



# Harfang Exploration Inc.

Unaudited Condensed Interim Consolidated Financial Statements  
(Expressed in Canadian Dollars)

For the three and nine months ended October 31, 2023

*The attached financial statements have been prepared by Management of  
Harfang Exploration Inc. and have not been reviewed by the auditor*

# Harfang Exploration Inc.

## Statements of Financial Position

(Unaudited, in Canadian Dollars)

	Note	As at October 31, 2023 \$	As at January 31, 2023 \$
<b>Assets</b>			
<b>Current assets</b>			
Cash		5,992,964	7,413,806
Sales tax receivable		104,472	161,992
Tax credits and government grant receivables		481,398	300,652
Prepaid expenses and others		10,287	21,146
<b>Total current assets</b>		<b>6,589,121</b>	<b>7,897,596</b>
<b>Non-current assets</b>			
Listed shares	4	143,500	187,500
Exploration and evaluation assets	5	9,201,277	9,101,236
Capital assets	6	179,451	-
<b>Total non-current assets</b>		<b>9,524,228</b>	<b>9,288,736</b>
<b>Total assets</b>		<b>16,113,349</b>	<b>17,186,332</b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Accounts payable and accrued liabilities		287,599	198,687
Lease liabilities – current portion	7	23,102	-
<b>Total current liabilities</b>		<b>310,701</b>	<b>198,687</b>
<b>Non-current liabilities</b>			
Lease liabilities	7	117,527	-
<b>Total non-current liabilities</b>		<b>117,527</b>	<b>-</b>
<b>Total liabilities</b>		<b>428,228</b>	<b>198,687</b>
<b>Equity</b>			
Share capital		28,749,444	28,155,697
Warrants	9	-	15,997
Contributed surplus		2,025,489	2,009,492
Deficit		(15,089,812)	(13,193,541)
<b>Total equity</b>		<b>15,685,121</b>	<b>16,987,645</b>
<b>Total liabilities and equity</b>		<b>16,113,349</b>	<b>17,186,332</b>

Subsequent events

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

# Harfang Exploration Inc.

## Consolidated Statements of Loss and Comprehensive Loss

(Unaudited, in Canadian Dollars)

	Note	Three months ended October 31,		Nine months ended October 31,	
		2023	2022	2023	2022
		\$	\$	\$	\$
<b>Revenues</b>					
Residual gain on option payment on exploration and evaluation assets	5	-	-	25,000	3,282
		-	-	25,000	3,282
<b>Operating Expenses</b>					
Exploration and evaluation expenditures, net of tax credits	11	506,494	499,219	1,622,288	1,949,305
Salaries and benefits		45,306	3,613	137,068	49,982
Stock-based compensation	10	-	-	-	235,800
Director's fees		17,875	20,875	59,625	56,750
Consulting and professional fees		96,878	108,233	355,189	331,623
Office and administrative		14,856	28,927	66,875	94,772
Travel, conference and investor relations		72,553	97,849	183,272	154,433
Filing fees		10,260	8,989	30,781	37,488
Depreciation	6	9,969	-	19,939	-
Gain on disposal of exploration and evaluation assets	5	-	-	(7,189)	-
Impairment of exploration and evaluation assets	5	3,500	-	4,462	-
<b>Operating expenses</b>		<b>(777,691)</b>	<b>(767,705)</b>	<b>(2,472,310)</b>	<b>(2,910,153)</b>
<b>Other income (expense)</b>					
Interest income		81,660	67,438	245,333	123,366
Change in fair value – listed shares		(21,000)	(540,000)	(74,000)	(716,250)
Finance costs – accretion expense		-	(1,707)	-	(2,998)
Finance costs – financing fees lease		(3,617)	-	(6,112)	-
		57,043	(474,269)	165,221	(595,882)
<b>Loss before income taxes</b>		<b>(720,648)</b>	<b>(1,241,974)</b>	<b>(2,282,089)</b>	<b>(3,502,753)</b>
Deferred income taxes recovery		68,197	144,350	385,818	439,188
<b>Net loss and comprehensive loss</b>		<b>(652,451)</b>	<b>(1,097,624)</b>	<b>(1,896,271)</b>	<b>(3,063,565)</b>
Net loss per common share - basic and diluted		(0.01)	(0.02)	(0.03)	(0.06)
Weighted average number of common shares outstanding - basic and diluted		60,858,856	57,805,742	60,244,148	51,037,049

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

# Harfang Exploration Inc.

## Consolidated Statements of Changes in Equity (Unaudited, in Canadian Dollars)

	Note	Number of shares outstanding	Share Capital	Warrants	Contributed surplus	Deficit	Total equity
			\$	\$	\$	\$	\$
<b>Balance at February 1, 2022</b>		<b>32,260,242</b>	<b>15,985,750</b>	<b>607,130</b>	<b>1,059,887</b>	<b>(9,659,580)</b>	<b>7,993,187</b>
Net loss and comprehensive loss		-	-	-	-	(3,063,565)	(3,063,565)
Issuances to investors of LaSalle Exploration Corp. as part of the acquisition							
• Common Shares		17,739,540	8,029,519	-	-	-	8,029,519
• Replacement stock options		-	-	-	105,707	-	105,707
• Replacement warrants		-	-	16,965	-	-	16,965
Issuance of shares under private placement		7,727,271	4,249,999	-	-	-	4,249,999
Share issuance costs		-	(180,449)	-	-	-	(180,449)
Exploration and evaluation assets paid in shares		336,260	70,878	-	-	-	70,878
Warrants expired		-	-	(278,733)	278,733	-	-
Stock-based compensation		-	-	-	235,800	-	235,800
<b>Balance at October 31, 2022</b>		<b>58,063,313</b>	<b>28,155,697</b>	<b>345,362</b>	<b>1,680,127</b>	<b>(12,723,145)</b>	<b>17,458,041</b>
<b>Balance at February 1, 2023</b>		<b>58,063,313</b>	<b>28,155,697</b>	<b>15,997</b>	<b>2,009,492</b>	<b>(13,193,541)</b>	<b>16,987,645</b>
Net loss and comprehensive loss		-	-	-	-	(1,896,271)	(1,896,271)
Issuance of shares under flow-through private placements	8	2,795,543	1,005,100	-	-	-	1,005,100
• Less: Liability related to the premium on flow-through shares		-	(394,200)	-	-	-	(394,200)
Share issuance costs	8	-	(17,153)	-	-	-	(17,153)
Warrants expired	9	-	-	(15,997)	15,997	-	-
<b>Balance at October 31, 2023</b>		<b>60,858,856</b>	<b>28,749,444</b>	<b>-</b>	<b>2,025,489</b>	<b>(15,089,812)</b>	<b>15,685,121</b>

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

**Harfang Exploration Inc.**  
Consolidated Statements of Cash Flows  
(Unaudited, in Canadian Dollars)

		Nine months ended October 31,	
	Note	2023	2022
		\$	\$
<b>Operating activities</b>			
Net loss for the period		(1,896,271)	(3,063,565)
Adjustments for:			
Residual gain on option payment on exploration and evaluation assets	5	(25,000)	(3,282)
Exploration and evaluation expenditures, payment on option		-	(2,609)
Stock-based compensation	10	-	235,800
Depreciation	6	19,939	-
Gain on disposal of exploration and evaluation assets	5	(7,189)	-
Impairment of exploration and evaluation assets	5	4,462	-
Change in fair value – listed shares		74,000	716,250
Deferred income taxes recovery		(385,818)	(439,188)
Finance costs – accretion expense		-	2,998
Changes in non-cash working capital items			
Sales tax receivable		57,520	90,419
Tax credits and government grant receivable		(180,746)	(3,595)
Prepaid expenses and others		10,859	(2,437)
Accounts payable and accrued liabilities		111,742	(962,781)
<b>Cash flows used in operating activities</b>		<b>(2,216,502)</b>	<b>(3,431,990)</b>
<b>Investing activities</b>			
Investment in exploration and evaluation assets		(155,144)	(232,390)
Proceeds from disposal of exploration and evaluation assets	5	5,000	-
Option payment receipt on exploration and evaluation assets	5	25,000	25,000
Acquisition of capital assets	6	(35,874)	-
Cash acquired through the acquisition of LaSalle		-	1,644,143
Transaction costs		-	(314,621)
Investments in listed shares		-	(750,000)
<b>Cash flows from (used) in investing activities</b>		<b>(161,018)</b>	<b>372,132</b>
<b>Financing activities</b>			
Private placement		-	4,249,999
Flow-through private placements	8	1,005,100	-
Share issuance costs	8	(25,535)	(180,449)
Debt reimbursement		-	(30,000)
Principal repayment – lease liabilities	7	(22,887)	-
<b>Cash flows from financing activities</b>		<b>956,678</b>	<b>4,039,550</b>
<b>Net change in cash</b>		<b>(1,420,842)</b>	<b>979,692</b>
Cash – beginning		7,413,806	7,264,839
<b>Cash – ending</b>		<b>5,992,964</b>	<b>8,244,531</b>
<b>Additional information</b>			
Interest received		245,333	123,366
Shares received in exchange of exploration and evaluation assets	5	30,000	-

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

# Harfang Exploration Inc.

## Notes to the Condensed Interim Consolidated Financial Statements

Three and nine months ended October 31, 2023

(Unaudited, in Canadian Dollars)

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### 1. NATURE OF OPERATIONS AND LIQUIDITY RISK

Harfang Exploration Inc. (the “Corporation” or “Harfang”) was incorporated on March 30, 2010 under the *Business Corporations Act* (British Columbia) and on June 22, 2017, in conjunction with a reverse takeover, continued under the *Business Corporations Act* (Québec). The Corporation’s shares are listed on the TSX Venture Exchange (the “Exchange”) under symbol HAR. The Corporation’s head office is located at 1100, Avenue des Canadiens-de-Montréal, Suite 300, Montréal, Québec, Canada.

The Corporation, an exploration and evaluation stage company, is in the business of acquiring and exploring mineral properties in Canada. Its focus is currently on the exploration and evaluation of its mineral properties in the James Bay area in the Province of Québec for gold and lithium and in northeastern Ontario for gold.

Until it is determined that properties contain mineral reserves or resources that can be economically mined, they are classified as exploration and evaluation properties. The recoverability of deferred exploration and evaluation expenses is dependent on the discovery of economically recoverable reserves and resources; securing and maintaining title and beneficial interest in the properties; the ability to obtain necessary financing to continue the exploration, evaluation and development of its properties; and obtaining certain government approvals or proceeds from the disposal of properties. Changes in future conditions could require material impairment of the carrying value of the exploration and evaluation assets. Although the Corporation has taken steps to verify title to its mining properties on which it is currently conducting exploration and evaluation work, in accordance with industry standards for the current stage of exploration and evaluation of such property, these procedures do not guarantee the Corporation’s title. Property title may be subject to unregistered prior agreements and non-compliance with regulatory requirements.

These unaudited condensed interim consolidated financial statements (the “Financial Statements”) have been prepared on the basis of accounting principles applicable to a going concern, which contemplates the realization of assets and settlement of liabilities in the normal course of business as they come due. In assessing whether the going concern assumption is appropriate, management takes into account all available information about the future, which is at least, but not limited to twelve months from the end of the reporting period. As at October 31, 2023, the Corporation had working capital of \$6,278,420 (\$7,698,909 as at January 31, 2023).

Management of the Corporation believes that it has sufficient funds to maintain the status of its current exploration obligations and keep its properties in good standing, to pay its ongoing general and administrative expenses and to meet its liabilities, obligations and existing commitments for the ensuing 12 months as they fall due. The Corporation’s ability to continue future operations beyond twelve months and fund its exploration and evaluation expenditures is dependent on management’s ability to secure additional financing in the future, which may be completed in a number of ways, including, but not limited to, the issuance of debt or equity instruments. Management will pursue such additional sources of financing when required, and while management has been successful in securing financing in the last 12 months, there can be no assurance it will be able to do so in the future or that these sources of funding or initiatives will be available for the Corporation or that they will be available on terms which are acceptable to the Corporation.

# Harfang Exploration Inc.

## Notes to the Condensed Interim Consolidated Financial Statements

Three and nine months ended October 31, 2023

(Unaudited, in Canadian Dollars)

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## 2. SIGNIFICANT ACCOUNTING POLICIES

### 2.1 Statement of Compliance

These Financial Statements have been prepared in accordance with the *International Financial Reporting Standards* (“IFRS”) as issued by the *International Accounting Standards Board* (“IASB”) applicable to the preparation of interim financial statements, including International Accounting Standard (“IAS”) 34, *Interim Financial Reporting*. Accordingly, the Financial Statements do not include all of the information and footnotes required by IFRS for complete financial statements for year-end reporting purposes.

The Financial Statements were approved by the Corporation’s Board of Directors on December 20, 2023.

### 2.2 Basis of Presentation

The Financial Statements should be read in conjunction with the annual financial statements for the year ended January 31, 2023 of the Corporation, which have been prepared in accordance with IFRS as issued by the IASB. The accounting policies, methods of computation and presentation applied in the Financial Statements are consistent with those of the Corporation’ previous financial year ended January 31, 2023, except for the policy described below.

#### a) Capital assets

Capital assets are stated at cost less accumulated depreciation and accumulated impairment losses. Cost includes expenditures that are directly attributable to the acquisition of an asset. Subsequent costs are included in the asset’s carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefit associated with the item will flow to the Corporation and the cost can be measured reliably. The carrying amount of a replaced asset is derecognized when replaced.

Repairs and maintenance costs are charged to the consolidated statement of loss and comprehensive loss during the period in which they are incurred.

Depreciation is calculated to amortize the cost of the capital assets less their residual values over their estimated useful lives using the straight-line method and following periods by major categories:

Leasehold improvements	Lease term
Right-of-use assets	Lease term

Depreciation of capital assets, if related to exploration activities, is expensed consistently with the policy for exploration and evaluation expenses. For those which are not related to exploration and evaluation activities, depreciation expense is recognized directly in the consolidated statement of loss and comprehensive loss.

Depreciation of an asset ceases when it is classified as held for sale (or included in a disposal group that is classified as held for sale) or when it is derecognized. Therefore, depreciation does not cease when the asset becomes idle or is retired from active use unless the asset is fully depreciated.

Residual values, methods of depreciation and useful lives of the assets are reviewed annually and adjusted if appropriate.

Gains and losses on disposals of capital assets are determined by comparing the proceeds with the carrying amount of the asset and are recorded in the consolidated statement of loss and comprehensive loss.

# Harfang Exploration Inc.

## Notes to the Condensed Interim Consolidated Financial Statements

Three and nine months ended October 31, 2023

(Unaudited, in Canadian Dollars)

### 2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

#### b) Leases

At the commencement date of a lease, a liability is recognized to make lease payments (i.e., the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e., the right-of-use asset) is also recognized. The interest expense on the lease liability is recognized separately from the depreciation expense on the right-of-use asset.

The lease liability is remeasured upon the occurrence of certain events (e.g., a change in the lease term, a change in future lease payments resulting from a change in an index or rate used to determine those payments). This remeasurement is generally recognized as an adjustment to the right-of-use asset. Leases of "low-value" assets and short-term leases (12 months or less) are recognized on a straight-line basis as an expense in the consolidated statement of loss and comprehensive loss.

### 3. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

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

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

In preparing the Financial Statements, the significant judgements made by management in applying the Corporation's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the Corporation's audited annual financial statements for the year ended January 31, 2023.

### 4. LISTED SHARES

	As at October 31, 2023			As at October 31, 2022		
	Market price per share	Number of shares	Fair value	Market price per share	Number of shares	Fair value
	\$		\$	\$		\$
QcX Gold Corp.	0.025	1,750,000	43,750	0.025	1,750,000	43,750
Monarch Mining Corporation	0.015	1,250,000	18,750	0.055	1,250,000	68,750
Abitibi Metals Corp.	0.135	600,000	81,000	-	-	-
			<b>143,500</b>			<b>112,500</b>

The listed shares are mainly common shares of Canadian publicly traded companies. The fair values of the listed shares are based on the quoted market prices of those shares on a recognized stock exchange at the end of each reporting period.



# Harfang Exploration Inc.

## Notes to the Condensed Interim Consolidated Financial Statements

Three and nine months ended October 31, 2023

(Unaudited, in Canadian Dollars)

### 5. EXPLORATION AND EVALUATION ASSETS

Mineral properties acquisition costs	As at Feb. 1, 2023	Net claims acquisitions / renewals	Option payments	Disposal	Impairment	As at October 31, 2023
	\$	\$	\$	\$	\$	\$
Lake Menarik	725,925	12,240	-	-	-	738,165
Menarik East	114,487	-	-	-	-	114,487
Serpent-Radisson	4,960,553	7,480	-	-	-	4,968,033
Lake Fagnant	8,537	-	-	-	(423) <sup>(5)</sup>	8,114
Lake Aulneau	11,427	-	-	-	(4,039) <sup>(5)</sup>	7,388
La Passe	35,164	9,520	-	-	-	44,684
Taiga	48,356	-	-	-	-	48,356
Blakelock	1,540,930	-	-	-	-	1,540,930
Egan <sup>(3)</sup>	1,534,554	-	85,000	-	-	1,619,554
Selbaie <sup>(1)</sup>	27,811	-	-	(27,811)	-	-
Ewart	19,040	-	-	-	-	19,040
Lemare	15,972	3,589	-	-	-	19,561
Conviac	23,800	-	-	-	-	23,800
Sakami	34,680	-	-	-	-	34,680
Ross <sup>(2)</sup>	-	14,485	-	-	-	14,485
	<b>9,101,236</b>	<b>47,314</b>	<b>85,000</b>	<b>(27,811)</b>	<b>(4,462)</b>	<b>9,201,277</b>

Mineral properties acquisition costs	As at Feb. 1, 2022	Property acquisitions	Net claims acquisitions / renewals	Option payments	As at October 31, 2022
	\$	\$	\$	\$	\$
Lake Menarik	551,455	142,150	28,160	-	721,765
Menarik East	114,487	-	-	-	114,487
Serpent	181,831	-	40,800	-	222,631
Lake Fagnant	8,537	-	-	-	8,537
Lake Aulneau	25,158	-	-	-	25,158
Lake Tapiatic	22,046	-	-	-	22,046
Bonfait	29,876	-	-	-	29,876
La Passe	12,320	-	-	-	12,320
Taiga	48,356	-	-	-	48,356
Pontax <sup>(4)</sup>	19,109	-	-	(19,109)	-
Generation	25,667	-	-	-	25,667
Radisson, Blackelock, Egan, Selbaie	-	7,774,060	1,280	80,000	7,855,340
	<b>1,038,842</b>	<b>7,916,210</b>	<b>70,240</b>	<b>60,891</b>	<b>9,086,183</b>

(1) On February 6, 2023, the Corporation signed an agreement for the sale of 100% of its right, title and interest in the Selbaie Project to Abitibi Metals Corp. ("Abitibi") (previously known as Goldseek Resources Inc.). In accordance with the terms of the agreement, Abitibi paid to Harfang \$5,000 in cash, issued on February 13, 2023 to the Corporation an aggregate of 600,000 common shares valued at \$30,000 as per the Canadian Securities Exchange price on this day and granted in favour of the Corporation a 2% NSR royalty, half of which may be bought-back at any time for \$1,000,000, in respect of the Selbaie Project.

(2) The Corporation staked mining claims by map designation (100% owned by the Corporation) within the Ross property. The property is located in the James Bay area, along the northern side of the Lac des Montagnes.

# Harfang Exploration Inc.

## Notes to the Condensed Interim Consolidated Financial Statements

Three and nine months ended October 31, 2023

(Unaudited, in Canadian Dollars)

### 5. EXPLORATION AND EVALUATION ASSETS (CONT'D)

- (3) The parties agreed on August 17, 2023, to an amendment to the Egan Gold property option agreement dated August 5, 2020, relating to the final payments for the third anniversary of the agreement detailed as follows: August 17, 2023 cash payment of \$85,000 (already completed August 23, 2023) and on February 5, 2024 cash payment of \$85,000 with the issuance of 54,390 shares.
- (4) In accordance with the option agreement signed with Li-FT Power Ltd. on July 20, 2022, Harfang received on July 13, 2023 for the first anniversary of the agreement, the sum of \$25,000.
- (5) The Corporation impaired partially the property for the claims that were dropped.

### 6. CAPITAL ASSETS

	Leasehold improve- ments	Right-of- use assets (note 7)	Total
	\$	\$	\$
<b>Nine months ended October 31, 2023</b>			
Opening net book value	-	-	-
Additions	35,874	163,516	199,390
Depreciation	(3,587)	(16,352)	(19,939)
Closing net book value	32,287	147,164	179,451
<b>As at October 31, 2023</b>			
<b>Cost</b>	<b>35,874</b>	<b>163,516</b>	<b>199,390</b>
<b>Accumulated depreciation</b>	<b>(3,587)</b>	<b>(16,352)</b>	<b>(19,939)</b>
<b>Closing net book value</b>	<b>32,287</b>	<b>147,164</b>	<b>179,451</b>

### 7. LEASE LIABILITIES

	As at October 31, 2023
	\$
Balance beginning	-
Additions	163,516
Principal repayment	(22,887)
Balance ending	140,629
Non-current portion – lease liabilities	(117,527)
<b>Current portion – lease liabilities</b>	<b>23,102</b>

The Corporation has presently one lease for its office. In May 2023, the Corporation started the lease for five years. The monthly rent is \$3,231 until April 2024 and indexed annually by 3% each year for the balance of the lease. The Corporation has the option to renew the lease for an additional five-year period at \$3,746 monthly rent indexed annually by 3% each year.

A right-of-use asset of \$163,516 and an equivalent long term lease liability was recorded as of May 1, 2023, with a 10% incremental borrowing rate and not considering that the renewal option would be exercised. Depreciation of right-of-use assets of \$16,352 is being recorded in operating expenses in the consolidated statement of loss and comprehensive loss, under depreciation.

# Harfang Exploration Inc.

## Notes to the Condensed Interim Consolidated Financial Statements

Three and nine months ended October 31, 2023

(Unaudited, in Canadian Dollars)

### 8. SHARE CAPITAL

The Corporation is authorized to issue an unlimited number of common voting shares without par value.

#### a) Private placement (March 2023)

On March 16, 2023, the Corporation closed a non-brokered private placement consisting of 1,842,106 flow-through common shares at a price of \$0.38 per flow-through common share for a gross proceed of \$700,000.

Regarding this flow-through private placement of \$700,000, the Corporation's share market value at closing was \$0.21, therefore the residual value attributed to the benefit related to flow-through shares renunciation was \$0.17 for a total value of \$313,158 credited to the liability related to the premium on flow-through shares.

Share issue expenses totaled \$8,800 of which \$4,863 was allocated to capital stock and \$3,937 to flow-through premium.

#### b) Private placement (May 2023)

On May 2, 2023, the Corporation closed a non-brokered private placement consisting of 953,437 flow-through common shares at a price of \$0.32 per flow-through common share for gross proceeds of \$305,100.

Regarding this flow-through private placement of \$305,100, the Corporation's share market value at closing was \$0.235, therefore the residual value attributed to the benefit related to flow-through shares renunciation was \$0.085 for a total value of \$81,042 credited to the liability related to the premium on flow-through shares.

Share issue expenses, including the finder's fees of \$5,060, totaled \$16,735 of which \$12,290 was allocated to capital stock and \$4,445 to flow-through premium. Certain directors of the Corporation purchased an aggregate of 182,500 flow-through shares for \$58,400. The directors of the Corporation subscribed to the private placement under the same terms and conditions as set forth for all subscribers.

### 9. WARRANTS

Changes in the Corporation's warrants are as follows:

	Nine months ended October 31, 2023			Fiscal 2023		
	Number of warrants	Carrying Value	Weighted average exercise price	Number of warrants	Carrying Value	Weighted average exercise price
		\$	\$		\$	\$
Balance, beginning	946,726	15,997	1.32	3,977,404	607,130	1.04
Issued – replacement	-	-	-	2,832,253	16,965	1.00
Expired	(946,726)	(15,997)	1.32	(5,862,931)	(608,098)	0.97
<b>Balance, end</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>946,726</b>	<b>15,997</b>	<b>1.32</b>

# Harfang Exploration Inc.

## Notes to the Condensed Interim Consolidated Financial Statements

Three and nine months ended October 31, 2023

(Unaudited, in Canadian Dollars)

### 10. STOCK OPTIONS

A summary of changes in stock options are as follows:

	Nine months ended October 31, 2023		Fiscal 2023	
	Number of options	Weighted Average Exercise Price	Number of options	Weighted Average Exercise Price
		\$		\$
Balance, beginning	2,549,880	0.64	1,070,575	0.67
Granted – replacement	-	-	942,760	0.66
Granted	-	-	600,000	0.55
Expired	(661,815)	0.71	(63,455)	0.55
<b>Balance, end</b>	<b>1,888,065</b>	<b>0.61</b>	<b>2,549,880</b>	<b>0.64</b>

Stock options outstanding and exercisable as at October 31, 2023 are as follows:

Number of options outstanding and exercisable	Exercise price	Expiry date
	\$	
362,600	0.55	December 20, 2024
54,390	0.83	September 10, 2026
185,581	0.54	June 22, 2027
55,674	0.54	March 15, 2028
113,670	0.54	July 18, 2028
81,192	0.58	May 27, 2029
121,789	0.54	May 22, 2030
285,332	0.92	February 19, 2031
27,837	0.69	September 28, 2031
600,000	0.55	April 20, 2032
<b>1,888,065</b>		

# Harfang Exploration Inc.

## Notes to the Condensed Interim Consolidated Financial Statements

Three and nine months ended October 31, 2023

(Unaudited, in Canadian Dollars)

### 11. EXPLORATION AND EVALUATION EXPENSES

	Three months ended October 31,		Nine months ended October 31,	
	2023	2022	2023	2022
	\$	\$	\$	\$
Salaries and benefits	141,228	150,130	386,085	397,252
Geology	447,189	210,211	600,028	814,398
Analysis	62,710	111,255	234,729	267,341
Transportation	8,996	6,635	25,301	19,190
Geophysics	-	-	110,582	-
Drilling	15,236	14,195	694,426	434,505
Lodging and food	7,305	9,011	18,533	16,073
Supplies and equipment	1,261	1,377	8,761	6,750
Payment on option	-	-	-	(2,609)
<b>Exploration and evaluation expenditures before tax credits</b>	<b>683,925</b>	<b>502,814</b>	<b>2,078,445</b>	<b>1,952,900</b>
Tax credits	(177,431)	(3,595)	(456,157)	(3,595)
<b>Exploration and evaluation expenditures</b>	<b>506,494</b>	<b>499,219</b>	<b>1,622,288</b>	<b>1,949,305</b>

### 12. SUBSEQUENT EVENTS

#### 12.1 Options granted

On December 11, 2023, the Corporation granted the new President appointed December 11, 2023 with 400,000 options exercisable at an exercise price of \$0.15, valid for 10 years. The options vested 100% at the grant date. Those options were granted at an exercise price equal to the closing market value of the shares the previous day of the grant.