



## **ANNUAL MANAGEMENT DISCUSSION AND ANALYSIS**

**December 31, 2023**

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## MANAGEMENT'S DISCUSSION AND ANALYSIS

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Management's discussion and analysis (MD&A) should be read in conjunction with the annual financial statements of the Corporation as at December 31, 2023. The Corporation's financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS"). The reporting currency is the Canadian dollar (CAD) and all amounts presented in the MD&A are in Canadian dollars.

This MD&A, dated April 23, 2024, has been prepared in compliance with the provisions of Form 51-102F1 and approved by the Corporation's Board of Directors.

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## FORWARD-LOOKING INFORMATION

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The MD&A contains forward-looking statements that reflect, at the date of the MD&A, the Corporation's expectations, estimates and projections with regard to its operations, the mining industry in general, and the economic environment in which it operates. Although reasonable, the statements entail a certain amount of risk and uncertainty and there is no guarantee that they will prove to be accurate. Consequently, actual results could be materially different from those implied or expressed by these forward-looking statements.

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## PROPERTY PORTFOLIO

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Radisson has a portfolio of two properties, covering a total area of 7,481 hectares in the Abitibi-Témiscamingue and Nord-du-Québec regions of Quebec, Canada. Canada's political system is stable, and Quebec has a great deal to offer in terms of tax benefits, access to a qualified workforce and suppliers recognized for their expertise in the mining sector. In May 2023, the Fraser Institute ranked Quebec 8th in the world for its attractiveness investment for mining development. Radisson's primary project, the O'Brien gold project, is located along the world-renowned Larder-Lake-Cadillac Break, which has hosted the majority of gold deposits in the Abitibi Greenstone Belt.

### Properties in Quebec (as at December 31, 2023)

Property	Number of Claims	Area (hectare)	Mineralization	Interest
Douay	30	1,606	Gold	100%
O'Brien	120	5,875	Gold	100%
Total	150	7,481		

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## O'BRIEN PROJECT

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In August 2019, following a new structural interpretation of the O'Brien gold project ("O'Brien"), Radisson positioned the 100% owned asset as one of the highest-grade undeveloped projects in Canada. Shortly after, the Corporation launched a 20,000 m drill program with the main objectives of validating the interpretation and expanding mineralization along four steeply dipping high-grade mineralized trends, located 300 m, 600 m, 900 m and 1,200 m to the east of the O'Brien Mine. The Corporation's drill program was expanded to 60,000 m for a total of 127,600 m completed in June 2022. The drill campaign successfully followed up on multiple high-grade intercepts which validated the interpretation and demonstrated the potential for resource growth.

In parallel, the Corporation completed environmental studies and continued to advance the permitting process required for an underground exploration program. Furthermore, the Corporation acquired the adjacent New Alger property expanding its land holding to approximately 5.2 km along the world-renowned Larder-Lake-Cadillac Break ("LLCB") and adding 50 square kilometre of prospective land in the Pontiac sediments.

### Mineral resource estimate on the O'Brien Project, March 2023

In March 2023, Radisson published a Mineral resource Estimate update ("MRE") prepared in accordance with the National Instrument 43-101 ("NI 43-101") by the independent firm SLR Consulting (Canada) Ltd ("SLR").

The Mineral Resource estimate is based on 1,079 drill holes representing 299,200 m of drilling, and 120,352 assay samples. Mineralized wireframes representing vein structures were prepared in Leapfrog Geo software by Radisson and reviewed and adopted by SLR.

#### O'Brien gold project - Mineral Resource Estimate, March 2, 2023

Cut-off Grade	Indicated resources			Inferred resources		
	Tonnage (t)	Grade (g/t Au)	Metal (oz Au)	Tonnage (t)	Grade (g/t Au)	Metal (oz Au)
4.5 g/t Au	1,517,000	10.26	501,000	1,616,000	8.64	449,000

1. CIM (2014) definitions were followed for Mineral Resources.
2. Mineral Resources are reported above a cut-off grade of 4.5 g/t Au based on a C\$230/t operating cost and 1.25 exchange rate.
3. Mineral Resources are estimated using a gold price of US\$1,600/oz Au and a metallurgical recovery of 85%.
4. Bulk density varies by deposit and lithology and ranges from 2.00 t/m<sup>3</sup> to 2.82 t/m<sup>3</sup>.
5. Vein wireframes were modelled at a minimum width of 1.2 m.
6. A 40 g/t Au capping level was applied.
7. Mineral Resources that are not Mineral Reserves do not have demonstrated economic viability.

## Mineral Resource Estimate highlights:

- Indicated resources increased 58% to 1,517,000 tonnes grading **10.26 g/t Au for 501,000 ounces** using a 4.5 g/t gold cut off grade.
- Inferred resources increased 167% to 1,616,000 tonnes grading **8.64 g/t Au for 449,000 ounces** using a 4.5 g/t gold cut off grade.
- A large portion of the Indicated and Inferred resources added have been defined within the same vertical footprint as the previous resource estimate.
- 127,600 m of additional drilling since last update in July 2019. ([see Figure 1](#))
- O'Brien West area was included for the first time (including 8,060 m of historical drilling)

Given current geological understanding and refinement of the geological model, the Corporation estimates there is strong potential for additional high-grade gold trends to be discovered along the 5.2 km prospective land package on the prolific Larder-Lake Cadillac Break. Mineral resources are open for an additional 750 m to the East and underexplored for 2.5 km to the West of the former O'Brien mine.

The continuity of mineralized zones along steeply plunging trends (80° to 85°) provides good predictability for resource growth and exploration potential ([see Figure 2](#)). Total Indicated ounces at a 4.5 g/t Au cut-off grade have increased by 58% compared to the previous resource estimate.

Since most of the Indicated ounces added have been defined within the same vertical footprint as the previous resource estimate. This demonstrates the Company's success at converting Inferred resources into the Indicated category.

Furthermore, total Inferred ounces at a 4.5 g/t Au cut-off grade have increased by 167% compared to the previous resource estimate. This increase is mainly explained due to the success of the drilling program in the extension of Trend #1 and #2 ([Figure 2](#)). The conversion success obtained at shallower depth suggests the strong conversion potential for the Inferred resources on those two trends. The Corporation notes that additional drilling below 550 m on those trends could convert additional Inferred resources to Indicated resources.

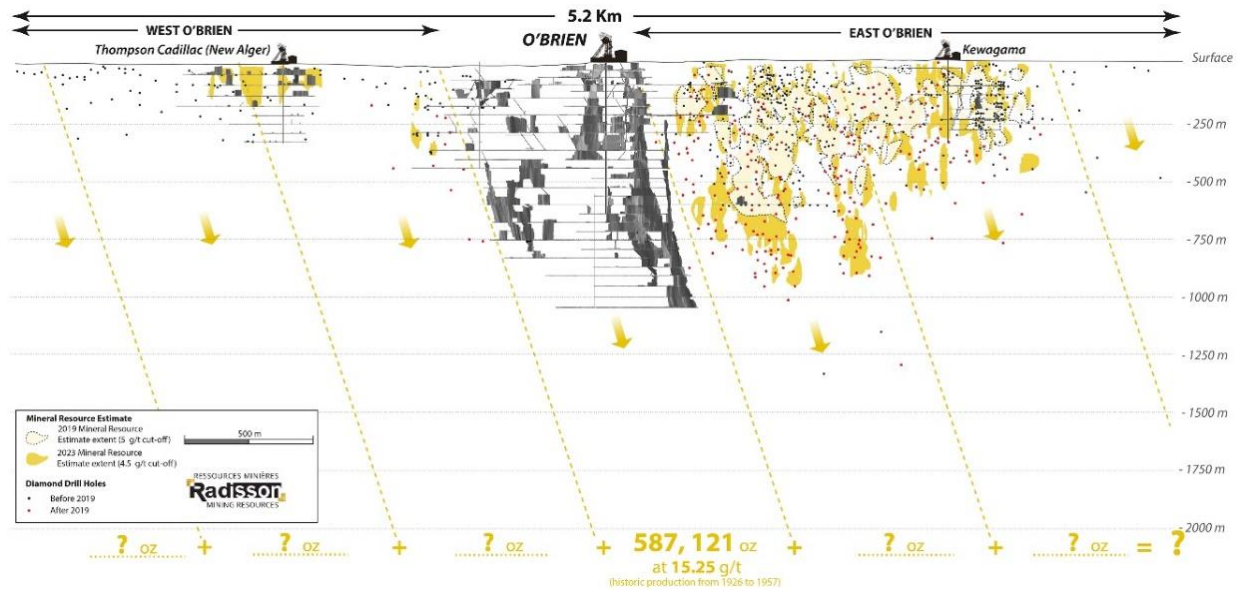
Significant potential to expand resources as a large part of the longitudinal footprint including the mineralized zones has not been drilled between surface and 1,000 m vertical depth. The recent drilling completed by the Corporation has validated the geological interpretation while expanding current resources laterally and well below the previous boundary of previously defined resources in five main trends that remain open for expansion laterally and at depth. The Corporation believes there is significant potential to further expand resources with additional drilling as modeled high-grade trends drilled since 2019 in the current resource area are wide open:

- Trend #0: Open to the West and below 750 m
- Trend #1: Open laterally and below 950 m
- Trend #2: Open laterally and below 900 m
- Trend #3: Open laterally and below 500 m
- Trend #4: Open laterally and below 500 m

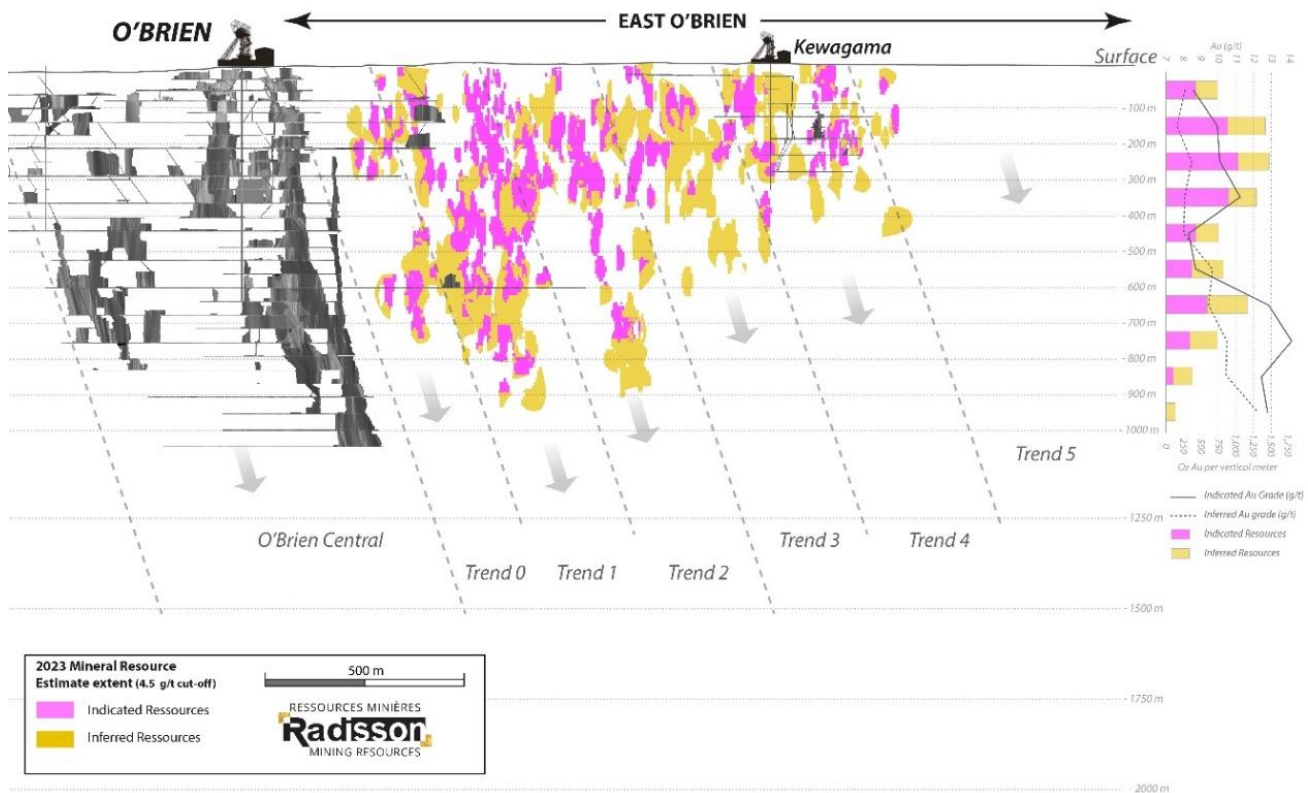
## O'Brien gold project - March 2023 Resource Estimate Compared to July 2019

Cut-off Grade	Indicated resources				Inferred resources		
	O'Brien deposit	Tonnage	Grade	Metal	Tonnage	Grade	Metal
	Resource date	(t)	(g/t Au)	(oz Au)	(t)	(g/t Au)	(oz Au)
<b>4.5 g/t Au</b>	July 2019 <sup>1</sup>	1,115,000	8.85	318,000	777,000	6.73	168,000
	<b>March 2023</b>	<b>1,517,000</b>	<b>10.26</b>	<b>501,000</b>	<b>1,616,000</b>	<b>8.64</b>	<b>449,000</b>
		+402,000	+1.41	+183,000	+839,000	+1.91	+281,000
	<b>Increase</b>	<b>+36%</b>	<b>+16%</b>	<b>+58%</b>	<b>+108%</b>	<b>+28%</b>	<b>+167%</b>
<b>3.0 g/t Au</b>	July 2019 <sup>1</sup>	1,906,000	6.67	409,000	1,500,000	5.29	255,000
	<b>March 2023</b>	<b>2,118,000</b>	<b>8.46</b>	<b>576,000</b>	<b>3,668,000</b>	<b>5.79</b>	<b>683,000</b>
		+212,000	+1.79	+167,000	+2,168,000	+0.51	+428,000
	<b>Increase</b>	<b>+11%</b>	<b>+27%</b>	<b>+41%</b>	<b>+144%</b>	<b>+10%</b>	<b>+168%</b>

Source: Grade sensitivity table published in the NI 43-101 Technical report for the O'Brien project, Abitibi, Québec, 3D Geo-solution, July 15, 2019



**Figure 1. O'Brien gold project, longitudinal section looking North – 2023 Mineral resource estimate at a 4.5 g/t Au cut-off grade**

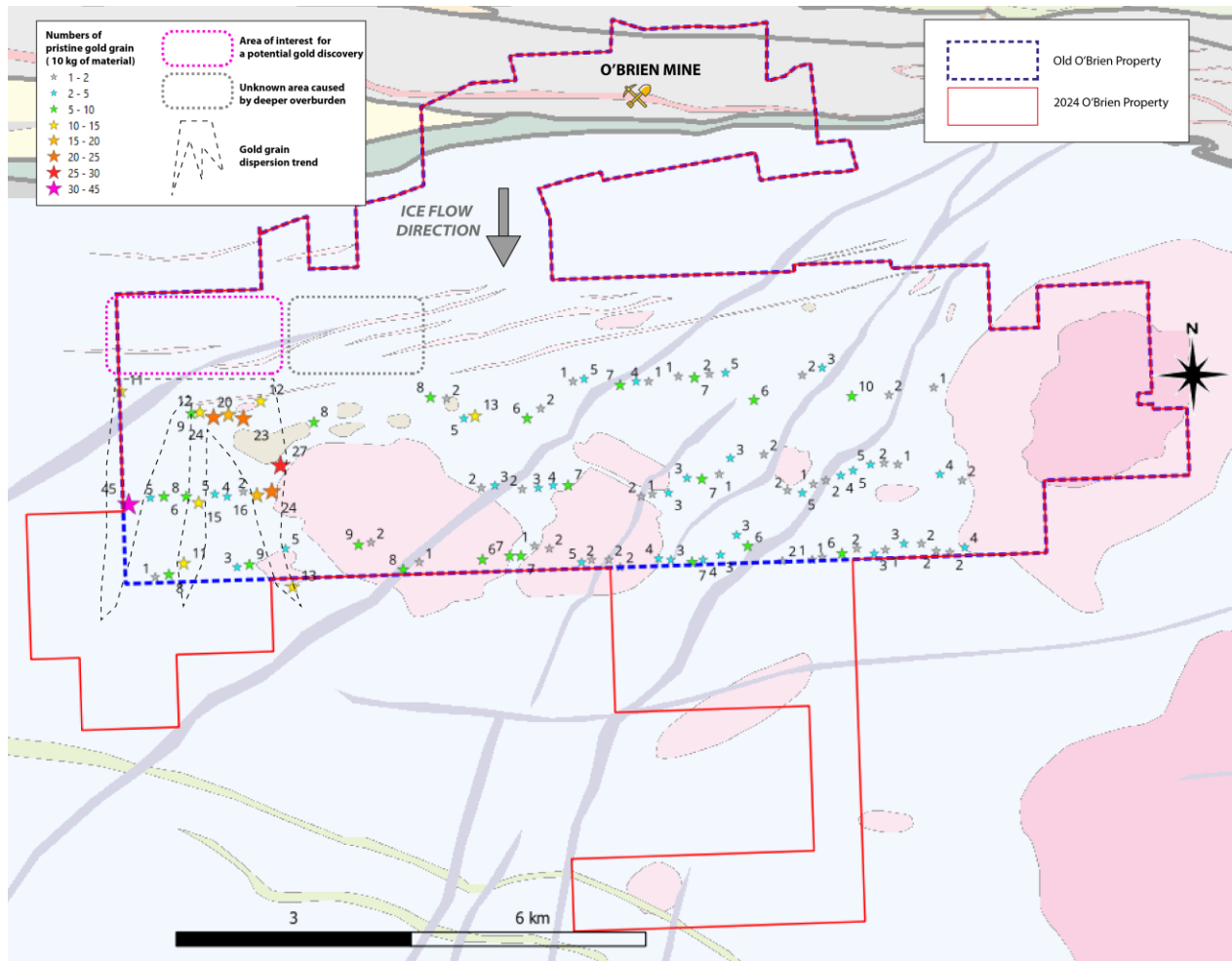


**Figure 2. O'Brien gold project, O'Brien East longitudinal section looking North – 2023 Mineral resource estimate at a 4.5 g/t Au cut-off grade**

*\*Technical information in this section was extracted from Radisson's press release dated March 2, 2023.*

## EXPLORATION PROGRAM

In the first quarter of 2023, as outlined in the O'Brien project section, Radisson published a Mineral resource estimate ("MRE") update for the O'Brien gold project, reaffirming the project's standing as one of the highest-grade projects owned by an exploration Corporation in Canada. In September 2023, Radisson initiated a 10,000 m drill program with main objective of expanding current resources at the O'Brien gold project. In parallel, Radisson continued an historical drilling relog program and completed a Till sampling program on the New Alger area of the O'Brien project. The till sampling program outlined a new target area showing strong potential for gold mineralization over a trike length exceeding 2 km. New Alger is an over 74 km<sup>2</sup> land package with strong potential for gold, located near many prolific geological structures. During a prospecting campaign in 2022, a sample containing 7.33 g/t Au was collected, indicating the presence of at least one gold-rich zone in the area. The geological characteristics of New Alger are similar to those of historical and operating mines in the area, with presence of potentially prolific shear-zones, intermediate to felsic dykes and intrusions. While the O'Brien area remains Radisson's top priority, the Corporation believes the New Alger area represents a low-cost opportunity where vast landholding has potential to yield new gold discoveries.



\*Technical information in this section was extracted from Radisson's press release dated January 9, 2024.

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### OTHER PROPERTIES IN QUEBEC

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Although Radisson intends to concentrate its efforts on the O'Brien project, the Corporation has 100% ownership of the Douay property located in the James Bay territory. In 2023, Radisson completed the compilation and interpretation of drilling and geophysical data on the property, outlined exploration targets and completed field recognition for future exploration programs on this strategically located land package.

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## EQUITY FINANCING

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### Class A common shares

- In June 2023, the Corporation issued 3,177,777 units at \$0.18 per unit for a total amount of \$572,000. Each unit is composed of one class A share and ½ warrant. This resulted in the issuance of 1,588,888 warrants for a fair value of \$50,845. Each warrant entitles the holder to acquire one common share at price of \$0.27 for a period of 18 months.
- In November 2023, the Corporation issued 2,468,898 units at \$0.18 per unit for a total amount of \$444,401. Each unit is composed of one class A share and ½ warrant. This resulted in the issuance of 1,234,449 warrants for a fair value of \$65,426. Each warrant entitles the holder to acquire one common share at price of \$0.27 for a period of 24 months.

### Flow-through shares

- In June 2023, the Corporation issued 853,707 Federal flow-through shares at \$0.205 per share for total amount of \$175,010. An amount of \$42,685 is accounted as "Other liability related to flow-through shares".
- In June 2023, the Corporation issued 3,235,297 Quebec flow-through shares at \$0.235 per share for total amount of \$760,295. An amount of \$258,824 is accounted as "Other liability related to flow-through shares".
- In June 2023, the Corporation issued 2,616,777 Charity flow-through units at \$0.305 per unit for total amount of \$798,117. An amount of \$354,429 is accounted as "Other liability related to flow-through shares". Each unit is composed of one class A share and ½ warrant. This resulted in the issuance of 1,308,387 warrants for a fair value of \$38,088. Each warrant entitles the holder to acquire one common share at an exercise price of \$0.27 for a period of 18 months.
- In November 2023, the Corporation issued 2,194,806 Federal flow-through shares at \$0.205 per share for total amount of \$449,935.
- In November 2023, the Corporation issued 10,603,336 Quebec flow-through shares at \$0.225 per share for total amount of \$2,385,701. An amount of \$212,067 is accounted as "Other liability related to flow-through shares".
- In November 2023, the Corporation issued 8,500,000 Charity flow-through units at \$0.32 per unit for total amount of \$2,720,000. An amount of \$679,003 is accounted as "Other liability related to flow-through shares". Each unit is composed of one class A share and ½ warrant. This resulted in the issuance of 4,250,000 warrants for a fair value of \$298,497. Each warrant entitles the holder to acquire one common share at an exercise price of \$0.27 for a period of 24 months.

### Options

- During the year, 1,317,500 options were exercised for total amount of \$162,174. An amount of \$96,460 was recorded as an increase in the share capital under Reserves-Settlement under Equity.

### Warrants

- In November 2023, following closing of a financing 3,306 brokers warrants were issued and an amount of \$175 was recorded in share issuance costs.



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**STOCK MARKET**

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The Corporation's shares have been listed on the stock market under the symbol RDS since 1986. Radisson is a "Venture Issuer" on the TSX Venture Exchange (TSX-V).

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**SELECTED ANNUAL INFORMATION (IFRS)**

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The following table summarizes selected key financial data from the Corporation's balance sheet of the last three fiscal years:

	Fiscal year ended December 31		
	2023 \$	2022 \$	2021 \$
Total assets	56,854,538	49,533,553	52,550,799
Revenues	147,740	63,505	131,056
Net income (loss)	(835 308)	(1,984,145)	2,012,233
Net income (loss) per share	(0.003)	(0.007)	0.008

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**SELECTED QUATERLY INFORMATION (Unaudited)**

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Operating results for each quarter for the two last years are presented in the table below. Management is of the opinion that the data related to these quarters was prepared in the same manner as those that of the audited financial statements for the fiscal year ended December 31, 2023.

QUARTER	2023 December	2023 September	2023 June	2023 March	2022 December	2022 September	2022 June	2022 March
<b>Statements of comprehensive loss (\$)</b>								
Revenues	50,255	38,222	24,915	34,348	15,233	15,397	15,139	17,736
Comprehensive income (loss)	(154,278)	(163,326)	(360,425)	(157,293)	(865,035)	(1,261,092)	(888,013)	1,029,995
Basic and diluted income (loss) per share	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	0.00	(0.00)	0.00
<b>Statements of financial position (\$)</b>								
Cash and GIC	8,678,619	3,308,233	4,070,224	2,487,562	3,083,512	2,681,693	3,640,107	6,838,285
Total liabilities and equity	56,854,538	51,159,663	51,309,662	49,109,203	49,533,553	48,716,153	49,866,875	51,504,032
<b>Mining Exploration (\$)</b>								
Exploration and evaluation expenses	1,118,254	604,369	580,836	452,120	391,408	716,730	2,758,909	3,448,128

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**SUMMARY OF FINANCIAL ACTIVITIES FOR FINANCIAL YEAR ENDED  
DECEMBER 31, 2023**

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Because of its area of activities, the Corporation does not generate regular revenue and must depend on issuing shares and on the interest income generated by its investments to cover its operating expenses.

During the fiscal year ended December 31, 2023, the Corporation incurred a net loss of \$835 308 or (\$0.003) per share compared to a net loss of \$1,984,145 or \$0.007 per share during the prior fiscal year.

During the fiscal year ended December 31, 2023, there was \$147,740 in interest revenues compared to \$63,505 for the fiscal year ended December 31, 2022.

During the fiscal year ended December 31, 2023, the Corporation incurred salaries and employee benefits expenses of \$355,478 compared to expenses of \$591,255 for the same period in 2022. The decrease is explained by a reduction in the number of employees.

During the period ended December 31, 2023 the Corporation made no non-recurring employee severance payment (\$598,000, December 31, 2022). In 2022, this expense followed the termination of an employment contract after a mutual step-down agreement made between the Corporation and an executive.

Experts and Subcontractors expenses were \$284,126 for the fiscal year ended December 31, 2023, compared to \$102,844 for the same period in 2022. The increase is explained by the use of additional contractors in 2023 and offset by a decrease in salaries and employee benefits expenses.

During the fiscal year ended December 31, 2023, the Corporation incurred professional fees expenses of \$62,490 compared with expenses of \$56,417 for the same period in 2022. The increase is mostly explained by an increase in audit related fees.

For the twelve-month period ended December 31, 2023, the Corporation incurred investor relations and shareholder communication expense of \$178,526 compared with expenses of \$193,700 for the same period in 2022. The decrease is explained by a decrease in online awareness programs in 2023.

Expenses for stationary, IT and office supplies were of \$57,420 for the twelve-month period ended December 31, 2023. In 2022, they respectively accounted for \$77,421. The decrease is explained by a decrease in the number of employees.

During the fiscal year ended December 31, 2023, the Corporation reported a decrease of \$120,000 in the change in fair value of investments available for sale versus unrealized loss of \$1,200,000 for the same period in 2022. This change in fair value of investments is unrealized and has no effect on the treasury.

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## *LIQUIDITY AND CAPITAL RESOURCES*

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During the fiscal year ended December 31, 2023, the Corporation incurred exploration and evaluation expenses of \$2,755,579 compared with expenses of \$7,360,175 for the same period in 2022. This decrease is explained by a reduction in exploration activities at O'Brien from the second half of 2022, followed by the restart of drilling activities in the third quarter of the fiscal year ended December 31, 2023.

During the twelve-month period ended December 31, 2023, the Corporation received \$1,036,199 in tax credits following investments made as eligible exploration and evaluation expenses and reversals from previous years compared with \$416,183 for the same period in 2022.

Administration costs incurred by the Corporation during the year ended December 31, 2023 were of \$1,553,616 (inclusive of \$471,435 non-cash expenses) compared with expenses of \$2,312,390 (inclusive of \$555,203 non-cash expenses) for the year ended in 2022. Principal differences for the period were explained above.

As at December 31, 2023, the Corporation had cash and guaranteed investment certificates in the amount of \$8,678,619 compared with \$3,083,512 on December 31, 2022.

As at December 31, 2023, Government taxes and mining taxes receivable represent \$165,622, it represented \$953,885 as at December 31, 2022.

The Corporation holds 24,000,000 shares of Renforth Resources Inc. as a long-term investment. On December 31, 2023, these shares represented a value of \$600,000, compared to \$720,000 as at December 31, 2022.

The Corporation's principal source of financing is equity financing, the success of which depends on venture capital markets, the attractiveness of exploration companies for investors, and metal prices. To continue its exploration activities and be able to support its ongoing operations, the Corporation expects that it will have to continue to maintain and enhance relations with investors and other capital market participants, with the aim of raising additional equity financing going forward.

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**INFORMATION ON OUTSTANDING SECURITIES**

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*Share Capital*

As at December 31, 2023 and as the date of this report Corporation's share capital consisted of 319,914,956 (2022, 284,946,858) class A shares issued and outstanding.

December 31, 2023	Class A shares	Amount \$
Issued and paid		
Balance, beginning of year	284,946,858	69,335,871
Common shares	5,646,675	1,016,401
Flow-through shares <sup>(2)</sup>	28,003,923	5,742,100
Options exercised <sup>(1)</sup>	1,317,500	258,634
Warrants expired	-	(452,856)
Share issuance costs	-	(280,665)
Balance as at December 31, 2023	319,914,956	75,619,485

1 Options are presented net of their fair value.

2 Value of Flow-through shares is presented at market value net of premium at closing.

December 31, 2022	Class A shares	Amount \$
Issued and paid:		
Balance as at December 31, 2021	274,291,266	67,979,278
Options exercised <sup>(1)</sup>	1,665,000	306,415
Flow-through shares <sup>(2)</sup>	8,990,592	1,078,870
Share issuance costs	-	(28,692)
Balance as at December 31, 2022	284,946,858	69,335,871

1 Options are presented net of their fair value.

2 Value of Flow-through shares is presented at market value net of premium at closing.

*Options*

The Corporation has an option plan for its directors, officers, employees and consultants. As at December 31, 2023, a maximum of 25,000,000 (2022, 25,000,000) common shares of the Corporation may be issued pursuant to that stock option plan. As at December 31, 2023, options to purchase 16,419,805 (2022, 15,012,500) common shares were issued and outstanding.

	December 31, 2023		December 31, 2022	
	Number	Weighted average exercise price	Number	Weighted average exercise price
		\$		\$
Outstanding at beginning	15,012,500	0.188	14,870,926	0.220
Granted	4,164,805	0.181	6,007,500	0.136
Expired	(1,440,000)	0.212	(4,200,926)	0.250
Exercised	(1,317,500)	0.122	(1,665,000)	0.128
Outstanding at the end	16,419,805	0.190	15,012,500	0.188
Options exercisable at the end	15,554,805	0.200	14,012,500	0.190

### Warrants

Each warrant entitles the holder to acquire one common share of the Corporation.

The exercise prices and the maturing dates of the warrants are variable, depending on their issuance date.

During the fiscal year ended December 31, 2023, the Corporation issued 8,385,031 warrants (none in 2022) and 8,385,031 warrants were outstanding on December 31, 2023 (2022, 794,532).

	December 31, 2023		December 31, 2022	
	Number	Weighted average exercise price	Number	Weighted average exercise price
		\$		\$
Outstanding at beginning	794,532	0.35	16,402,940	0.50
Granted	8,385,031	0.27	-	-
Expired	(794,532)	0.35	(15,608,408)	0.51
Outstanding at the end	8,385,031	0.27	794,532	0.35

### CONTRACTUAL OBLIGATIONS AND COMMITMENTS

Following are the details of royalties and contractual obligations held by Radisson on third parties' properties:

Massicotte: In favour of Radisson, a 2% NSR royalty on the claims that make up the property. The property owner can purchase the first half of the NSR royalty for a cash payment of \$1,000,000 and the second half for an additional cash payment of \$2,000,000.

Following are the details of royalties and contractual obligations held by third parties on Corporation's O'Brien, Kewagama and New Alger properties (combined under the name O'Brien):

- O'Brien: 1 million dollars cash payment in the event of commercial production
- Kewagama: 2% net smelter return (NSR) royalty
- New Alger:
  - 3% NSR on certain mining claims replacing the old mining concession known as CM240-PTA
  - 2% NSR on certain mining claims replacing the old mining concession known as CM240-PTA

- 1% NSR on certain mining claims in the southern portion of the property
- 1.5-million-dollar cash contingent payment related to the New Alger property shall be payable to Renforth Resources Inc. on the earliest of: (i) a Change of Control of the Corporation, (ii) the declaration by the Corporation of Commercial Production of the Project, and (iii) a sale of the Project for proceeds of more than \$40,000,000.

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### **RELATED PARTY TRANSACTIONS AND COMMERCIAL OBJECTIVES**

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During the year ended on December 31, 2023, the Corporation incurred the following transactions with key management and officers of the Corporation and companies owned by directors.

The remuneration of key executives (President & Chief Executive Officer, Chief Financial Officer and directors) is:

	Financial year ended	
	December 31, 2023	December 31, 2022
	\$	\$
Salaries and employee benefits	227,582	504,622
Non-recurring employee severance <sup>(1)</sup>	-	598,000
Experts and subcontractors	155,000	10,000
Directors' fees	82,500	-
Share-based compensation and payments	204,252	335,744
	<b>669,334</b>	<b>1,448,366</b>

<sup>(1)</sup> The non-recurring severance payment of \$598,000 follows the termination of an employment contract following a mutual resignation agreement entered into between the Corporation and an executive during the period ended December 31, 2022.

The above transactions are measured at the consideration established and agreed by the related parties.

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### **INTERNAL CONTROLS OVER FINANCIAL REPORTING**

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The President and Chief Executive Officer and the Chief Financial Officer are responsible for establishing and maintaining internal controls over the Corporation's financial reporting as defined in Multilateral Instrument 52-109. For the financial year ended December 31, 2023, no changes were made to internal controls over financial reporting that would have materially affected, or would be reasonably considered to materially affect, the Corporation's controls.

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### **ADDITIONAL DISCLOSURE FOR VENTURE ISSUERS WITHOUT SIGNIFICANT REVENUES**

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The Corporation provides information on evaluation and exploration assets in Note 6 to the financial statements for the financial year ended December 31, 2023. The Corporation has no research and development expenditures.

The Corporation has no deferred expenses other than evaluation and prospecting assets.

Regarding information in this MD&A on evaluation and prospecting assets, Management has concluded that the absence of depreciation during the financial year ended December 31, 2023, is adequate.

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### ***BASIS OF PRESENTATION AND ADOPTION OF IFRS***

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These financial statements have been prepared by the Corporation's management in accordance with *International Financial Reporting Standards ("IFRS")*.

These financial statements were prepared on a going concern basis, under the historical cost basis, except for the financial assets and financial liabilities revaluated at fair value through net profit or loss. The preparation of financial statements in accordance with IFRS requires the use of certain critical accounting estimates. It also requires Management to exercise judgment when applying the Corporation's accounting policies. The significant accounting policies applied in the preparation of these financial statements are summarized further in this MD&A.

The financial statements do not include draft standards that are still at the exposure draft stage with the International Accounting Standards Board (IASB) and standards published and approved by the IASB, but with an application date beyond December 31, 2023.

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### ***SIGNIFICANT ACCOUNTING POLICIES***

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In accordance with International Financial Reporting Standards ("IFRS"), the Corporation's management must make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes.

Significant accounting policies and those that require the most judgment and estimates are:

Evaluation and prospecting expenditures

The application of the Corporation's accounting policy for evaluation and prospecting expenditures requires judgment in determining the degree to which the expenditure can be associated with finding specific mineral resources. The estimation process requires varying degrees of uncertainty, and these estimates directly impact the deferral of evaluation and exploration expenditures. The deferral policy requires Management to make certain estimates and assumptions about future events or circumstances. Estimates and assumptions made may change if new information becomes available. If, after expenditures have been capitalized, information becomes available suggesting that the recovery of expenditures is unlikely, the amount capitalized is written-off in the year when the new information becomes available.

## Provisions and contingent liabilities

Judgments are made as to whether a past event has led to a liability that should be recognized in the financial statements or disclosed as a contingent liability. Quantifying these liabilities involves judgments and estimates. These judgments are based on a number of factors including the nature of the claims or dispute, the legal procedures and potential amount payable, legal advice received past experience and the probability of a loss being realized. Several of these factors are sources of uncertainty in estimates.

### Impairment of mining properties and deferred prospecting and evaluation expenditures and property and equipment

For the purposes of assessing impairment, assets are combined at the lowest levels for which there are largely independent cash inflows (cash-generating units). As a result, some assets are tested individually for impairment and some are tested at a cash-generating unit level.

Whenever events or changes in circumstances indicate that the carrying amount may not be recoverable, an asset or cash-generating unit is reviewed for impairment.

- The right to explore the area has expired or will expire in the near future with no expectation of renewal;
- No further prospecting or evaluation expenditures in the area are planned or budgeted;
- No commercially viable deposits have been discovered, and the decision has been made to discontinue exploration in the area;
- Sufficient work has been performed to indicate that the carrying amount of the expenditure carried as an asset will not be fully recovered.

Additionally, when technical feasibility and commercial viability of extracting a mineral resource are demonstrable, the prospecting and evaluation assets of the related mining property are tested for impairment before these items are transferred to property and equipment.

An impairment loss is recognized in profit or loss for the amount by which the asset's or cash-generating unit's carrying amount exceeds its recoverable amount. The recoverable amount of an asset or a cash-generating unit is the higher of its fair value less cost to sell and its value in use.

An impairment loss is reversed if the asset's or cash-generating unit's recoverable amount exceeds its carrying amount.

### Critical accounting estimates and judgments.

The preparation of financial statements requires Management to make estimates, assumptions and judgments with respect to future events. These estimates and judgments are constantly challenged. They are based on past experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The actual results are likely to differ from the estimates, assumptions and judgments made by Management, and will rarely be identical to the estimated results. The following paragraphs describe Management's most critical estimates and assumptions in the recognition and measurement of assets, liabilities and expenses and Management's most critical judgments in applying accounting policies.



## Share-based compensation and payments and fair value of warrants

The estimation of share-based compensation costs and fair value of warrants requires the selection of an appropriate valuation model and consideration as to the inputs necessary for the valuation model chosen. The Corporation has made estimates as to the volatility of its own shares, the expected life of options, the exercise period of these options as well as the expected forfeitures. The valuation model used by the Corporation is the Black & Scholes model.

## Deferred tax liabilities and assets

Deferred tax liabilities and assets are measured at tax rates expected in the period during which the asset is realized or the liability is settled, based on tax rates (and tax laws) that are enacted or substantively enacted at the end of the period for submission of financial information. The measurement of liabilities and deferred tax assets reflects the tax consequences that follow from the manner in which the Corporation expects, at the end of the period for submission of financial information, to recover or settle the carrying amount of its assets and liabilities.

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## ***RISKS RELATED TO EXPLORATION***

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Mineral exploration involves a high degree of risk. Few properties explored are put into production. Unusual or unexpected rock formations, fires, power outages, labour disputes, floods, explosions, cave-ins, landslides, and problems in obtaining qualified workers and appropriate or adequate machinery or equipment are other risks involved in carrying out exploration programs. The economics of developing resource properties are affected by many factors, including operating costs, variations in the grade of ore mined, fluctuations in metal markets, processing equipment costs and other factors such as Aboriginal land claims, government regulations, especially regulations relating to royalties, allowable production, importing and exporting natural resources, and environmental protection. Depending on the price of the natural resources produced, the Corporation can determine that it is not appropriate to begin or continue commercial production. There is no certainty that amounts spent by the Corporation in exploring its mineral properties will lead to the discovery of commercial quantities of ore. Most exploration projects do not result in the discovery of commercially mineable ore deposits.

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## ***ENVIRONMENTAL AND OTHER REGULATIONS***

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Existing and future environmental legislation, regulations and measures could give rise to additional costs, capital expenditures, restrictions and delays in the Corporation's activities that are unpredictable in scope. The requirements of environmental regulations and standards are under constant evaluation and can be increased considerably, which could seriously affect the Corporation's business or its ability to develop its properties economically. Before production can begin on a property, the Corporation must obtain regulatory and environmental approvals; there is no assurance that these approvals will be obtained or can be obtained in a timely manner. The costs of changes in government regulations can also reduce the profitability of operations or completely preclude the economic development of a property.

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### ***RISKS RELATED TO FINANCING AND DEVELOPMENT***

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The development of the Corporation's properties therefore depends on its ability to obtain the necessary additional financing. There is no assurance that it will be successful in obtaining the required financing. Furthermore, putting resource properties into production depends on obtaining the services of experienced personnel or of coming to agreements with other large resource companies that can provide the expertise.

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### ***MARKET FORCES***

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Factors beyond the Corporation's control can influence the marketability of the gold or any other mineral discovered. The price of resources has fluctuated considerably, especially over the past few years. The impact of these factors cannot be accurately predicted.

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### ***UNINSURED RISKS***

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The Corporation can be held liable for the results of cave-ins, pollution, or other risks against which it cannot or may elect not to insure because of the high cost of premiums or for other reasons. The payment of these liabilities could reduce or eliminate the funds available for exploration and mining activities.

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### ***OTHER MD&A REQUIREMENTS***

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Additional information about the Corporation is available on SEDAR+

Rouyn-Noranda, Quebec, Canada  
April 23, 2024

*(s) Denis V. Lachance*  
Denis V. Lachance  
Interim President & CEO

*(s) Hubert Parent-Bouchard*  
Hubert Parent-Bouchard  
Chief Financial Officer