9%, payable in monthly installments of \$322, maturing in May 2020.	2,329	4,509
Obligation under finance lease, at 7.3%, payable in monthly installments of \$1,308, maturing in January 2023. ¹⁾	-	65,679
Obligation under finance lease, 12.69%, payable in monthly installments of \$2,012, maturing in November 2021.	19,881	-
Obligation under finance lease, 4.99%, repayable in monthly installments of \$559, maturing in June 2023.	22,886	-
Current position	(16,938)	(68,687)
Obligation under finance lease non-current portion	28,158	1,501

¹⁾ This obligation relates to a vehicle that was involved in a crash in September 2018. In 2019, an amount has been transferred from the insurance to the creditor, as a result, the obligation was fully extinguished by September 30, 2019.

The obligations under finance lease are as follows:

	1 year	1 to 5 years	Total
	\$	\$	\$
Minimum lease payments	21,347	35,524	53,871
Interest included in minimum lease payments	(4,409)	(4,366)	(8,775)
	16,938	28,158	45,096

KINTAVAR EXPLORATION Inc.

Notes to the Condensed Interim Financial Statements

Nine months ended September 30, 2019

(Unaudited, in Canadian dollars)

12. LIABILITY RELATED TO THE PREMIUM ON FLOW THROUGH SHARES

	Nine months ended September 30, 2019	2018
	\$	\$
Balance at the beginning	120,167	69,227
Addition, net of issue costs	-	870,188
Reduction relating to qualifying exploration expenses	(120,167)	(819,248)
Liabilities related to the premium on flow through shares	-	120,167

13. LONG-TERM DEBT

	As at September 30, 2019	As at December 31, 2018
	\$	\$
Term loan secured by a first mortgage on the present and future movable properties of the Corporation, on the current immovable property and on the universality of the receivables as well as by a joint guarantee of the Corporation and its subsidiary. The loan bears interest at 5.67%. Interest and principal of \$2,778 are payable monthly, maturing in August 2034.	497,222	-
Term loan secured by a first mortgage on the present and future movable properties of the Corporation, on the current immovable property and on the universality of the receivables as well as by a joint guarantee of the Corporation and its subsidiary. The loan bears interest at 6.55%. Interest is payable monthly, and the payment of principal begins in August 2020 until July 2035. The loan is payable through 180 installments of \$4,369.	500,000	-
Term loan secured by a first mortgage on certain equipment, at a rate of 8.19% and payable in instalments of \$441, maturing in August 2023.	17,574	-
Term loan secured by a first mortgage on certain equipment, at a rate of 8.19% and payable in instalments of \$711 maturing in December 2024.	36,307	-
Current portion	(48,654)	-
Long-term debt – non-current portion	1,002,449	-

Principal payments required on all long-term debt for the next five years are due as follows:

As at September 30	\$
2020	48,654
2021	64,447
2022	66,734
2023	69,204
2024 and subsequent	802,064
	1,051,103

KINTAVAR EXPLORATION Inc.

Notes to the Condensed Interim Financial Statements

Nine months ended September 30, 2019

(Unaudited, in Canadian dollars)

14. SHARE CAPITAL

The Corporation is authorized to issue an unlimited number of Class A, B, C common shares and Class A, B, C and D special shares. Class A common shares ("Shares") are the only ones to be issued with the following restrictions and privileges: voting, participating with dividend as declared by the Board of Directors.

There are 7,202,045 shares as of September 30, 2019.

Shares issuance

On August 1, 2019, the Corporation issued 3,125,000 common shares of Kintavar at a price of \$0.16 per share (\$500,000) in connection with the acquisition of the Pourvoirie Fer à Cheval (Note 4). The Shares are subject to a voluntary escrow for a period of 2 years, 25% being released every 6 months.

15. WARRANTS

Changes in the Corporation's warrants are as follows:

	Nine months ended September 30, 2019			2018		
	Number of warrants	Carrying value \$	Weighted average exercise price \$	Number of warrants	Carrying value \$	Weighted average exercise price \$
Balance, beginning	12,059,480	1,174,607	0.557	5,355,498	234,205	0.168
Issued	-	-	-	8,899,091	1,040,102	0.696
Exercised	(1,767,696)	(82,277)	0.180	(2,195,109)	(99,700)	0.174
Expired	(28,500)	(1,852)	0.240	-	-	-
Balance, end	10,263,283	1,090,478	0.622	12,059,479	1,174,607	0.557

Warrants outstanding as at September 30, 2019 are as follows:

Number of warrants	Exercise price \$	Expiry date
454,545	0.14	November 15, 2019
909,647	0.14	December 28, 2019
3,125,000	0.70	April 6, 2020
3,165,342	0.70	June 15, 2020
2,508,750	0.70	June 27, 2020
100,000	0.37	July 20, 2020
10,263,283		

KINTAVAR EXPLORATION Inc.

Notes to the Condensed Interim Financial Statements

Nine months ended September 30, 2019

(Unaudited, in Canadian dollars)

16. BROKER OPTIONS

Changes in the Corporation's broker options are as follows:

	Nine months ended September 30, 2019			2018		
	Number of broker options	Carrying value	Weighted average exercise price	Number of broker options	Carrying value	Weighted average exercise price
		\$	\$		\$	\$
Balance, beginning	405,053	50,259	0.383	210,198	12,448	0.150
Issued	-	-	-	243,613	40,830	0.540
Exercised	(10,895)	(708)	0.180	(48,758)	(3,019)	0.159
Expired	(8,915)	(580)	0.180	-	-	-
Balance, end	385,243	48,971	0.393	405,053	50,259	0.383

Broker options outstanding as at September 30, 2019 are as follows:

Number of broker options	Exercise price	Expiry date
	\$	
53,830	0.14	November 28, 2019
87,800	0.14	December 28, 2019
90,593	0.54	June 15, 2020
153,020	0.54	June 27, 2020
385,243		

17. STOCK OPTIONS

Changes in stock options are as follows:

	Nine months ended September 30, 2019		2018	
	Number of Options	Weighted Average exercise price	Number of Options	Weighted Average exercise price
		\$		\$
Balance, beginning	7,546,250	0.34	1,95,000	0.14
Granted	1,135,000	0.17	6,225,000	0.36
Exercised	(30,000)	0.14	(48,750)	0.14
Forfeited	(358,250)	0.26	(175,000)	0.40
Expired	(142,500)	0.22	(50,000)	0.20
Balance, end	8,187,500	0.32	7,546,250	0.34
Balance, end exercisable	4,127,500	0.31	2,360,000	0.29

KINTAVAR EXPLORATION Inc.

Notes to the Condensed Interim Financial Statements

Nine months ended September 30, 2019

(Unaudited, in Canadian dollars)

17. STOCK OPTIONS (CONT'D)

Stock options outstanding as at September 30, 2019 are as follows:

Number of options outstanding	Number of options exercisable	Exercise price	Expiry date
		\$	
1,102,500	1,152,500	0.14	March 23, 2022
150,000	112,500	0.14	August 28, 2022
150,000	112,500	0.14	December 29, 2022
5,150,000	2,575,000	0.40	June 27, 2023
400,000	200,000	0.35	September 17, 2023
100,000	25,000	0.17	December 10, 2023
1,135,000	-	0.17	June 20, 2024
8,187,500	4,127,500		

On June 20, 2019, the shareholders of the Corporation renewed the stock option plan which provides that the maximum number of Shares in the capital of the Corporation that may be reserved for issuance under the plan is limited to a maximum of 10% of the Shares outstanding.

On June 20, 2019, the Corporation granted its directors, officers, employees and consultants 1,135,000 stock options at a price of \$0.165. The fair value of these stock options is \$127,120, or a fair value of \$0.112 per option. The fair value of the options granted was estimated using the Black-Scholes model based on the following assumptions: risk-free interest rate of 1.329%, expected volatility of 101.32%, no dividend per share and expected option duration of 3.75 years.

All options granted carry the same conditions. From the grant, options are earned in increments of 25% each 6 months, are valid for 5 years and were granted at or above the market value at the pre-grant close.

The expected life of stock options was estimated by considering comparable situations for companies similar to the Corporation. Expected volatility is determined by calculating the historical volatility of the Corporation's common stock price prior to the issue date and for a period corresponding to the expected life of the options.

KINTAVAR EXPLORATION Inc.

Notes to the Condensed Interim Financial Statements

Nine months ended September 30, 2019

(Unaudited, in Canadian dollars)

18. EXPLORATION AND EVALUATION DEPENSES

	Three months ended September 30		Nine months ended September 30	
	2019	2018	2019	2018
	\$	\$	\$	\$
Salaries and benefits	379,516	391,882	704,645	735,836
Geology and prospecting	63,441	155,803	101,014	249,207
Drilling	-	580,632	2,604	886,325
Analysis	90,263	138,649	124,161	174,643
Geophysics	1,109	282,339	11,609	534,782
Geochemistry	-	-	6,196	-
Metallurgy	-	-	76,928	-
Lodging and travel	117,122	187,791	142,058	290,206
Supplies	100,214	128,000	175,887	278,564
Taxes, permits and insurance	1,497	222	5,312	32,666
Exploration and evaluation expenses before tax credits	753,162	1,865,318	1,350,044	3,182,229
Tax credits	(252,121)	(36,908)	(315,231)	(254,736)
Exploration and evaluation expenses	501,041	1,828,410	1,035,183	2,927,493

19. ADDITIONAL INFORMATION RELATING TO THE STATEMENT OF CASH FLOW TABLES

Changes in non-cash working capital items

	Nine months ended September 30	
	2019	2018
	\$	\$
Receivables	95,925	(346,755)
Stock	11,750	-
Prepaid expenses	46,296	(304,918)
Mining rights receivable classified as non-current assets	26,809	(25,468)
Trade and other payables	40,621	202,622
Deferred revenues	(2,206)	-
	219,195	(474,519)

Non-cash transactions

	Nine months ended September 30	
	2019	2018
	\$	\$
Acquisition of exploration and evaluation assets through issuance of shares	-	14,800
Acquisition of exploration and evaluation assets through issuance of warrants	-	19,600
Repurchase of mining royalties through issuance of shares	-	50,000
Right-of-use assets acquired	-	76,160
Reduction of an obligation under finance lease following repayment by insurances	54,627	-

KINTAVAR EXPLORATION Inc.

Notes to the Condensed Interim Financial Statements

Nine months ended September 30, 2019

(Unaudited, in Canadian dollars)

20. RECLASSIFICATIONS AND COMPARATIVE FIGURES

Some reclassifications were made in the prior year's financial statements to improve comparability with the current accounts. As a result, some items have been modified in the consolidated statement of financial position and in the statement of cash flows, as well as in the notes to the financial statements.

The comparative figures have been adjusted to match the current year's presentation. Items have been reclassified as follows:

	Balances as presented in the December 31, 2018 financial statements	Adjustments	Comparative balances according to the new classification
	\$	\$	\$
Receivables	-	666,798	666,798
Prepaid expenses	-	266,600	266,600
Sales taxes receivable	307,325	(307,325)	-
Tax credits and mining rights receivable - current	244,494	(244,494)	-
Prepaid expenses and others	381,579	(381,579)	-
	933,398	-	933,398

21. SUBSEQUENT EVENTS

On October 18, 2019, the Corporation closed a private placement consisting of 6,000,000 flow-through shares at a price of \$0.20 per unit for total gross proceeds of \$1,200,000. No warrants, commissions or options have been issued with this transaction. Proceeds from this issue will be used to fund the activities of the winter drilling campaign on the Mitchi property.

On November 26, 2019, the Corporation granted to an employee a total of 100,000 options exercisable at \$0.14, valid for 5 years. Those options were granted at an exercise price higher than the closing market value of the shares the day before the grant.