

# Société d'Exploration Minière Vior Inc.

## Consolidated Statements of Financial Position

(expressed in Canadian dollars)

	As at December 31, 2017 \$	As at June 30, 2017 \$
<b>Assets</b>		
<b>Current assets</b>		
Cash and cash equivalents	3,124,927	2,409,689
Short-term investment	268,966	923,569
Tax credits for mining exploration and commodity taxes receivable	274,859	36,411
Other amounts receivable (note 4)	17,844	124,529
Prepaid expenses	17,314	35,168
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	3,703,911	3,529,366
<b>Mining properties</b> (note 5)	1,214,651	820,700
<b>Property, plant and equipment</b> , at cost less accumulated depreciation of \$7,956 (\$7,008 as at June 30, 2017)	18,587	6,697
	<hr/>	<hr/>
	4,937,149	4,356,763
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<b>Liabilities</b>		
<b>Current liabilities</b>		
Accounts payable and accrued liabilities (note 6)	136,700	174,959
	<hr/>	<hr/>
<b>Equity</b>		
<b>Share capital</b> (note 7)	31,634,342	30,855,944
<b>Warrants</b> (note 8)	166,429	227,410
<b>Stock options</b> (note 9)	283,595	81,928
<b>Contributed surplus</b>	1,756,992	1,529,582
<b>Deficit</b>	(29,186,617)	(29,117,745)
<b>Accumulated other comprehensive income</b>	145,708	604,685
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	4,800,449	4,181,804
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	4,937,149	4,356,763
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**Commitments** (note 14)

**Subsequent event** (note 15)

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

**Approved by the Board of Directors**

(signed) Mark Fedosiewich \_\_\_\_\_, Director

(signed) Charles-Olivier Tarte \_\_\_\_\_, Director

# Société d'Exploration Minière Vior Inc.

## Consolidated Statements of Income (Loss)

(expressed in Canadian dollars)

	Three-month periods ended		Six-month periods ended	
	December 31,		December 31,	
	2017	2016	2017	2016
	\$	\$	\$	\$
<b>Revenues</b>				
Gain on short-term investment	394,557	230	467,874	230
Interest	6,640	2,123	9,534	3,990
Fees charged to a partner	38,314	42,404	67,248	113,694
Settlement of litigation	-	-	-	120,000
Gain on an investment held for trading	(11,152)	-	(11,915)	-
	<u>428,359</u>	<u>44,757</u>	<u>532,741</u>	<u>237,914</u>
<b>Expenses</b>				
Salaries and fringe benefits	98,873	79,273	168,423	161,275
Professional and maintenance fees	65,747	85,631	83,049	117,235
Rent and office expenses	25,950	18,095	47,146	47,334
Advertising and promotion	5,766	750	5,766	950
Share-based compensation	201,667	-	201,667	-
Travelling	10,858	4,556	12,638	5,860
Search for mining properties (note 10)	-	17,227	628	30,345
Interest and bank charges	324	314	591	581
Depreciation of property, plant and equipment	1,067	514	1,727	1,040
Cost of mining properties abandoned, impaired or written off	8,415	-	8,652	1,128
	<u>418,667</u>	<u>206,360</u>	<u>530,287</u>	<u>365,748</u>
<b>Income (loss) before deferred tax</b>	9,692	(161,603)	2,454	(127,834)
<b>Deferred tax</b>	(59,366)	(57,115)	(71,326)	95,908
<b>Net loss for the period</b>	<u>(49,674)</u>	<u>(218,718)</u>	<u>(68,872)</u>	<u>(31,926)</u>
<b>Per share (note 11)</b>				
<b>Basic net loss</b>	<u>(0.001)</u>	<u>(0.007)</u>	<u>(0.002)</u>	<u>(0.001)</u>
<b>Diluted net loss</b>	<u>(0.001)</u>	<u>(0.007)</u>	<u>(0.002)</u>	<u>(0.001)</u>

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

# Société d'Exploration Minière Vior Inc.

## Consolidated Statements of Comprehensive Income (Loss)

(expressed in Canadian dollars)

	Three-month periods ended December 31,		Six-month periods ended December 31,	
	2017 \$	2016 \$	2017 \$	2016 \$
<b>Net loss for the period</b>	(49,674)	(218,718)	(68,872)	(31,926)
<b>Other comprehensive income</b>				
<b>Items that may be reclassified subsequently to net loss</b>				
Unrealized gain (loss) on an available-for-sale short-term investment, net of related income tax of \$11,281 and \$11,673 (\$57,115 and \$95,908 in 2016)	72,591	(367,533)	75,114	617,163
Reclassification of realized gains on an available-for-sale short-term investment to net income, net of related income tax of \$70,646 and \$82,999	(454,604)	-	(534,091)	-
<b>Other comprehensive income (loss) for the period</b>	(382,013)	(367,533)	(458,977)	617,163
<b>Comprehensive income (loss) for the period</b>	(431,687)	(586,251)	(527,849)	585,237

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

## Société d'Exploration Minière Vior Inc.

### Consolidated Statements of Changes in Equity

(expressed in Canadian dollars)

	Share capital	Warrants	Stock options	Contributed surplus	Deficit	Accumulated other comprehensive income	Total
	\$	\$	\$	\$	\$	\$	\$
<b>Balance as at July 1, 2017</b>	30,855,944	227,410	81,928	1,529,582	(29,117,745)	604,685	4,181,804
Net loss	-	-	-	-	(68,872)	-	(68,872)
Unrealized gain on an available-for-sale short-term investment, net of related income tax of \$11,673	-	-	-	-	-	75,114	75,114
Reclassification of realized gains on an available-for-sale short-term investment to net income, net of related income tax of \$82,999	-	-	-	-	-	(534,091)	(534,091)
Comprehensive loss for the period	-	-	-	-	(68,872)	(458,977)	(527,849)
Warrants granted (note 8)	(166,429)	166,429	-	-	-	-	-
Warrants matured (note 8)	-	(227,410)	-	227,410	-	-	-
Stock options granted (note 9)	-	-	201,667	-	-	-	201,667
Issuance of shares for cash consideration (note 7)	998,000	-	-	-	-	-	998,000
Share issue expenses (note 7)	(53,173)	-	-	-	-	-	(53,173)
<b>Balance as at December 31, 2017</b>	<b>31,634,342</b>	<b>166,429</b>	<b>283,595</b>	<b>1,756,992</b>	<b>(29,186,617)</b>	<b>145,708</b>	<b>4,800,449</b>

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

## Société d'Exploration Minière Vior Inc.

### Consolidated Statements of Changes in Equity (continued)

(expressed in Canadian dollars)

	Share capital	Warrants	Stock options	Contributed surplus	Deficit	Accumulated other comprehensive loss	Total
	\$	\$	\$	\$	\$	\$	\$
<b>Balance as at July 1, 2016</b>	30,012,803	30,254	172,604	1,506,184	(28,856,084)	1,700,838	4,566,599
Net loss	-	-	-	-	(31,926)	-	(31,926)
Unrealized gain on an available-for-sale short-term investment, net of related income tax of \$95,908	-	-	-	-	-	617,163	617,163
Comprehensive income for the period	-	-	-	-	(31,926)	617,163	585,237
Warrants granted	-	234,627	-	-	-	-	234,627
Issuance of shares for cash consideration	526,382	-	-	-	-	-	526,382
Share issue expenses	(79,693)	-	-	-	-	-	(79,693)
<b>Balance as at december 31, 2016</b>	<b>30,459,492</b>	<b>264,881</b>	<b>172,604</b>	<b>1,506,184</b>	<b>(28,888,010)</b>	<b>2,318,001</b>	<b>5,833,152</b>

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

# Société d'Exploration Minière Vior Inc.

## Consolidated Statements of Cash Flows

(expressed in Canadian dollars)

	<b>Six-month periods ended</b>	
	<b>December 31,</b>	
	<b>2017</b>	<b>2016</b>
	<b>\$</b>	<b>\$</b>
<b>Cash flows from operating activities</b>		
Net loss for the period	(68,872)	(31,926)
Adjustments for:		
Gain on a short-term investment	(467,874)	-
Gain on an investment held for trading	11,915	-
Share-based compensation	201,667	-
Depreciation of property, plant and equipment	1,727	1,040
Deferred tax	71,326	(95,908)
Cost of mining properties abandoned, impaired or written off	8,652	1,128
	<u>(241,459)</u>	<u>(125,666)</u>
Changes in items of working capital		
Tax credits for mining exploration and commodity taxes receivable	(73,642)	(2,150)
Other amounts receivable	106,684	34,318
Prepaid expenses	17,854	(2,917)
Accounts payable and accrued liabilities	(49,308)	(51,401)
	<u>1,588</u>	<u>(22,150)</u>
	<u>(239,871)</u>	<u>(147,816)</u>
<b>Cash flows from financing activities</b>		
Share capital and warrants issued for cash, net of share issue expenses	944,827	681,315
	<u>944,827</u>	<u>681,315</u>
<b>Cash flows from investing activities</b>		
(Acquisition) disposition of a short-term investment	580,260	(120,000)
Acquisition of mining properties and capitalized exploration costs	(562,653)	(86,417)
Change in credit on duties refundable for loss and refundable tax credit for resources	6,292	46,411
Additions to property, plant and equipment	(13,617)	-
	<u>10,282</u>	<u>(160,006)</u>
<b>Increase in cash and cash equivalents</b>	715,238	373,493
<b>Cash and cash equivalents - Beginning of period</b>	2,409,689	991,841
<b>Cash and cash equivalents - End of period</b>	<u>3,124,927</u>	<u>1,365,334</u>
Interest received	12,739	4,116

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

# Société d'Exploration Minière Vior Inc.

## Consolidated Statements of Cash Flows (continued)

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(expressed in Canadian dollars)

### Additional information

Items not affecting cash and cash equivalents

	<b>Six-month periods ended</b>	
	<b>December 31,</b>	
	<b>2017</b>	<b>2016</b>
	<b>\$</b>	<b>\$</b>
Related to investing activities:		
Credit on duties refundable for loss and refundable tax credit receivable for resources applied against mining properties	171,099	7,035
Acquisition of mining properties and exploration costs included in accounts payable and accrued liabilities	17,436	585

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

# Société d'Exploration Minière Vior Inc.

## Notes to Consolidated Financial Statements

For the three-month and six-month periods ended December 31, 2017 and 2016

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(expressed in Canadian dollars)

### 1 General information

Société d'Exploration Minière Vior Inc. (the "Company") governed by the *Quebec Business Corporations Act*, is in the business of acquiring and exploring mining properties. It has not yet determined whether its properties contain ore reserves that are economically recoverable. The recoverability of the amounts shown for mining properties is dependent upon the existence of economically recoverable reserves, the ability of the Company to obtain necessary financing to complete the exploration and development of its properties, and upon future profitable production or proceeds from the disposal of properties.

In addition to ongoing working capital requirements, the Company must secure sufficient funding to meet its existing commitments for exploration and development programs and general and administration costs.

Management is periodically seeking additional forms of financing through the issuance of new equity instruments, the exercise of warrants, common shares and stock options to continue its operations, and while it has been successful in doing so in the past, there can be no assurance it will be able to do so in the future. Without new funding, the Company may be unable to continue its operations, and amounts realized for assets may be less than amounts reflected in these financial statements.

The address of the Company's registered office is 839 St-Joseph Est, Suite 210, Quebec City, Quebec, Canada.

### 2 Basis of preparation

These condensed consolidated interim financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS"), as defined in the Chartered Professional Accountants of Canada Handbook and adopted by the International Accounting Standards Board ("IASB") applicable to the preparation of condensed consolidated interim financial statements, including IAS 34, *Interim Financial Reporting* and using the same accounting policies and methods of computation as our most recent annual financial statements except for the change in accounting policy disclosed in Note 3. The condensed consolidated interim financial statements should be read in conjunction with the annual financial statements for the year ended June 30, 2017, which have been prepared in accordance with IFRS as issued by the IASB.

These consolidated financial statements were approved by the Board of Directors on February 28, 2018.

#### Consolidation

The consolidated financial statements include the accounts of the Company and those of its subsidiary owned at 100%, Vior Gold USA, LLC. The Company controls an entity when the Company is exposed to, or has rights to variable returns from its involvement with the entity and has the ability to affect those returns, through its power over the entity. Vior Gold USA, LLC is fully consolidated from the date on which control is obtained by the Company and is deconsolidated from the date that control ceases. All intercompany accounts and transactions are eliminated.

Non-controlling interest represents an equity interest in a subsidiary owned by an outside party. The share of net assets of the subsidiary attributable to the non-controlling interest is presented as a component of equity. Its share of net loss and comprehensive loss is recognized directly in equity. Changes in the Company's ownership interest in the subsidiary that do not result in a loss of control are accounted for as equity transactions.



# Société d'Exploration Minière Vior Inc.

Notes to Consolidated Financial Statements

For the three-month and six-month periods ended December 31, 2017 and 2016

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(expressed in Canadian dollars)

## 3 Changes in accounting policies

### New accounting standards not yet adopted

The Company has not yet adopted certain standards, interpretations to existing standards and amendments which have been issued but have an effective date of later than December 31, 2017. Many of these updates are not relevant to the Company and are therefore not discussed herein.

#### IFRS 9, *Financial instruments* ("IFRS 9")

In July 2014, the IASB issued the final standard on financial instruments on the classification and measurement, impairment and hedge accounting, to replace IAS 39 *Financial instrument: recognition and measurement*. IFRS 9 is effective for annual periods beginning on or after January 1, 2018 and this standard should be adopted on a retrospective way. The Company is currently evaluating the impact of adopting this standard.

#### IFRS 15, *Revenue from contracts with customers* ("IFRS 15")

In May 2014, the IASB issued IFRS 15 *Revenue from contracts with customers*. The objective of this new standard is to provide a single, comprehensive revenue recognition model for all contracts with customers to improve comparability. This new standard contains principles that an entity will apply to determine the measurement of revenue and timing of when it is recognized. The underlying principle is that an entity will recognize revenue to depict the transfer of goods or services to customers at an amount that the entity expects to be entitled to in exchange for those goods or services. This new standard is effective for annual periods beginning on or after January 1, 2018. Early adoption is permitted. The Company is currently evaluating the impact of adopting this standard.

#### IFRS 16, *Lease* ("IFRS 16")

This new standard published by the IASB in January 2016, establishes principles for the recognition, measurement and presentation of the leases and the disclosures about them, points of view lessee and the lessor. For accounting of the customer, there will now only one model, which requires the recognition of all assets and liabilities arising from lease contracts. This standard is effective for annual periods beginning on or after January 1, 2019. The Company is currently evaluating the impact of adopting this standard.

# Société d'Exploration Minière Vior Inc.

Notes to Consolidated Financial Statements

For the three-month and six-month periods ended December 31, 2017 and 2016

(expressed in Canadian dollars)

## 4 Other amounts receivable

	As at December 31, 2017 \$	As at June 30, 2017 \$
Partner	6,688	118,134
Others	11,156	6,395
	<u>17,844</u>	<u>124,529</u>

## 5 Mining properties

### Reconciliation of mining properties

	Exploration costs \$	Acquisition cost		Total \$
		Mining properties \$	Claims \$	
<b>Balance as at June 30, 2017</b>	592,592	160,001	68,107	820,700
Costs incurred	506,842	30,482	36,378	573,702
Mining properties abandoned, impaired or written off	(6,154)	-	(2,498)	(8,652)
Credit on duties refundable for loss and refundable tax credit for resources	(171,099)	-	-	(171,099)
<b>Balance as at December 31, 2017</b>	<u>922,181</u>	<u>190,483</u>	<u>101,987</u>	<u>1,214,651</u>

# Société d'Exploration Minière Vior Inc.

Notes to Consolidated Financial Statements

For the three-month and six-month periods ended December 31, 2017 and 2016

(expressed in Canadian dollars)

## Detail of mining properties

	N° of claims	Undivided interest %	Balance as at June 30, 2017 \$	Costs incurred \$	Mining properties abandoned, impaired or written off, credit on duties refundable for loss and refundable tax credit for resources \$	Balance as at December 31, 2017 \$
<b>Québec, Canada</b>						
Big Island Lake	69					
Acquisition costs		100	7,812	449	(2,261)	6,000
Exploration costs			22,487	-	(6,154)	16,333
			<u>30,299</u>	<u>449</u>	<u>(8,415)</u>	<u>22,333</u>
Foothills (note a)	880					
Acquisition costs		100	29,761	-	-	29,761
Exploration costs			317,452	-	-	317,452
			<u>347,213</u>	<u>-</u>	<u>-</u>	<u>347,213</u>
Ligneris	94					
Acquisition costs		100	21,200	3,573	-	24,773
Exploration costs			139,238	2,263	(764)	140,737
			<u>160,438</u>	<u>5,836</u>	<u>(764)</u>	<u>165,510</u>
Mosseau (note b)	68					
Acquisition costs		100	164,281	234	-	164,515
Exploration costs			36,742	504,546	(170,335)	370,953
			<u>201,023</u>	<u>504,780</u>	<u>(170,335)</u>	<u>535,468</u>
Veza-Noyard	10					
Acquisition costs		100	1,799	-	-	1,799
Exploration costs			76,485	-	-	76,485
			<u>78,284</u>	<u>-</u>	<u>-</u>	<u>78,284</u>
Others	-					
Acquisition costs		-	3,443	64	(237)	3,270
Exploration costs			-	33	-	33
			<u>3,443</u>	<u>97</u>	<u>(237)</u>	<u>3,303</u>
			<u>820,700</u>	<u>511,162</u>	<u>(179,751)</u>	<u>1,152,111</u>
<b>Nevada, USA</b>						
Tonya (note c)	59					
Acquisition costs		100	-	62,540	-	62,540
Exploration costs			-	-	-	-
			<u>-</u>	<u>62,540</u>	<u>-</u>	<u>62,540</u>
			<u>820,700</u>	<u>573,702</u>	<u>(179,751)</u>	<u>1,214,651</u>

# Société d'Exploration Minière Vior Inc.

## Notes to Consolidated Financial Statements

For the three-month and six-month periods ended December 31, 2017 and 2016

(expressed in Canadian dollars)

a) On March 9, 2016, the Company granted Iluka Exploration (Canada) Ltd ("Iluka") the option to acquire an initial 51% interest in the Foothills property for a consideration of exploration work totalling \$400,000 during the first year of the agreement and an additional 39% interest for a consideration of exploration work totalling \$2,100,000 no later than March 31, 2019. On August 25, 2016, the Company amended the agreement to add 140 new claims held by the Company. Iluka will pay \$25,000 plus the cost of the claims, increase from \$400,000 to \$500,000 the amount relating to the exploration work required to obtain the initial 51% interest and increase from \$2,100,000 to \$2,200,000 the amount relating to the exploration work required to obtain the additional 39% interest. As at December 31, 2017, Iluka spent \$1,204,819 on exploration work and acquired a 51% interest.

b) On March 20, 2017, the Company entered into an acquisition agreement with Ressources Tectonic Inc., 3421856 Canada Inc. and Alphonse Beaudoin on the Mosseau property, located east of Lebel-sur-Quévillon, province of Québec. As per the agreement, the Company has the option to acquire a 100% interest in 15 claims from the Mosseau property for a period of 15 months from the date of signature in consideration of \$90,000 in cash and the issuance of shares of the Company with a value of \$65,000 within 5 days following the date of approval of the Stock Exchange and an additional amount of \$60,000 and shares of the Company with a valued of \$65,000 at the end of the option period. As at December 31, 2017, the Company paid \$ 90,000 in cash and remitted \$ 65,000 worth of the Company's shares.

c) On July 28, 2017, Vior Gold USA, LLC entered into an agreement with Gold Range Company, LLC to lease 12 claims located in Pershing County, Nevada, USA. This agreement gives Vior Gold USA, LLC the exclusive right to explore, develop and mine the property. Beginning on the effective date of this agreement and ending with commercial production, Vior Gold USA, LLC will have to pay an advance royalty. This fee will be paid at the latest as follows in US \$: \$10,000 on the effective date of the agreement as well as on the first and second anniversary of the effective date of the agreement, \$15,000 on the third and fourth anniversary of the effective date of the agreement and \$25,000 on the fifth anniversary of the effective date of the agreement. For subsequent years until the start of production, an additional \$10,000 will be added on each new anniversary of the effective date of the agreement. At the start of production, a 3% royalty will be paid on the net smelter return. Gold Range Company, LLC will not receive any production royalties until Vior Gold USA, LLC has recovered the anticipated production royalty otherwise payable to Vior Gold USA, LLC. As of December 31, 2017, US \$10,000 had been paid to Gold Range Company, LLC.

In addition, Vior Gold USA, LLC staked 59 claims in August 2017.

## 6 Accounts payable and accrued liabilities

	As at december 31, 2017 \$	As at June 30, 2017 \$
Suppliers	109,890	148,186
Salaries and fringe benefits	26,810	26,773
	<u>136,700</u>	<u>174,959</u>

# Société d'Exploration Minière Vior Inc.

Notes to Consolidated Financial Statements

For the three-month and six-month periods ended December 31, 2017 and 2016

(expressed in Canadian dollars)

## 7 Share capital

Authorized

Unlimited number of common shares, voting and participatory, without par value

Issued and fully paid

The share capital issued has varied as follows:

	Six-month period ended		Year ended June 30,	
	December 31,		2017	
	2017		2017	
	Number	\$	Number	\$
Balance - Beginning of period	33,159,267	30,855,944	23,259,901	30,012,803
Warrants exercised	-	-	388,889	66,851
Stock options exercised	-	-	1,750,000	272,895
Issuance of shares for the acquisition of a mining property	-	-	360,477	65,000
Issuance of shares for cash consideration a) b) c)	11,100,000	831,571	7,400,000	526,382
Share issue expenses	-	(53,173)	-	(87,987)
Balance - End of period	44,259,267	31,634,342	33,159,267	30,855,944

a) On July 5, 2017, the Company made a \$328,000 private placement through the issuance of 4,100,000 shares of the Company at a price of \$0.08 per share along with 2,050,000 share purchase warrants giving the holder the right to subscribe for one common share of the Company at a price of \$0.12 until July 5, 2018. The offering is presented net of the value of the related warrants which was established at \$24,896. Share issue expenses of \$21,700 were incurred by the Company under the private placement.

b) On December 8, 2017, the Company made a \$120,000 private placement through the issuance of 1,500,000 shares of the Company at a price of \$0.08 per share along with 1,500,000 share purchase warrants giving the holder the right to subscribe for one common share of the Company at a price of \$0.12 until December 8, 2022. The offering is presented net of the value of the related warrants which was established at \$51,932. Share issue expenses of \$5,343 were incurred by the Company under the private placement.

c) On December 20, 2017, the Company made a \$550,000 private placement through the issuance of 5,500,000 shares of the Company at a price of \$0.10 per share along with 2,750,000 share purchase warrants giving the holder the right to subscribe for one common share of the Company at a price of \$0.15 until December 20, 2019. The offering is presented net of the value of the related warrants which was established at \$89,601. Share issue expenses of \$26,130 were incurred by the Company under the private placement.

# Société d'Exploration Minière Vior Inc.

Notes to Consolidated Financial Statements

For the three-month and six-month periods ended December 31, 2017 and 2016

(expressed in Canadian dollars)

## 8 Warrants

The following table presents warrant activity since July 1, 2016 and summarizes information about outstanding and exercisable warrants as at December 31, 2017.

	Six-month period ended		Year ended June 30,	
	December 31,		2017	
	2017	Weighted average exercise price \$	2017	Weighted average exercise price \$
	Number		Number	
Outstanding and exercisable - Beginning of period	7,450,000	0.15	638,889	0.13
Granted	6,300,000	0.13	7,700,000	0.15
Exercised	-	-	(388,889)	0.14
Matured	(7,450,000)	0.15	(500,000)	0.14
Outstanding and exercisable - End of period	6,300,000	0.13	7,450,000	0.15

The following table summarizes the maturity dates of outstanding and exercisable warrants:

The 2,050,000 outstanding and exercisable warrants at \$0.12 will mature in July 2018.

The 1,500,000 outstanding and exercisable warrants at \$0.12 will mature in December 2022.

The 2,750,000 outstanding and exercisable warrants at \$0.15 will mature in December 2019.

The fair value of warrants granted was estimated using the Black-Scholes valuation model with the following assumptions:

	Six-month period ended	Year ended
	December 31,	June 30,
	2017	2017
Risk-free interest rate	1.43%	0.57%
Expected volatility	99.641%	157.35%
Dividend yield	Nil	Nil
Expected life	2.39 years	1 year
Fair value of warrants granted	\$0.027	\$0.03

# Société d'Exploration Minière Vior Inc.

Notes to Consolidated Financial Statements

For the three-month and six-month periods ended December 31, 2017 and 2016

(expressed in Canadian dollars)

## 9 Stock options

The Company maintains a stock option plan under which certain key employees, managers, directors, consultants, service providers and investor relations service providers may be granted stock options for shares of the Company. A maximum of 3,725,926 stock options may be granted (maximum of 5% of the number of common shares outstanding in favour of key employees, managers, directors and consultants, and maximum of 2% of the number of common shares outstanding in favour of investor relations service providers).

Options granted expire after a maximum of ten years following the date of grant. There is no vesting period.

The following table presents the stock option activity since July 1, 2016 and summarizes information about fixed stock options outstanding and exercisable as at December 31, 2017.

	Six-month period ended		Year ended June 30,	
	December 31,		2017	
	2017	Weighted average	2017	Weighted average
	Number	exercise price	Number	exercise price
		\$		\$
Outstanding and exercisable - Beginning of period	405,000	0.40	2,055,000	0.16
Granted	2,975,000	0.10	100,000	0.10
Exercised	-	-	(1,750,000)	0.10
Outstanding and exercisable - End of period	3,380,000	0.14	405,000	0.40

The following table summarizes information about stock options outstanding and exercisable as at December 31, 2017:

Exercise price	Options outstanding and exercisable	Number	Weighted average remaining contractual life (years)	Weighted average exercise price
\$0.10	3,075,000		9.79	0.10
\$0.50	305,000		2.84	0.50

The fair value of stock options granted was estimated using the Black-Scholes valuation model with the following assumptions:

	Six-month period ended
	December 31,
	2,017
Risk-free interest rate	2.06%
Expected volatility	106.453%
Dividend yield	Nil
Expected life	10 years
Fair value of stock options granted	\$0.068

# Société d'Exploration Minière Vior Inc.

Notes to Consolidated Financial Statements

For the three-month and six-month periods ended December 31, 2017 and 2016

(expressed in Canadian dollars)

## 10 Search for mining properties

	Three-month periods ended		Six-month periods ended	
	December 31,		December 31,	
	2017	2016	2017	2016
	\$	\$	\$	\$
Salaries and fees	-	12,862	97	25,883
Transport	-	2,490	-	2,490
Other	-	1,875	531	1,972
	-	17,227	628	30,345

## 11 Earnings per share

The following table presents a reconciliation between the basic weighted average number of shares outstanding and the diluted weighted average number of shares outstanding.

	Three-month periods ended		Six-month periods ended	
	December 31,		December 31,	
	2017	2016	2017	2016
Basic weighted average number of shares outstanding	38,367,963	30,659,901	37,724,484	29,895,771
Stock options	144,280	8,216	-	238,604
Warrants	-	-	-	6,942
Diluted weighted average number of shares outstanding	38,512,243	30,668,117	37,724,484	30,141,317

Items excluded from the calculation of diluted net loss per share because the exercise price was greater than the average quoted value of the common shares.

	Three-month periods ended		Six-month periods ended	
	December 31,		December 31,	
	2017	2016	2017	2016
Stock options	305,000	305,000	3,380,000	305,000
Warrants	6,300,000	8,338,889	6,300,000	8,200,000





# Société d'Exploration Minière Vior Inc.

Notes to Consolidated Financial Statements

For the three-month and six-month periods ended December 31, 2017 and 2016

(expressed in Canadian dollars)

## b) Fair value hierarchy

Financial instruments recorded at fair value on the statement of financial position are classified using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following three levels:

Level 1 – valuation based on quoted prices observed in active markets for identical assets or liabilities.

Level 2 – valuation techniques based on inputs that are quoted prices of similar instruments in active markets; quoted prices for identical or similar instruments in markets that are not active; inputs other than quoted prices used in a valuation model that are observable for that instrument; and inputs that are derived principally from or corroborated by observable market data by correlation or other means.

Level 3 – valuation techniques with significant unobservable market inputs.

A financial instrument is classified to the lowest level of the hierarchy for which a significant input has been considered in measuring fair value.

The following table presents the financial instruments recorded at fair value in the consolidated statement of financial position as at December 31, 2017 and as at June 30, 2017, classified using the fair value hierarchy described above:

	As at December 31, 2017		As at June 30, 2017	
	Level 1	Level 3	Level 1	Level 3
<b>Financial assets</b>	\$	\$		\$
Shares	208,634	60,332	851,322	72,247

No transfer attributable to changes in the observability of market data was made among the fair value measurement hierarchy level during the three-month period ended December 31, 2017 and the year ended June 30, 2017.

## c) Valuation techniques that are used to measure fair value

The fair value of shares is established using the bid price on the most beneficial active market for these instruments that is readily available to the Company. When a bid price is not available, the Company uses the closing price of the most recent transaction on such instrument. If the instrument is subject to a restriction on the sale period, the fair value is discounted and the instrument is classified in level 2.

The fair value of warrants is established through the use of the Black & Scholes pricing model, which uses share price inputs and volatility measurements. If the instrument is on a sale period restriction, the fair value is discounted.

# Société d'Exploration Minière Vior Inc.

Notes to Consolidated Financial Statements

For the three-month and six-month periods ended December 31, 2017 and 2016

(expressed in Canadian dollars)

## 13 Segment reporting

The Company has one reportable operating segment being that of acquisition and exploration of mining properties. The Company hold these following mining properties in Canada and in United State of America:

	As at December 31, 2017	As at June 30, 2017
<b>Canada</b>	\$	\$
Acquisition costs	230,118	-
Exploration costs	921,993	-
Total	<u>1,152,111</u>	<u>-</u>
<b>United State of America</b>		
Acquisition costs	62,540	-
Exploration costs	-	-
Total	<u>62,540</u>	<u>-</u>

The mining property located in United States of America is held by our subsidiary Vior Gold USA, LLC. All cost incurred in the subsidiary are capitalized in the mining property.

## 14 Commitments

a) The Company has a rental lease for its administrative offices with a term of three years and one month beginning on September 1, 2017 and ending on September 30, 2020. Rent will be \$22,331 for the first year and will be adjusted on each anniversary date based on changes in operating expenses, taxes and energy costs.

b) The Company has a rental lease for its exploration offices with a term of one year beginning on October 15, 2017 and ending on October 14, 2018. Rent will be \$11,100 for the term of the rental lease.

## 15 Subsequent event

On January 5, 2018, the Company granted 300,000 stock options at an exercise price of \$0.135 to two officers. Their expiring date is January 4, 2023.