



MANAGEMENT'S DISCUSSION AND ANALYSIS

Ended on March 31, 2022

ABCOURT MINES INC.

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the third quarter ended on March 31, 2022. This management's discussion and analysis provides an analysis of our exploitation and exploration, evaluation and results of our financial situation which will enable the reader to evaluate important variations in exploitation results and exploration, evaluation in our financial situation for the quarter ended March 31, 2022, in comparison with third quarter of the previous period. This report supplements our audited financial statements and should be read in conjunction with our audited financial statements and the accompanying notes of June 30, 2021. Our audited financial statements are prepared in accordance with the applicable International Accounting Standards. All monetary values included in this report are in Canadian dollars, unless it is indicated otherwise. Our financial statements and the management's discussion and analysis are intended to provide a reasonable base for the investor to evaluate our exploration, evaluation and exploitation results and our financial situation

The unaudited interim financial statements and this management's discussion and analysis have been reviewed by the Audit Committee and approved by the Company's Board of Directors on May 24, 2022. This Management's Discussion and Analysis contains current information unless otherwise indicated.

You are invited to consult the Sedar web site at www.sedar.com, where all the documents filed according to the applicable Canadian security Laws may be found and our web site at www.abcourt.ca, where you will find additional informations.

FORWARD LOOKING STATEMENTS

Some statements contained in this MD&A constitute forward looking statements including, without limitation, anticipated developments in the Company's operations in future periods and other events or conditions that may occur in the future. These statements are about the future and are inherently uncertain and actual achievements of the Company or other future events or conditions may differ materially from those reflected in the forward-looking statements due to a variety of risks, uncertainties and other factors, including, without limitation, those mentioned herein under heading "risks and uncertainties". Management believes that the expectations reflected in those statements are reasonable but no assurance can be given that these expectations will prove to be correct. It is recommended not to place undue reliance on forward-looking statements as the plans, intentions or expectations upon which they are based might not occur.

THIRD QUARTER HIGHLIGHTS

- Revenues of \$4,175,745 for the quarter ended March 31, 2022, compare to \$4,813,520 for the same period in 2021, a decrease of 14%, explained by the decrease in the number of ounces of gold sold.
- The Company reported a net loss of \$1,042,208, compare to a net profit of \$367,413 for the same period in 2021, explained by the decrease in the number of ounces of gold sold, by the increase in the cost of sales and by lower than expected tonnes.
- The Company reported an adjusted net loss of \$618,924, compare to an adjusted net profit of \$938,456 for the same period in 2021.
- Costs of sales of \$4,957,471, compare to \$4,114,284 for the same period in 2021, an increase of 20%, which is explained by the increase in material and labour costs as well as problems encountered in supply chains.
- Cash balance at the end of the quarter was \$1,057,141, compare to \$2,454,645 as at June 30, 2021. Working capital of \$(4,370,888) compare to \$(413,103) as at June 30, 2021. The decrease in cash is due mainly to lower operating cash flows.
- Cash cost of \$2,595 (\$2,060 US), compare to \$1,648 (\$1,314 US) and all-in sustaining costs of \$2,743 (\$2,178 US) compare to \$2,002 (\$1,596 US) per ounce of gold sold for the corresponding period in 2021. During the quarter, the increase of the cash cost and all-in sustaining cost was due to lower ounces of gold sold by 20% and to lower than expected tonnes compare to the same period in 2021. For the quarter, the average realised price per ounce of gold sold of \$2,363 was higher than the cash cost.
- 1,791 ounces produces compare to 2,360 ounces for the same period in 2021. 1,760 ounces sold compare to 2,199 ounces for the same period in 2021. A 24% decrease in ounces produced and a 20% decrease in ounces sold. The decrease of the ounces produces and sold is explained by lower tonnage which is due to depletion of the economical resources of the elder mine and to the unplanned 15 days shutdown for maintenance.
- Sales of 451 ounces of gold from the Sleeping Giant mine development work, for a total amount of \$1,076,058, sales of 137 ounces of gold for an amount of \$298,832 for the same period in 2021.

STRATEGY AND OUTLOOK

Over the next year, the Company will develop a budget plan that will allow the production restart of the Sleeping Giant Mine. The Sleeping Giant Mine team started the rehabilitation in the upper levels of the mine, and already identified new mineralized sectors. The objective is to accelerate the rehabilitation in many levels, and the shaft. At the same time, the geologists will be able to identify new mineralized zones with all the new technological tools at their disposal and the support of veterans of the exploration industry in Abitibi

the Company will cease its extraction activities at the Elder Mine in order to allow geologists and engineers to evaluate the best extraction methods according to the geological configuration of the existing resources, and resume exploration activities to define new sectors. The Company will attempt to maximize the transfer

of its employees from the Elder Mine to the Sleeping Giant Mine based on mine capacity and the interest of affected employees. For several quarters, mining at the Elder Mine was becoming less and less profitable despite the efforts of all employees. Faced with this fact, the Company decided to cease its mining activities and will proceed with a collective dismissal at the beginning of august 2022.

Finally, the Company will evaluate all its other properties and determine the best financial alternative for each of them, that is some properties could be developed in partnership, or sold according to the assessment made, or simply kept if the conditions are not favorable.

KEY QUARTERLY FINANCIAL INFORMATIONS

	2022 March \$	2021 March \$	2021 Dec. \$	2020 Dec. \$	2021 Sept. \$	2020 Sept. \$	2021 June \$	2020 June \$
Revenues	4,175,745	4,813,520	6,244,370	8,360,700	6,659,898	7,810,494	6,602,386	4,440,647
Costs of sales	4,957,471	4,114,284	6,648,137	7,513,877	5,793,250	6,560,546	5,972,046	3,062,430
Gross margin	(781,726)	699,236	(403,767)	846,823	866,648	1,249,948	630,340	1,378,217
Administrative charges	237,524	306,032	278,346	259,841	253,285	241,211	345,536	166,185
Operating earnings (loss)	(1,042,208)	367,413	(703,322)	454,583	592,932	1,055,638	547,232	431,498
Adjusted net profit (loss) ⁽¹⁾	(618,924)	938,456	(108,774)	1,381,572	1,257,087	1,787,909	999,075	1,721,012
Net change in non-vcash operating working capital items	(377,388)	323,785	2,006,778	2,528,882	697,752	2,371,611	(104,780)	776,459
Net earning (loss) per share (<i>basic</i>)	(0.003)	0.001	(0.002)	0.001	0.002	0.003	0.002	0.001
Adjusted net profit (loss) per share (<i>basic</i>) ⁽¹⁾	(0.002)	0.003	(0.000)	0.004	0.004	0.006	0.003	0.006
Cash	1,057,141	3,270,917	1,031,955	3,188,854	1,428,798	3,382,660	2,454,645	1,960,920
Working capital	(4,370,888)	753,159	(3,271,624)	332,241	(836,597)	1,807,692	(413,103)	975,437
Total Assets	50,519,109	48,613,813	50,162,725	47,454,937	50,591,567	45,962,272	49,714,676	45,809,122
Non courant liabilities	7,726,148	8,512,827	7,755,404	7,463,456	7,721,874	7,717,712	7,708,320	7,712,013
Equity	33,507,090	34,093,706	34,549,298	33,726,293	35,252,620	32,867,670	34,659,688	31,663,357

1) Adjusted net profit (loss) is defined as the profit before interest, taxes and amortization and depletion. See section Reconciliation from operating earning to adjusted net profit (loss) in the Non-GAAP Financial Performance Measures section.

KEY QUARTELY OPERATING STATISTICS

	2022	2021	2021	2020	2021	2020	2021	2020
	March	March	Dec.	Dec.	Sept.	Sept.	June	June
Tonnes extracted	13,475	17,078	16,310	23,402	24,640	26,970	25,670	23,533
Tonnes treated	11,844	16,878	17,836	24,132	24,637	26,789	24,509	20,980
Grade of tonnes treated (g/t AU)	4.9	4.49	3.67	3.65	4.29	3.70	4.15	4.05
Gold recovery (%)	96.2	96.59	95.86	96.09	96.16	94.26	96.46	96.28
Ounces produces	1,791	2,360	2,017	2,730	3,271	3,008	3,166	2,635
Revenue from sale of gold and silver (\$)	4,159,103	4,813,854	6,228,373	8,360,700	6,639,889	7,808,694	6,579,561	4,425,647
Ounces sold	1,760	2,199	2,765	3,431	2,928	3,071	2,958	1,908
Price of gold sold per ounce (\$)	2,363	2,189	2,253	2,437	2,268	2,543	2,224	2,320
Cash cost per ounce sold (\$) ⁽¹⁾	2,595	1,648	2,197	1,961	1,766	1,897	1,803	1,348
All-in sustaining costs per ounce sold (\$) ⁽¹⁾	2,743	2,002	2,693	2,221	2,095	2,184	2,170	1,705
Price of gold sold per ounce (\$ US)	1,876	1,745	1,796	1,886	1,801	1,911	1,815	1,702
Cash cost per ounce sold (\$ US) ⁽¹⁾	2,060	1,314	1,752	1,518	1,403	1,426	1,472	989
All-in sustaining costs per ounce sold (\$ US) ⁽¹⁾	2,178	1,596	2,147	1,719	1,664	1,642	1,772	1,251
Average exchange rate \$CAN / \$US	1.2596	1.2542	1.2544	1.2922	1.2591	1.33	1.2253	1.363
All-in sustaining costs	29,456	473,598	1,095,558	632,235	712,119	642,068	742,324	517,165

1) Non-GAAP performance measure. Refer to the Non-GAAP Financial Performance Measures section on page 12

KEY FINANCIAL AND OPERATING STATISTICS

	2022	2021	Variance	2022	2021	Variance
	March	March		March	March	
	3 months	3 months		9 months	9 months	
Tonnes extracted	13,475	17,078	(21%)	54,425	67,450	(19%)
Tonnes treated	11,844	16,878	(30%)	54,317	67,808	(20%)
Grade of tonnes treated (g/t AU)	4.9	4.49	9%	4.2	4.00	5%
Gold recovery (%)	96.2	96.59	(0.58%)	96.2	95.33	0.9%
Ounces produces	1,791	2,360	(24%)	7,165	8,233	(13%)
Revenue from sale of gold and silver (\$)	4,159,103	4,813,854	(14%)	17,027,365	20,983,249	(19%)
Ounces sold	1,760	2,199	(20%)	7,452	8,700	(14%)
Information per ounce of gold data (\$)						
Average realized sale price	2,363	2,189	8%	2,285	2,412	(5%)
Average cash costs ⁽¹⁾	2,595	1,648	57%	2,122	1,860	14%
Average all-in sustaining costs ⁽¹⁾	2,743	2,002	36%	2,470	2,152	15%
Average exchange rate \$CAN / \$US	1.2596	1.2542	0.383%	1.2574	1.294	(3%)
Information per ounce of gold data (\$US)						
Average realized sale price	1,876	1,745	8%	1,817	1,864	(3%)
Average cash costs ⁽¹⁾	2,060	1,314	57%	1,687	1,437	17%
Average all-in sustaining costs ⁽¹⁾	2,178	1,596	36%	1,964	1,664	18%

1) Non-GAAP performance measure. Refer to the Non-GAAP Financial Performance Measures section on page 12

KEY FINANCIAL AND OPERATING STATISTICS (continued)

	2022 March 3 months \$	2021 March 3 months \$	Variance	2022 March 9 months \$	2021 March 9 months \$	Variance
Revenues	4,175,745	4,813,520	(14%)	17,080,013	20,984,714	(19%)
Costs of sales	4,957,471	4,114,284	20%	17,398,858	18,188,707	(4%)
Gross margin	(781,726)	699,236		(318,845)	2,796,007	
Administrative charges	237,524	306,032	(20%)	769,155	807,084	(5%)
Operating earnings (loss)	(1,042,208)	367,413	-	(1,152,598)	1,877,634	-
Adjusted net profit (loss) ⁽¹⁾	(618,924)	938,456	-	532,389	4,107,937	(87%)
Net change in non-cash operating working capital items	(377,388)	323,785	-	2,327,142	5,224,278	(55%)
Basic net earning (loss) per share	(0.003)	0.001		(0.004)	0.006	
Adjusted net profit (loss) per share ⁽¹⁾	(0.002)	0.003		0.002	0.01	

	March 31, 2022	June 30, 2021
Cash	1,057,141	2,454,645
Working capital	(4,370,888)	(413,103)
Total Assets	50,519,109	49,714,676
Non current liabilities	7,726,148	7,708,320
Equity	33,507,090	34,659,688

QUARTER ENDED MARCH 31, 2022

The production for the quarter was 1,791 ounces, a decrease of 24% compare to corresponding quarter of 2021. Total tonnes treated during the quarter was 11,844 compared to 16,878 for the same period in 2021, a 30% decreased. The average grade of the tonnes treated was 4.9 g/t, which is slightly higher than the same period in 2021. The total tonnes extracted during the quarter at Elder Mine was 13,475, a decrease of 21% from the 17,078 tonnes extracted during the same quarter in 2021. Gold production for the quarter was lower due to lower than expected tonnes extracted. The decrease in the tonnes extracted is due to the depletion of the economical resources of the Elder mine and to the unplanned 15-day shutdown in February and March for maintenance to the hoisting equipment at the Elder mine.

The revenues for the third quarter were \$4,175,745, a decrease of 14% from the same quarter of 2021, which amounted \$4,813,520. The Company's revenue come mainly from the sale of gold and silver. The impact of 8% higher average realized sale price per ounce of gold sold for the quarter partially offset the impact of 20% lower ounces sold as compared to the third quarter of 2021. The Company sold 1,760 ounces of gold during the quarter at an average realized price of \$2,363 (\$1,876 US) per ounce compared to 2,199 ounces of gold sold at an average realized price of \$2,189 (\$1,745 US) per ounce for the same period in 2021.

Costs of sale of \$4,957,471, compare to \$4,114,284, for the same period in 2021, an increase of 20%, which is explained by the increase in material and labour costs as well as problems encountered in supply chains.

Cash cost of \$2,595 (\$2,060 US), compare to \$1,648 (\$1,314 US) and all-in sustaining costs of \$2,743 (\$2,178 US) compare to \$2,002 (\$1,596 US) per ounce of gold sold for the corresponding period in 2021.

Cash cost per ounce for the quarter was higher as a result of lower ounces of gold sold by 20% and by lower than expected tonnes compare to the same period in 2021. During the quarter, the cash cost per ounce of gold sold was higher than the average realized price per ounce of gold sold which was \$2,363.

All-in sustaining costs per ounce increased by 36% to \$2,743 (\$2,178 US) per ounce, from \$2,002 (\$1,596 US) in the same quarter of 2021. The sustaining costs for the quarter amounted \$29,456, compare to \$473,598 for the same period in 2021. For the quarter, it is mainly the increase of the cash cost that explains the increase of the all-in sustaining costs since the administrative charges as well as the capital investment decreased, compare to the same period of 2021.

The administrative charges amounted to \$237,524 in the third quarter of 2022, 20% lower than administrative charges in 2021 which amounted \$306,032. The decrease is explained by a non-recurring charge of interest and penalties on taxes recognized during the third quarter of 2021.

The Company generated a net loss for the quarter of \$1,042,208, or a loss per share of \$0.003, compare to a net earning of \$367,413, or a net earning per share of \$0.001, for the same period in 2021. An adjusted net loss of \$618,924, or an adjusted net loss per share of \$0.002, compare to an adjusted net earning of \$938,456 or an adjusted net earning per share of \$0.003. The results for the quarter were due to lower ounces sold, higher cost of sales and lower than expected tonnes.

Operating cash flow (after changes in non-cash working capital) for the quarter totaled \$(377,388) compare to \$323,785 for the same period in 2021.

The investments in property, plant and equipment for the quarter were lower than for the same period in 2021, an amount of \$401,970, compare to \$1,196,696.

See the following table for the breakdown of the property, plant and equipment investment for the quarter:

	2022 March \$ 3 months	2021 March \$ 3 months
Elder Mine	29,456	473,598
Sleeping Giant Mine	1,448,572	1,021,930
Sleeping Giant Mine sales of gold and silver	<u>(1,076,058)</u>	<u>(298,832)</u>
	<u>401,970</u>	<u>1,196,696</u>

During the quarter, the sales of gold and silver from the Sleeping Giant mine amounted \$1,076,058 and was recognized against the development costs of the mine, for the same period in 2021, the sales of gold and silver from the Sleeping Giant mine were \$298,832. For the third quarter of 2021, an amount of \$445,845 was invested in the excavation of drifts at the Elder mine while no amount was invested in 2022.

During the quarter, the Company received an amount of \$1,000,000 representing the third tranche of the loan with the Royal Bank of Canada. The Company has an authorized loan for a maximum amount of \$3,000,000, 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 \$3,000,000 on the equipment and the mobile equipment of the Sleeping Giant mine.

The repayment of the long-term debt for an amount of \$139,051 during the quarter compare to the repayment of \$16,667 for the same period in 2021 also affected the cash available for the quarter.

FOR THE NINE-MONTH PERIOD ENDED MARCH, 31 2022

The Company's gold production for the nine-month period was 7,165, 13% lower compare to the same period in 2021. The number of tonnes treated was 54,317 compare to 67,808 for the same period in 2021, a decrease of 20%. The average grade of the tonnes treated was 4.2 g/t, which is comparable to the same period in 2021. The tonnes extracted for the nine-month period was 54,426, 19% lower than the 67,450 tonnes extracted for the comparable period in 2021. The decrease in the tonnes extracted and treated for the nine-month period is due to the depletion of the economical resources of the Elder mine, increase absenteeism caused by COVID-19 and to the unplanned 15-day shutdown in February and March for maintenance to the hoisting equipment at the Elder mine.

For the nine-month period, the totaled \$17,080,013, 19% lower than \$20,984,714 of revenues for the corresponding period of 2021. The Company's revenue come mainly from the sale of gold and silver. The decrease in revenues compare to the same period in 2021 is due to a 5% lower average realized sale price per ounce of gold sold and 14% lower ounces of gold sold. For the nine-month period, the Company sold 7,452 ounces of gold at an average realized price of \$2,285 (\$1,817 US) per ounce compare to 8,700 ounces of gold sold at a average realized price of \$2,412 (\$1,864 US) per ounce for the same period in 2021.

The cost of sales, including royalties, depletion and depreciation, totaled \$17,398,858 for the nine-month period, compared to \$18,188,707 for the same period in 2021, which represent a 4 % drop. For the nine-month periods ended March 31, 2022 and 2021, cost of sales is comparable although the number of ounces sold in 2022 decreased by 14%. The results of the quarter ended September 30, 2021 (first quarter of the financial year) offset the impact of higher cost of sale and lower gross margin for the second and third quarter of the nine-month period.

For the nine-month period, the cash cost was \$2,122 (\$1,687 US) per ounce compare to \$1,860 (\$1,437 US) per ounce for the same period in 2021, which is 14% higher. The increase of the cash cost is due to lower number of ounces of gold sold and lower than expected tonnes.

The all-in sustaining costs reach \$2,470 (\$1,964 US) per ounce, an increase of 15% compare to \$2,152 (\$1,664 US) in 2021. The sustaining costs were \$1 837 133 \$, compare to \$1,750,901 for the same period in 2021. It is mainly the cash cost increase that explains the increase in the overall cost of production since the administrative charges as well as the investments in fixed assets are comparable.

The administrative charges amounted to \$769,155 in 2022, compare to \$807,084 in 2021, which represent a 5% decrease. The administrative charges were similar for the two periods.

The Company generated a net loss for the nine-month period of \$1,152,598, or a loss per share of \$0.004, compare to a net earning of \$1,877,634, or a net earning per share of \$0.006, for the same period in 2021. An adjusted net loss of \$532,389, or an adjusted net loss per share of \$0.002, compare to an adjusted net earning of \$4,107,937 or an adjusted net earning per share of \$0.01. The results for the nine-month period

were due to lower ounces sold and lower than expected tonnes.

Operating cash flow (after changes in non-cash working capital) for the nine-month period totaled \$2,327,142 compare to \$5,224,278 for the same period in 2021.

For the nine-month period, the decrease in cash is attributable to higher investments made at Elder mine (excavation of drifts) and Sleeping Giant mine development.

See the following table for the breakdown of the property, plant and equipment investment for the nine-month period:

	2022 March \$ 9 months	2021 March \$ 9 months
Elder Mine	1,837,133	1,750,901
Sleeping Giant Mine	4,859,455	2,245,782
Sleeping Giant Mine sales of gold and silver	<u>(2,420,826)</u>	<u>(298,832)</u>
	<u>4,275,762</u>	<u>3,697,851</u>

During the nine-month period, the sales of gold and silver from the Sleeping Giant mine amounted \$2,420,826 and was recognized against the development costs of the mine, for the same period in 2021, the sales of gold and silver from the Sleeping Giant mine were \$298,832. For the nine-months period, an amount of \$1,699,175 was invested in the excavation of drifts at the Elder mine, \$1,491,309 for the same period in 2021.

The repayment of the long-term debt for an amount of \$346,513 during the nine-month period compare to the repayment of \$16,667 for the same period in 2021 also affected the cash available for the period.

The Company has an authorized loan for a maximum amount of \$3,000,000, 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 \$3,000,000 on the equipment and the mobile equipment of the Sleeping Giant mine. During the nine-month period, the Company received an amount of \$1,000,000 representing the third tranche of the loan with the Royal Bank of Canada and repaid \$333,333.

As at March 31, 2022, the working capital of the Company was \$(4,370,888) compare to \$(413,103) as at June 30, 2021. Working capital has decreased significantly since June 30, 2021 due to lower operating cash flows and important investments in property, plant and equipment.

OUTSTANDING SHARE CAPITAL

The following table sets forth the number of common shares, restricted share units, share purchase options, warrants of the Company outstanding as of the date this management's discussion and analysis:

	<u>As at May 24, 2022</u>
Common shares issued	311,539,131
Share purchase options (average exercise price: \$0.09)	800,000

INCORPORATION ET ACTIVITÉS

Shares are trading on TSX Venture Exchange under the symbol ABI, on the Berlin Stock Exchange under the symbol AML-BE and on the Frankfurt Exchange under the symbol AML-FF. The address of the Company's head office is 475 Ave de l'Eglise, Rouyn-Noranda (Evain), Québec. J0Z 1Y1.

BASIS OF PRESENTATION AND COMPLIANCE DECLARATION

These financial statements of Abcourt Mines Inc., were prepared by management in accordance with the International Financial Reporting Standards ("IFRS"), as issued by the IASB.

For additional information concerning the accounting policies, please consult notes 2 and 3 of the annual audited, financial statements dated June 30, 2021.

BASIS OF MEASUREMENT

The financial statements have been prepared according to historical costs.

ADDITIONAL DISCLOSURE FOR VENTURE ISSUERS

The Corporation provides information on its exploration and evaluation assets in its interim financial statements on note 8.

The Corporation has no deferred expenses other than mining properties and deferred exploration and valuation assets.

The Corporation has no research and development expenses other than those related to mining activities.

CONTRACTUAL OBLIGATIONS

The Company on the date of this report has the following commitments:

- The Company on the date of this report has the following commitments:
- Restoration of the Elder and Sleeping Giant sites.
- A sale contract with Auramet for the sale of gold and silver.

- Significant insurances premiums for property and casualty insurances.
- A loan with the Royal Bank of Canada.

Environment

A settling pond, on the Abcourt-Barvue property, was restored during the 2005-2010 years. We also installed a water treatment plant to treat a small leachate produced by the restored basin.

Several environmental studies were done for the Elder and Sleeping Giant mines in 2021. These studies are required by the By-Laws concerning the effluents from metal mines. The studies and analysis have costed more than \$300K.

INFORMATION ON CAPITAL

The objective of the Company is to ensure the continuity of its exploitation while maintaining exploration and development programs, to maintain a sufficient working capital and respect its current commitments and look for eventual investments.

RISK FACTORS

The risk factors and associated uncertainties are described in the Management's Discussion and Analysis of the Company for the year ended June 30, 2021.

NON-GAAP FINANCIAL PERFORMANCE MEASURES

This management's discussion and analysis presents certain financial performance measures, total cash costs per ounce of gold produced, sustaining costs and all-in sustaining costs per ounce of gold produced which are non-International Financial Reporting Standards (IFRS) performances measures. This data may not be comparable to data presented by other gold producers. Non-GAAP financial performance measures should be considered together with other data prepared in accordance with IFRS.

The adjusted net profit is a measure of performance that members of the direction use to evaluate the performance of activities by the company. Without taking into account the accounting policies, taxation laws and the structure of capital as these elements may potentially give a wrong representation of the capacity of the company to generate cash with its operation. The adjusted net profit excludes interest expenses, taxes and amortization.

The cash costs and all-in sustaining costs are common performance measures in the gold mining industry. The Company reports cash cost per ounce based on ounces produced. Cash cost include operating mining costs, royalties but is exclusive of amortization and depletion and sustaining capital expenditures. The all-in sustaining costs include costs of sales and sustaining capital expenditures and administrative costs but excludes amortization and depletion and accretion expenses. The Company believes that the all-in sustaining costs present a complete picture of the Company's operating performance or its ability to generate free cash flows from its operation.

RECONCILIATION OF CASH COSTS AND ALL-IN SUSTAINING COSTS PER OUNCE SOLD FOR THE QUARTERS AND NINE-MONTH PERIOD ENDED MARCH 31, 2022 ET 2021

	2022		2021	
	3 months	9 months	3 months	9 months
Gold ounces sold	1,760	7,452	2,199	8,700
Costs of sales	4,957,471	17,398,858	4,114,284	18,188,707
Amortization and depletion	(381,029)	(1,546,272)	(487,249)	(2,006,824)
Costs of other revenues	(10,431)	(40,252)	(2,128)	(2,128)
Sale costs excluding amortization and costs of other revenues	4,566,011	15,812,334	3,624,907	16,179,755
Cash cost (\$/ounce)	2,595	2,122	1,648	1,860
All-in sustaining costs	29,456	1,837,133	473,598	1,750,901
Administrative charges	237,524	769,155	306,032	807,084
Depreciation of property, plant and equipment	(4,701)	(11,452)	(1,940)	(5,691)
All-in sustaining costs	4,828,290	18,407,170	4,402,597	18,732,049
All-in sustaining costs (\$/ounce)	2,743	2,470	2,002	2,152

RECONCILIATION FROM OPERATING EARNING TO ADJUSTED NET PROFIT (LOSS) FOR THE QUARTERS AND NINE-MONTH PERIOD ENDED MARCH 31, 2022 ET 2021

	2022		2021	
	3 months	9 months	3 months	9 months
Operating results	(1,019,250)	(1,088,000)	393,204	1,988,923
Adjustments:				
Interest and penalties on taxes	14,596	62,665	56,063	106,499
Amortization and depletion	381,029	1,546,272	487,249	2,006,824
Amortization	4,701	11,452	1,940	5,691
Sub-total	400,326	1,620,389	545,252	2,119,014
Adjusted net profit	(618,924)	532,389	938,456	4,107,937

	2022 March	2021 March	2021 Dec.	2020 Dec.	2021 Sept.	2020 Sept.	2021 June	2020 June
Adjusted net profit (loss) : (\$)								
Operating results	(1,019,250)	393,204	(682,113)	586,982	613,363	1,008,737	284,804	1,212,032
Interest and penalties on taxes	14,596	56,063	14,631	7,680	33,438	42,756	92,560	16,462
Amortization and depletion	381,029	487,249	556,647	784,959	608,596	734,616	619,899	490,634
Amortization	4,701	1,940	5,061	1,951	1,690	1,800	1,812	1,884
Sub-total	400,326	545,252	573,339	794,590	643,724	779,172	714,271	508,980
Adjusted net profit (loss)	(618,924)	938,456	(108,774)	1,381,572	1,257,087	1,787,909	999,075	1,721,012
Adjusted net profit (loss) per share (\$)	(0.002)	0.003	(0.000)	0.004	0.004	0.006	0.003	0.006
Nombre moyen pondéré de base par action ordinaire en circulation	311,539,131	311,389,131	311,539,131	311,389,131	311,539,131	307,391,157	311,539,131	307,309,171

CERTIFICATE

This management's discussion and analysis has been examined by the Audit Committee and approved by the Board of directors of the Company.

(s) Pascal Hamelin

Pascal Hamelin,

Président et chef de la direction

24 mai 2022