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**ABCOURT MINES INC.
INTERIM FINANCIAL STATEMENTS
THREE AND NINE MONTHS ENDED MARCH 31, 2022 AND 2021 (unaudited)**

INTERIM FINANCIAL STATEMENTS

Interim statements of Financial Position

Interim statements of Comprehensive Income

Interim statements of Changes in Equity

Interim statements of Cash Flows

Interim notes to Financial Statements

ABCOURT MINES INC.
INTERIM STATEMENTS OF FINANCIAL POSITION
(In Canadian dollars)

		March, 31 2022	June, 30 2021
		\$ (unaudited)	\$ (audited)
ASSETS			
Current assets			
Cash		1,057,141	2,454,645
Receivables	5	496,863	661,383
Prepaid expenses		78,586	82,937
Inventory	6	<u>3,282,393</u>	<u>3,734,600</u>
Total current assets		4,914,983	6,933,565
Non current assets			
Deposits for restoration	11	5,867,786	5,867,786
Property, plant and equipment	7	27,951,109	25,278,096
Exploration and evaluation assets	8	10,378,046	10,228,044
Deferred income and mining tax assets		<u>1,407,185</u>	<u>1,407,185</u>
Total non current assets		<u>45,604,126</u>	<u>42,781,111</u>
Total assets		<u>50,519,109</u>	<u>49,714,676</u>
LIABILITIES			
Current liabilities			
Accounts payable and accrued liabilities	9	6,609,544	5,206,710
Income taxes payable		52,382	214,860
Current portion of long-term debt	10	<u>2,623,945</u>	<u>1,925,098</u>
Total current liabilities		9,285,871	7,346,668
Long-term debt	10	10,506	-
Provisions for restoration of mining sites	11	6,250,642	6,243,320
Deferred income and mining tax liabilities		<u>1,465,000</u>	<u>1,465,000</u>
Total liabilities		<u>17,012,019</u>	<u>15,054,988</u>
EQUITY			
Capital stock	12	44,852,502	44,852,502
Contributed surplus	13	7,094,317	7,094,317
Deficit		<u>(18,439,729)</u>	<u>(17,287,131)</u>
Total Equity		<u>33,507,090</u>	<u>34,659,688</u>
Total liabilities and equity		<u>50,519,109</u>	<u>49,714,676</u>

POUR LE CONSEIL D'ADMINISTRATION

(s) Pascal Hamelin, Président et chef de la direction

(s) Nicole Veilleux, Administrateur

ABCOURT MINES INC.
STATEMENTS OF COMPREHENSIVE INCOME
Three and nine months ended March 31,
(in Canadian dollars)

	Notes	2022		2021	
		3 months \$	9 months \$	3 months \$	9 months \$
Revenues	14	4,175,745	17,080,013	4,813,520	20,984,714
Operating mining cost		4,493,355	15,513,458	3,532,684	15,764,557
Royalties		83,087	339,128	94,351	417,326
Amortization and depletion		381,029	1,546,272	487,249	2,006,824
Costs of sales		4,957,471	17,398,858	4,114,284	18,188,707
GROSS MARGIN		(781,726)	(318,845)	699,236	2,796,007
ADMINISTRATIVE CHARGES					
Professional fees		52,523	204,443	64,362	231,305
Interest and penalties on taxes		14,596	62,665	56,063	106,499
Bank charges		1,866	6,665	566	1,657
Salaries and payroll charges		88,745	255,854	100,611	225,843
Insurance costs		9,461	23,741	5,891	19,657
Office expenses and other charges		30,875	94,197	27,094	91,058
Shareholders and investor relations		34,757	110,138	49,505	125,374
Depreciation of property, plant and equipment		4,701	11,452	1,940	5,691
Total administrative charges		237,524	769,155	306,032	807,084
OPERATING EARNINGS (LOSS)		(1,019,250)	(1,088,000)	393,204	1,988,923
REVENUES AND FINANCE COSTS					
Interest income		(32)	(382)	(3,915)	(5,448)
Finance costs		22,990	61,039	6,038	17,481
		22,958	60,657	2,123	12,033
EARNINGS (LOSS) BEFORE TAXES		(1,042,208)	(1,148,657)	391,081	1,976,890
Deferred income and mining taxes		-	3,941	23,668	99,256
NET EARNINGS AND TOTAL COMPREHENSIVE INCOME		(1,042,208)	(1,152,598)	367,413	1,877,634
NET EARNINGS (LOSS) PER SHARE					
Basic		(0.003)	(0.004)	0.001	0.006
Diluted		(0.003)	(0.004)	0.001	0.006
WEIGHTED AVERAGE NUMBER OF SHARES OUTSTANDING					
Basic		311,539,131	311,539,131	311,389,131	309,722,464
Diluted		311,539,131	311,539,131	312,707,116	311,680,347

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

	Notes	Capital Stock	Warrants	Contributed Surplus	Déficit	Total Equity
		\$	\$	\$	\$	\$
Balance as at June 30, 2021		44,852,502	-	7,094,317	(17,287,131)	34,659,688
Net earnings and comprehensive income		-	-	-	(1,152,598)	(1,152,598)
Balance as at March 31, 2022		44,852,502	-	7,094,317	(18,439,729)	33,507,090
Balance as at June 30, 2020		44,242,519	27,000	7,105,835	(19,711,997)	31,663,357
Net earnings and comprehensive income		-	-	-	2,424,866	2,424,866
Exercise of warrants	12 - 13	579,593	(26,578)	(300)	-	552,715
Exercise of share purchase options	12 - 13	30,390	-	(11,640)	-	18,750
Expired warrants	13	-	(422)	422	-	-
Balance as at June 30, 2021		44,852,502	-	7,094,317	(17,287,131)	34,659,688

ABCOURT MINES INC.

STATEMENTS OF CASH FLOWS

Three and nine months ended March 31

(in Canadian dollars)

	Notes	2022		2021	
		3 months \$	9 months \$	3 months \$	9 months \$
OPERATING ACTIVITIES					
Net earnings (net loss) and comprehensive income		(1,042,208)	(1,152,598)	367,413	1,877,634
Non-cash items:					
Effective interest expense		792	8,235	-	-
Accretion expense		21,741	52,347	6,038	17,481
Depreciation, Amortization and depletion		385,730	1,557,724	489,189	2,012,515
Deferred taxes		-	-	-	(132,000)
		<u>(633,945)</u>	<u>465,708</u>	<u>862,640</u>	<u>3,775,630</u>
Net change in non-cash operating working capital items	4	<u>256,557</u>	<u>1,861,434</u>	<u>(538,855)</u>	<u>1,448,648</u>
		<u>(377,388)</u>	<u>2,327,142</u>	<u>323,785</u>	<u>5,224,278</u>
FINANCING ACTIVITIES					
Warrants exercised		-	-	-	552,715
Long-term debt		1,000,000	1,047,631	1,000,000	1,000,000
Repayment of long-term debt		<u>(139,051)</u>	<u>(346,513)</u>	<u>(16,667)</u>	<u>(16,667)</u>
		860,949	701,118	983,333	1,536,048
INVESTING ACTIVITIES					
Mining duties		-	-	-	6,881
Deposit for restoration of Elder mine		-	-	-	(1,342,397)
Acquisition of property, plant and equipment		(1,478,028)	(6,696,588)	(1,495,528)	(3,996,683)
Sales of gold and silver (Sleeping Giant mine)		1,076,058	2,420,826	298,832	298,832
Acquisition of exploration and evaluation assets		<u>(56,405)</u>	<u>(150,002)</u>	<u>(28,359)</u>	<u>(416,962)</u>
		<u>(458,375)</u>	<u>(4,425,764)</u>	<u>(1,225,055)</u>	<u>(5,450,329)</u>
NET CHANGE IN CASH		25,186	(1,397,504)	82,063	1,309,997
CASH BEGINNING OF YEAR		1,031,955	2,454,645	3,188,854	1,960,920
CASH END OF YEAR		1,057,141	1,057,141	3,270,917	3,270,917

ABCOURT MINES INC.

NOTES TO INTERIM FINANCIAL STATEMENTS

MARCH 31, 2022

(in Canadian dollars)

1- STATUTE OF INCORPORATION AND NATURE OF ACTIVITIES

Abcourt Mines Inc. (the « Company ») was constituted by letters patent of amalgamation in January 1971 and continued its existence under Part 1A of the Quebec Companies Act in March 1981. On February 14, 2011, the Company was automatically continued under Business Companies Act (Quebec) following the entry into force of this law. The Company is engaged in the acquisition, exploration, evaluation and exploitation of mining properties in Canada, principally gold. Its shares are trading on TSX Venture Exchange under the symbol ABI, on Berlin Stock Exchange under the symbol AML-BE and on Frankfurt Exchange under the symbol AML-FF. The address of the Company's head office is 475 de l'Eglise Avenue, Rouyn-Noranda, (Quebec) J0Z 1Y0.

These financial statements were approved for publication by the Board of Directors on May 24, 2022.

2- GENERAL INFORMATION AND BASIS OF PREPARATION

These interim financial statements have been prepared by the Company's management in accordance with International Financial Reporting Standards (« IFRS »), as established by the International Accounting Standards Board and in accordance with IAS 34 « Interim Financial Reporting ». These interim financial statements were prepared using the same basis of presentation and accounting policies outlined in the annual financial statements on June 30, 2021. They do not include all the information required in annual financial statements in accordance with IFRS and must be read in conjunction with the financial statements for the year ended June 30, 2021.

The Company's independent auditor has not performed a review of these unaudited interim financial statements for the period ended March 31, 2022 in accordance with standards established by the Chartered Professional Accountants of Canada for a review of interim financial statements by the Company's auditor.

3- JUDGMENTS, ESTIMATES AND ASSUMPTIONS

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

The judgments, estimates and assumption applied in the interim financial statements, including the key sources of estimation uncertainty, were the same as those applied in the Company's last annual financial statements for the year ended June 30, 2021

4- COMPLEMENTARY INFORMATIONS RELATED TO CASH FLOWS

Net change in non-cash operating working capital items:

	2022		2021	
	3 months	9 months	3 months	9 months
	\$	\$	\$	\$
Receivables	109,122	164,520	556,059	368 282
Prepaid expenses	-	-	-	725 996
Inventory	(9,134)	4,351	(33,931)	(74 367)
Accounts payable and accrued liabilities	(403,566)	452,207	(863,075)	923 209
Income taxes payable	560,135	1,402,834	(111,418)	(66 622)
Receivables	-	(162,478)	(86,490)	(427 850)
	<u>256 557</u>	<u>1,861,434</u>	<u>(538,855)</u>	<u>1,448,648</u>

As at March 31, 2022, the Company paid income taxes of \$162,478, (\$619,354 as at March 31, 2021).

Items not affecting cash :

	March, 31 2022	March, 31 2021
	\$	\$
Mining duties adjustment	-	8,746
Adjustments of provisions for restoration of mining sites accounted for as property, Plant and Equipment	45,025	-
Effective interest expenses recorded to the long-term debt	792	-

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

5- RECEIVABLES

	March, 31 2022 \$	June, 30 2021 \$
Taxes receivable	441,046	568 867
Account receivable	19,259	57 701
Others	36,558	34 815
	<u>496 863</u>	<u>661,383</u>

6- INVENTORY

	March, 31 2022 \$	June, 30 2021 \$
Gold and silver inventory	1,951,164	2 496 148
Ore stock piles	454,344	357 062
Mine supplies	876,885	881 390
	<u>3 282 393</u>	<u>3,734,600</u>

ABCOURT MINES INC.

NOTES TO INTERIM FINANCIAL STATEMENTS

MARCH 31, 2022

(in Canadian dollars)

7- PROPERTY, PLANT AND EQUIPMENT

	Cost			Accumulated Amortization			March 31, 2022 Net book value	
	June 30, 2021	Addition	Provisions for restoration of mining sites adjustment	March 31, 2022	June 30, 2021	Amortization		March 31, 2022
	\$	\$	\$	\$	\$	\$		\$
Abcourt-Barvue Site								
Equipment for mill	2,702,476	-	-	2,702,476	-	-	-	2,702,476
Water treatment plant	76,628	-	-	76,628	-	-	-	76,628
Expenses incurred for the tailings pond	40,728	-	-	40,728	-	-	-	40,728
	<u>2,819,832</u>	<u>-</u>	<u>-</u>	<u>2,819,832</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,819,832</u>
Elder Mine Site								
Lands	37,263	-	-	37,263	-	-	-	37,263
Mobile equipment	94,920	47,600	-	142,520	78,456	10,063	88,519	54,001
Furniture and equipment	2,362,049	37,825	-	2,399,874	1,537,096	118,074	1,655,170	744,704
Elder mine	19,834,785	1,737,294	(45,025)	21,527,054	9,246,692	1,116,307	10,362,999	11,164,055
Computer equipment	8,006	10,126	-	18,132	6,034	3,359	9,393	8,739
	<u>22,337,023</u>	<u>1,832,845</u>	<u>(45,025)</u>	<u>24,124,843</u>	<u>10,868,278</u>	<u>1,247,803</u>	<u>12,116,081</u>	<u>12,008,762</u>
Sleeping Giant Mine Site								
Sleeping Giant Mine ⁽¹⁾⁽²⁾	7,837,238	2,430,327	-	10,267,565	-	-	-	10,267,565
Mill facility and production equipment	4,370,312	4,288	-	4,374,600	1,682,263	237,471	1,919,734	2,454,866
Building	491,054	-	-	491,054	202,583	25,465	228,048	263,006
Lands	19,000	-	-	19,000	-	-	-	19,000
Mobile equipment	401,625	-	-	401,625	325,946	37,452	363,398	38,227
Computer equipment	46,862	8,302	-	55,164	20,780	9,533	30,313	24,851
	<u>13,166,091</u>	<u>2,442,917</u>	<u>-</u>	<u>15,609,008</u>	<u>2,231,572</u>	<u>309,921</u>	<u>2,541,493</u>	<u>13,067,515</u>
	<u>38,322,946</u>	<u>4,275,762</u>	<u>(45,025)</u>	<u>42,553,683</u>	<u>13,099,850</u>	<u>1,557,724</u>	<u>14,657,574</u>	<u>27,896,109</u>

(1) See note 11

(2) An amount of \$2,420,826 representing the sale of gold and silver was credited to the Sleeping Giant development costs.

ABCOURT MINES INC.**NOTES TO INTERIM FINANCIAL STATEMENTS****MARCH 31, 2022**

(in Canadian dollars)

7- PROPERTY, PLANT AND EQUIPMENT (continued)

	Cost			Accumulated Amortization			March 31, 2022 Net book value	
	June 30, 2021	Addition	Provisions for restoration of mining sites adjustment	March 31, 2022	June 30, 2021	Amortization	March 31, 2022	
	\$	\$		\$	\$	\$	\$	\$
Exploration								
Lands	55,000	-	-	55,000	-	-	-	55,000
	55,000	-	-	55,000	-	-	-	55,000
	38,377,946	4,275,762	(45,025)	42,608,683	13,099,850	1,557,724	14,657,574	27,951,109

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

7- PROPERTY, PLANT AND EQUIPMENT (continued)

	Cost			Accumulated Amortization			June 30, 2021	
	June 30, 2020	Addition	Provisions for restoration of mining sites adjustment	June 30, 2021	June 30, 2020	Amortization	June 30, 2021	Net book value
	\$	\$	\$	\$	\$	\$	\$	\$
Abcourt-Barvue Site								
Equipment for mill	2,702,476	-	-	2,702,476	-	-	-	2,702,476
Water treatment plant	76,628	-	-	76,628	-	-	-	76,628
Expenses incurred for the tailings pond	40,728	-	-	40,728	-	-	-	40,728
	<u>2,819,832</u>	<u>-</u>	<u>-</u>	<u>2,819,832</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,819,832</u>
Elder Mine Site								
Lands	37,263	-	-	37,263	-	-	-	37,263
Mobile equipment	89,920	5,000	-	94,920	73,142	5,314	78,456	16,464
Furniture and equipment	2,220,260	141,789	-	2,362,049	1,365,716	171,380	1,537,096	824,953
Elder mine	17,532,502	2,302,283	-	19,834,785	7,255,060	1,991,632	9,246,692	10,588,093
Computer equipment	7,189	817	-	8,006	3,433	2,601	6,034	1,972
	<u>19,887,134</u>	<u>2,449,889</u>	<u>-</u>	<u>22,337,023</u>	<u>8,697,351</u>	<u>2,170,927</u>	<u>10,868,278</u>	<u>11,468,745</u>
Sleeping Giant Mine Site								
Sleeping Giant Mine ⁽¹⁾⁽²⁾	5,115,975	2,839,140	(117,877)	7,837,238	-	-	-	7,837,238
Mill facility and production equipment	4,354,220	16,092	-	4,370,312	1,342,583	339,680	1,682,263	2,688,049
Building	491,054	-	-	491,054	166,045	36,538	202,583	288,471
Lands	19,000	-	-	19,000	-	-	-	19,000
Mobile equipment	401,625	-	-	401,625	245,621	80,325	325,946	75,679
Computer equipment	19,618	27,244	-	46,862	14,024	6,756	20,780	26,082
	<u>10,401,492</u>	<u>2,882,476</u>	<u>(117,877)</u>	<u>13,166,091</u>	<u>1,768,273</u>	<u>463,299</u>	<u>2,231,572</u>	<u>10,934,519</u>
	<u>33,108,458</u>	<u>5,332,365</u>	<u>(117,877)</u>	<u>38,322,946</u>	<u>10,465,624</u>	<u>2,634,226</u>	<u>13,099,850</u>	<u>25,223,096</u>

(1) See note 11

(2) An amount of \$585,088 representing the sale of gold and silver was credited to the Sleeping Giant development costs.

ABCOURT MINES INC.**NOTES TO INTERIM FINANCIAL STATEMENTS****MARCH 31, 2022**

(in Canadian dollars)

7- PROPERTY, PLANT AND EQUIPMENT (continued)

	Cost			Accumulated Amortization			June 30, 2021 Net book value
	June 30, 2020	Addition	Provisions for restoration of mining sites adjustment	June 30, 2021	June 30, 2020	Amortization	June 30, 2021
	\$	\$	\$	\$	\$	\$	\$
Exploration							
Terrains	55,000	-	-	55,000	-	-	55,000
	55,000	-	-	55,000	-	-	55,000
	33,163,458	5,332,365	(117,877)	38,377,946	10,465,624	2,634,226	25,278,096

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

8- EXPLORATION AND EVALUATION ASSETS

	March, 31 2022	June, 30 2021
	\$	\$
Mining Properties	1,992,864	1,969,482
Exploration and evaluation expenses	<u>8,385,182</u>	<u>8,258,562</u>
	<u><u>10,378,046</u></u>	<u><u>10,228,044</u></u>

Mining properties

	Balance as at June 30, 2021	Addition	Balance as at March 31, 2022
	\$	\$	\$
Properties in Quebec			
Abcourt-Barvue (100 %)	239,918	10,552	250 470
Vendôme (100 %)	103,586	4,330	107 916
Royalty on Beauchastel property	100	-	100
Aldermac (100 %)	1,567,506	-	1 567 506
Discovery - Flordin	14,679	7,021	21 700
Dormex	9,442	242	9 684
Laflamme	4,364	-	4 364
Others (% variable)	<u>29,887</u>	<u>1,237</u>	<u>31 124</u>
	<u><u>1 969 482</u></u>	<u><u>23,382</u></u>	<u><u>1,992,864</u></u>

Exploration and evaluation expenses

	Balance as at June 30, 2021	Addition	Balance as at March 31, 2022
	\$	\$	\$
Abcourt-Barvue	6,103,421	118,313	6 221 734
Vendôme	206,259	2,147	208 406
Aldermac	916,535	1,170	917 705
Discovery-Flordin	839,044	4,990	844 034
Dormex	185,061	-	185 061
Others (% variable)	<u>8,242</u>	<u>-</u>	<u>8 242</u>
	<u><u>8 258 562</u></u>	<u><u>126,620</u></u>	<u><u>8,385,182</u></u>

The following Royalties are payable on the production of the Company's properties:

<u>Property</u>	<u>Royalty</u>
Elder	2 to 3% NSR
Barvue	-
Vendome	2% NSR on Xstrata claims
Abcourt	-
Tagami	1 to 2% NSR
Jonpol	2.5% NSR
Aldermac	\$2.00/t for 1.5 M tonnes
Aldermac West	2% NSR
Sleeping Giant	\$5.00 / tonne for 350,000 tonnes

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

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

9- ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	March, 31	June, 30
	2022	2021
	\$	\$
Accounts payable	3,346,133	1,900,726
Royalties payable	829,216	887,856
Salaries and holidays payable	706,265	660,755
Payable to governments	1,727,930	1,757,373
	<u>6 609 544</u>	<u>5 206 710</u>

10- LONG-TERM DEBT

	March, 31	June, 30
	2022	2021
	\$	\$
Loan authorized for a maximum amount of \$5,000,000, bearing interest at a fixed rate of 2.99 % and 3.51%, effective rate of 4.44 %, maturing June 2022 and January and February 2023 secured by a first rank hypothec of \$5,000,000 on the equipment and the mobile equipment of the Sleeping Giant mine and mill facility and a first rank hypothec of \$250,000 on the receivables and the inventory. ⁽¹⁾	2,600,000	1,925,098
Loan authorized for a maximum amount of \$47,631, bearing interest at a fixed rate of 7.33 %, secured by mobile equipment, maturing in August 2023.	<u>34,451</u>	<u>-</u>
Current portion	<u>(2,623,945)</u>	<u>(1,925,098)</u>
	<u>10,506</u>	<u>-</u>

(1) As at June 30, 2021, an unamortized amount of \$8,235, representing financing fees, has been netted against the long-term debt. This amount is being amortized in profit or loss over the term of the debt, using the effective interest method. As at March 31, 2022, the amount is fully amortized.

Reconciliation of movements of long-term debt to cash flows arising from financing activities:

	March, 31	June, 30
	2022	2021
	\$	\$
Balance, beginning of year	1,925,098	-
Cash flows		
Proceeds from long-term debt	1,047,631	2,000,000
Repayment of long-term debt	(346,513)	(66,667)
Long-term debt financing fees	-	(12,917)
Non-cash flows		
Effective interest expense	8,235	4,682
Balance, end of year	<u>2,634,451</u>	<u>1,925,098</u>

As at March 31, 2022 and June 30, 2021, principal payments required in the next years are as follows:

Within one year	2,623,945	1,925,098
Later than one year and no later than five years	10,506	-

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

11- PROVISIONS FOR RESTORATION OF MINING SITES

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

	March, 31	June, 30
	2022	2021
	\$	\$
Balance, beginning of period	6,243,320	6,332,013
Changes to estimates	(45,025)	(117,877)
Accretion expense	52,347	29,184
Balance, end of year	<u>6,250,642</u>	<u>6,243,320</u>

The rate used to determine the future value is 3,8% (2.40% as at June 30, 2021), while the rate reflecting the current market assessments used to determine the present value of the provisions is 2.28% (0.87% as at June 30, 2021). The payments schedule was determined by taking into account the measured and indicated resources, the estimated annual production level and the estimated mine life. The changes to estimates were accounted for as property, plant and equipment.

The schedules of the estimated cash flows of future retirement costs of the Elder and Sleeping Giant mines were revised to take into account their updated estimated resources, their estimated mine life and change in future retirement costs of the Sleeping Giant mine.

In relation with the Sleeping Giant mine rehabilitation and restoration plan of 2013 (« the 2013 plan »), the Company was required to make guarantee payments to the Ministry of Energy and Natural Resources (« the Ministry ») according to the following schedule: \$671,121 by August 17, 2016 and two other payments of \$335,638 were required for August 17, 2018 and 2019. The 2013 plan estimated the restoration costs at \$5,370,214. A new rehabilitation and restoration plan (“the new plan”) was prepared by a consultant and submitted to the Ministry in October 2019. The new plan is presently under review. In 2020, following the comments raised by the Ministry and pending the final approbation of the new plan, the Company adjusted the provision according to the costs of the 2013 plan. During the year, the Company paid the amount of \$1,342,553 to the Ministry for the Sleeping Giant mine rehabilitation and restoration plan.

The following table sets forth the estimated undiscounted cash flows of future retirement costs used in the calculation of the asset retirement obligations as at March 31, 2022.

	Anticipated cash flows payment schedule for 2024 and 2026
	\$
Elder Mine	503,168
Sleeping Giant Mine	6,073,553
	<u>6,576,721</u>

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

	March, 31	June, 30
	2022	2021
	\$	\$
Mine Elder	499,360	539,930
Mine Géant Dormant	5,751,282	5,703,390
	<u>6,250,642</u>	<u>6,243,320</u>

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

12- CAPITAL SOCIAL

Authorized

Unlimited number of preferred shares without par value which may be issued in one or more series; the privileges, rights, conditions and restrictions will be determined by the Board of Directors (none outstanding).

Unlimited number of subordinate class « A » shares, without par value, non-voting (none outstanding).

Unlimited number of class « B » shares, without par value, voting.

Changes in Company class « B » capital stock were as follows:

	March, 31		June, 30	
	2022		2021	
	Quantité	Montant	Quantité	Montant
		\$		\$
Solde au début	311,539,131	44,852,502	307,309,171	44,242,519
Émissions d'actions ordinaires	-	-	4,229,960	609,983
Solde à la fin	<u>311,539,131</u>	<u>44,852,502</u>	<u>311,539,131</u>	<u>44,852,502</u>

Au 31 mars 2022 et 30 juin 2021, la totalité des actions émises étaient entièrement libérées.

Exercice clos le 30 juin 2021

During the year, the Company issued 4,079,960 class « B » shares for a total amount of \$552,715 upon the exercise of the Company's warrants at a price of \$0.10 per share (1,000,000 warrants), \$0.13 per share (1,335,960 warrants) and \$0.16 per share (1,744,000 warrants). An amount of \$26,878 representing the fair value of the warrants which was previously accounted for as an increase to warrants (\$26,578) and contributed surplus (\$300) was transferred to capital stock upon the exercise of the warrants.

During the year, the Company issued 150,000 class « B » shares for a total amount of \$18,750 upon the exercise of the Company's share purchase options at a price of \$0.125 per share. An amount of \$11,640 representing the fair value of the share purchase options which was previously accounted for as an increase to contributed surplus was transferred to capital stock upon the exercise of the share purchase options.

13- SHARE PURCHASE OPTIONS AND WARRANTS

The shareholders of the Company approved a stock option plan (the « plan ») whereby the Board of Directors may grant to employees, officers, directors and suppliers of the Company, share purchase options to acquire shares in such numbers, for such terms and at such exercise price as may be determined by the Board of Directors. It was originally adopted in October 1996 and approved by shareholders of the Company on December 1st, 1997, and has subsequently been modified several times with the approval of shareholders in December 2001 and December 2012. The exercise price cannot be lower than the market price of the shares at the time of grant.

The plan provides that the maximum number of shares in the capital of the Company that can be reserved for issuance under the plan shall be equal to 14,500,000 shares. The maximum number of shares that can be reserved for issuance of option to any one person may not exceed 5% of the outstanding shares at the time of grant and the maximum number of shares which may be reserved for issuance to an investor relations representative, a consultant or a supplier may not exceed 2% of the outstanding shares at the time of grant.

The acquisition conditions of share purchase options are without restriction. However, the options granted to investor relations representatives will be acquired at a rate of 25% per quarter. These options will expire no later than five years after being granted.

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

13- SHARE PURCHASE OPTIONS AND WARRANTS (continued)

Share Purchase Options

Changes in Company share purchase options were as follows

	March, 31 2022		June, 30 2021	
	Number	Weighted average exercise price \$	Number	Weighted average exercise price \$
Solde au début	6,900,000	0.12	7,050,000	0.12
Exercées	-	-	(150,000)	0.125
Annulées et expirées	<u>(6,100,000)</u>	0.125	-	-
En circulation et exerçables à la fin	<u>800,000</u>	0.07	<u>6,900,000</u>	0.12

As at June 30, 2021, the share price at the date of exercise was \$0.14.

The following tables summarize the information related to the share purchase options granted under the plan

Outstanding as at March 31, 2022	Weighted average remaining contractual life	Exercise price \$
<u>800,000</u>	1.7 ans	0.07

Outstanding as at June 30, 2021	Weighted average remaining contractual life	Exercise price \$
6,100,000	0.02 year	0.125
<u>800,000</u>	2.5 years	0.07
<u>6,900,000</u>		

Warrants

Changes in Company warrants were as follows:

	March, 31 2022		June, 30 2021	
	Number	Weighted average exercise price \$	Number	Weighted average exercise price \$
Balance, beginning of period	-	-	4,171,000	0.14
Granted	-	-	-	-
Exercised	-	-	(4,039,000)	0.14
Expired	<u>-</u>	-	<u>(132,000)</u>	0.16
Outstanding and exercisable, end of period	<u>-</u>	-	<u>-</u>	-

As at June 30, 2021, the weighted average share price at the date of exercise was \$0.20.

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

13- SHARE PURCHASE OPTIONS AND WARRANTS (continued)

Warrants to intermediaries

Changes in Company intermediaries' warrants were as follows:

	March, 31 2022		June, 30 2021	
	Number	Weighted average exercise price	Number	Weighted average exercise price
		\$		\$
Balance, beginning of period	-	-	40,960	0.13
Exercised	-	-	40,960	0.13
Outstanding and exercisable, end of period	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

As At June 30, 2021, the weighted average share price at the date of exercise was \$0.22

14- REVENUES

	March, 31 2022		March, 31 2021	
	3 months	9 months	3 months	9 months
			\$	\$
Sales of gold and silver	4,159,103	17,027,365	4,813,854	20,983,249
Analysis services	16,642	52,648	-	-
Other revenues	-	-	(334)	1,465
	<u>4,175,745</u>	<u>17,080,013</u>	<u>4,813,520</u>	<u>20,984,714</u>

15 - RELATED PARTY TRANSACTIONS

Key management personnel of the Company are members of the Board, as well as the President and the Chief Financial Officer.

Key management remuneration is as follows

	March, 31 2022		March, 31 2021	
	3 months	9 months	3 months	9 months
	\$	\$	\$	\$
Consulting fees ⁽¹⁾	109,632	283,356	88,824	267,367
Salaries and payroll charges	55,843	98,691	57,252	122,967
Total remuneration	<u>165,475</u>	<u>382,047</u>	<u>146,076</u>	<u>390,334</u>

(1) Consulting fees paid to a company controlled by the President and Chief Executive Officer of the Company.

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

15 - RELATED PARTY TRANSACTIONS (continued)

Other related party transactions

In addition to the amounts listed above in the remuneration to key management, following are the related party transactions for the period ended March 31, 2022 and 2021:

	March, 31 2022		March, 31 2021	
	3 months	9 months	3 months	9 months
Transactions with a company controlled by the President and Chief Executive Officer of the Company	\$	\$	\$	\$
Payment of a royalty (2% NSR on Elder property purchased from Canuc Resources Company in 2001)	83,087	339,128	96,115	419,090
Total	83,087	339,128	96,115	419,090

As at March 31, 2022, the balance due to related parties amounted to \$529,162 (\$249,436 as at March 31, 2021). These transactions are measured at the value of the consideration paid or received, which was established and agreed by the related parties. Unless otherwise stated, none of the transactions incorporated special terms and conditions and no guarantee was given or received. Outstanding balances are usually settled in cash.

16- SUBSEQUENT EVENTS

Grant of stock-options

On April 5, 2022, the Company announced the granting of 2,000,000 share purchase options at an exercise price of \$0.10 to its new Chief Executive Officer. The appointment of Mr. Pascal Hamelin as President and CEO of Abcourt was announced by press release on March 24, 2022. These options are valid for a five-year period and were granted pursuant to the Corporation's stock option plan.

Equity financing

In May 2022, the Company announced the closing of a non-brokered private placement of a number of 16,750,000 units at a price of \$0.10 per unit for total proceeds of \$1,675,000. Each Unit is composed of one Class B share of the Company and one warrant, each warrant entitling its holder to purchase one share at a price of \$0.15 until May 31, 2025.

Elder mine

In May 2022, the Company announced that mining activities at the Elder mine would cease on August 1, 2022. As of this date, the mine will be placed in care and maintenance mode.

17- SEGMENT INFORMATION

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

There was no difference as at March 31, 2022 compared to annual financial statements of 2021 in the basis of segmentation or the basis of evaluation of segment result.

ABCOURT MINES INC.

NOTES TO INTERIM FINANCIAL STATEMENTS

MARCH 31, 2022

(in Canadian dollars)

17- SEGMENT INFORMATION (continued)

Three and nine months ended March 31, 2022

Segmented information concerning the statement of comprehensive income

	Mining site in production		Prospection and development		Corporate		Total	
	\$		\$		\$		\$	
	3 months	9 months	3 months	9 months	3 months	9 months	3 months	9 months
Revenues	4,175,745	17,080,013	-	-	-	-	4,175,745	17,080,013
Operating mining cost	4,493,355	15,513,458	-	-	-	-	4,493,355	15,513,458
Royalties	83,087	339,128	-	-	-	-	83,087	339,128
Amortization and depletion	381,029	1,546,272	-	-	-	-	381,029	1,546,272
Costs of sales	4,957,471	17,398,858	-	-	-	-	4,957,471	17,398,858
GROSS MARGIN	(781,726)	(318,845)	-	-	-	-	(781,726)	(318,845)
Expenses	-	-	-	-	232,823	757,703	232,823	757,703
Depreciation of property, plant and equipment	-	-	-	-	5,061	11,452	5,061	11,452
	-	-	-	-	237,524	769,155	237,524	769,155
OPERATING EARNINGS (LOSS)	(781,726)	(318,845)	-	-	(237,524)	(769,155)	(1,019,250)	(1,088,000)
REVENUES AND FINANCE COSTS	1,854	4,455	19,887	47,892	1,217	8,310	22,958	60,657
EARNINGS (LOSS) BEFORE TAXES	(783,580)	(323,300)	(19,887)	(47,892)	(238,741)	(777,465)	(1,042,208)	(1,148,657)
Addition of property, plant and equipment	29,456	1,837,133	372,514	2,438,629	-	-	401,970	4,275,762
Addition of exploration and evaluation expenses	-	-	56,405	150,002	-	-	56,405	150,002
Current assets		4,810,567		-		104,416		4,914,983
Deposits for restoration		497,572		5,370,214		-		5,867,786
Property, plant and equipment		14,783,861		13,167,248		-		27,951,109
Exploration and evaluation assets		-		10,378,046		-		10,378,046
Deferred income and mining tax assets		1,407,185		-		-		1,407,185
Total assets		21,499,185		28,915,508		104,416		50,519,109

ABCOURT MINES INC.

NOTES TO INTERIM FINANCIAL STATEMENTS

MARCH 31, 2022

(in Canadian dollars)

17- SEGMENT INFORMATION (continued)

Three and nine months ended March 31, and June 30, 2021

Information sectorielle concernant l'état du résultat global

	Mining site in production		Prospection and development		Corporate		Total	
	\$		\$		\$		\$	
	3 months	9 months	3 months	9 months	3 months	9 months	3 months	9 months
Revenues	4,813,520	20,984,714	-	-	-	-	4,813,520	20,984,714
Operating mining cost	3,532,684	15,764,557	-	-	-	-	3,532,684	15,764,557
Royalties	94,351	417,326	-	-	-	-	94,351	417,326
Amortization and depletion	487,249	2,006,824	-	-	-	-	487,249	2,006,824
Costs of sales	4,114,284	18,188,707	-	-	-	-	4,114,284	18,188,707
GROSS MARGIN	699,236	2,796,007	-	-	-	-	699,236	2,796,007
Expenses	-	-	-	-	304,092	801,393	304,092	801,393
Depreciation of property, plant and equipment	-	-	-	-	1,940	5,691	1,940	5,691
	-	-	-	-	306,032	807,084	306,032	807,084
OPERATING EARNINGS (LOSS)	699,236	2,796,007	-	-	(306,032)	(807,084)	393,204	1,988,923
REVENUES AND FINANCE COSTS	835	1,834	5,203	15,647	(3,915)	(5,448)	2,123	12,033
EARNINGS (LOSS) BEFORE TAXES	698,401	2,794,173	(5,203)	(15,647)	(302,117)	(812,532)	391,081	1,976,890
Addition of property, plant and equipment	473,598	1,750,901	723,098	1,946,950	-	-	1,196,696	3,697,851
Addition of exploration and evaluation expenses	-	-	28,359	416,962	-	-	28,359	416,962
Current assets		6,786,265		-		147,300		6,933,565
Deposits for restoration		497,572		5,370,214		-		5,867,786
Property, plant and equipment		14,566,026		10,712,070		-		25,278,096
Exploration and evaluation assets		-		10,228,044		-		10,228,044
Deferred income and mining tax assets		1,407,185		-		-		1,407,185
Total assets		23,257,048		26,310,328		147,300		49,714,676