September 25, 2018

Independent Auditor's Report

To the Shareholders of
Société d'Exploration Minière Vior Inc.

We have audited the accompanying consolidated financial statements of Société d'Exploration Minière Vior Inc. and its subsidiary, which comprise the consolidated statements of financial position as at June 30, 2018 and 2017 and the consolidated statements of loss, comprehensive loss, changes in shareholders' equity and cash flows for the years then ended, and the related notes, which comprise a summary of significant accounting policies and other explanatory information.

Management's responsibility for the consolidated financial statements
Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility
Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

PricewaterhouseCoopers LLP/s.r.l./s.e.n.c.r.l.
Place de la Cité, Tour Cominar, 2640 Laurier Boulevard, Suite 1700, Québec, Quebec, Canada G1V 5C2
T: +1 418 522-7001, F: +1 418 522-5663

We believe that the audit evidence we have obtained in our audits is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of Société d'Exploration Minière Vior Inc. and its subsidiary as at June 30, 2018 and 2017 and their financial performance and their cash flows for the years then ended in accordance with International Financial Reporting Standards.

PricewaterhouseCoopers LLP[1]

[1] CPA auditor, CA, public accountancy permit No. A121191

Société d'Exploration Minière Vior Inc.

Consolidated Statements of Financial Position

(expressed in Canadian dollars)

	As at June 30, 2018 $	As at June 30, 2017 $
Assets		
Current assets		
Cash and cash equivalents	2,661,573	2,409,689
Short-term investments (note 5)	35,341	923,569
Tax credits for mining exploration and commodity taxes receivable	194,945	36,411
Other amounts receivable (note 6)	443,445	124,529
Prepaid expenses	12,363	35,168
	3,347,667	3,529,366
Mining properties (note 7)	1,235,400	820,700
Property, plant and equipment, at cost less accumulated depreciation of $10,339 ($7,008 as at June 30, 2017)	16,543	6,697
	4,599,610	4,356,763
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities (note 8)	458,626	174,959
Non current accounts payable and accrued liabilities (note 8)	45,000	-
	503,626	174,959
Equity		
Share capital (note 9)	31,631,819	30,855,944
Warrants (note 10)	166,429	227,410
Stock options (note 11)	318,045	81,928
Contributed surplus	1,756,992	1,529,582
Deficit	(29,796,921)	(29,117,745)
Accumulated other comprehensive income	19,620	604,685
	4,095,984	4,181,804
	4,599,610	4,356,763

Commitments (note 20)

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)

	Years ended June 30,	
	2018	**2017**
	$	**$**
Revenues		
Gain on short-term investments (note 5b)	544,214	5,169,381
Interest	26,616	7,531
Fees charged to a partner	140,668	164,618
Settlement of litigation	-	120,000
Gain (loss) on an investment held for trading	(72,247)	72,247
	639,251	5,533,777
Expenses		
Salaries and fringe benefits	524,671	321,103
Professional and maintenance fees	148,862	345,333
Rent and office expenses	81,202	86,684
Advertising and promotion	18,685	1,267
Share-based compensation	236,117	7,218
Travelling	37,083	14,168
Search for mining properties (note 13)	40,424	80,982
Interest and bank charges	2,038	1,270
Depreciation of property, plant and equipment	4,111	2,208
Loss on sale of a mining property	-	10,008
Cost of mining properties abandoned, impaired or written off	134,314	2,354
	1,227,507	872,595
Income (loss) before deferred tax	(588,256)	4,661,182
Deferred tax (note 14)	(90,920)	(170,343)
Net income (net loss) for the year	(679,176)	4,490,839
Per share (note 15)		
Basic net earnings (net loss)	(0.017)	0.145
Diluted net earnings (net loss)	(0.017)	0.144

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)

	Years ended June 30,	
	2018	**2017**
	$	**$**
Net income (net loss) for the year	(679,176)	4,490,839
Other comprehensive income (loss)		
Items that may be reclassified subsequently to net loss		
Unrealized gain (loss) on available-for-sale short-term investments, net of related income tax of $17,723 ($521,172 in 2017)	(114,048)	3,353,712
Reclassification of realized gains on available-for-sale short-term investments to net income, net of related income tax of $73,197 ($691,515 in 2017)	(471,017)	(4,449,865)
Other comprehensive loss for the year	(585,065)	(1,096,153)
Comprehensive income (loss) for the year	(1,264,241)	3,394,686

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
	$	$	$	$	$	$	$
Balance as at July 1, 2017	30,855,944	227,410	81,928	1,529,582	(29,117,745)	604,685	4,181,804
Net loss	-	-	-	-	(679,176)	-	(679,176)
Unrealized loss on an available-for-sale short-term investments, net of related income tax of $17,723	-	-	-	-	-	(114,048)	(114,048)
Reclassification of realized gains on an available-for-sale short-term investment to net income, net of income tax of $73,197	-	-	-	-	-	(471,017)	(471,017)
Comprehensive loss for the year	-	-	-	-	(679,176)	(585,065)	(1,264,241)
Warrants granted (note 10)	-	166,429	-	-	-	-	166,429
Warrants matured (note 10)	-	(227,410)	-	227,410	-	-	-
Stock options granted (note 11)	-	-	236,117	-	-	-	236,117
Issuance of shares for cash consideration (note 9)	831,571	-	-	-	-	-	831,571
Share-issue expenses (note 9)	(55,696)	-	-	-	-	-	(55,696)
Balance as at June 30, 2018	31,631,819	166,429	318,045	1,756,992	(29,796,921)	19,620	4,095,984

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 income (loss)	Total
	$	$	$	$	$	$	$
Balance as at July 1, 2016	30,012,803	30,254	172,604	1,506,184	(28,856,084)	1,700,838	4,566,599
Net income	-	-	-	-	4,490,839	-	4,490,839
Unrealized gain on an available-for-sale short-term investment, net of related income tax of $521,173	-	-	-	-	-	3,353,712	3,353,712
Reclassification of realized gains on an available-for-sale short-term investment to net income, net of income tax of $691,515	-	-	-	-	-	(4,449,865)	(4,449,865)
Comprehensive income for the year	-	-	-	-	4,490,839	(1,096,153)	3,394,686
Distribution of a stock dividend	-	-	-	-	(4,752,500)	-	(4,752,500)
Stock options granted (note 11)	-	-	7,218	-	-	-	7,218
Stock options exercised (note 11)	272,895	-	(97,894)	-	-	-	175,001
Warrants granted (note 10)	-	234,627	-	-	-	-	234,627
Warrants matured (note 10)	-	(23,398)	-	23,398	-	-	-
Warrants exercised (note 10)	66,851	(14,073)	-	-	-	-	52,778
Issuance of shares for the acquisition of a mining property (note 9)	65,000	-	-	-	-	-	65,000
Issuance of shares for cash consideration (note 9)	526,382	-	-	-	-	-	526,382
Share-issue expenses (note 9)	(87,987)	-	-	-	-	-	(87,987)
Balance as at June 30, 2017	30,855,944	227,410	81,928	1,529,582	(29,117,745)	604,685	4,181,804

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)

	Years ended June 30,	
	2018	2017
	$	$
Cash flows from operating activities		
Net income (net loss) for the year	(679,176)	4,490,839
Adjustments for:		
Gain on short-term investments	(544,214)	(5,169,381)
Loss (gain) on an investment held for trading	72,247	(72,247)
Share-based compensation	236,117	7,218
Depreciation of property, plant and equipment	4,111	2,208
Deferred tax	90,920	170,343
Loss on sale of a mining property	-	10,008
Cost of mining properties abandoned, impaired or written off	134,314	2,354
Departure allowance payable on a long-term basis to a senior officer	45,000	-
	(640,681)	(558,658)
Changes in items of working capital		
Tax credits for mining exploration and commodity taxes receivable	9,500	(11,238)
Other amounts receivable	(318,916)	13,606
Prepaid expenses	22,805	(17,253)
Accounts payable and accrued liabilities	284,397	73,110
	(2,214)	58,225
	(642,895)	(500,433)
Cash flows from financing activities		
Share capital, warrants and stock options issued for cash, net of share-issue expenses	942,304	900,801
	942,304	900,801
Cash flows from investing activities		
Acquisition of short-term investments	-	(120,000)
Disposition of short-term investments	684,210	1,315,075
Acquisition of mining properties and capitalized exploration costs	(742,951)	(234,217)
Disposition of a mining property	-	12,500
Change in credit on duties refundable for loss and refundable tax credit for resources	25,173	46,411
Additions to property, plant and equipment	(13,957)	(2,289)
	(47,525)	1,017,480
Increase in cash and cash equivalents	251,884	1,417,848
Cash and cash equivalents - Beginning of year	2,409,689	991,841
Cash and cash equivalents - End of year	2,661,573	2,409,689
Interest received	29,027	9,542

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

(expressed in Canadian dollars)

Additional information

Items not affecting cash and cash equivalents

	Years ended June 30,	
	2018	**2017**
	$	**$**
Related to investing activities:		
Credit on duties refundable for loss and refundable tax credit receivable for resources applied against mining properties	193,207	18,881
Acquisition of mining properties and exploration costs included in accounts payable and accrued liabilities	5,657	6,387
Issuance of shares in consideration for the acquisition of a mining property	-	65,000

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

1 General information

Société d'Exploration Minière Vior Inc. (the "Company") which is 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 consolidated financial statements ("financial statements").

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

2 Basis of preparation

These consolidated 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").

Basis of measurement

These financial statements have been prepared on a going concern basis, under the historical cost convention, except for available-for-sale instruments and for the investment in an associate, which is measured at its recoverable amount.

These financial statements were approved by the Board of Directors on September 25, 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 income (loss) and comprehensive income (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.

3 Summary of significant accounting policies

The significant accounting policies used in the preparation of these annual financial statements are described below. They have been applied consistently to all years presented.

Cash and cash equivalents

Cash and cash equivalents consist of cash on hand, balances with banks as well as a monetary fund of which the maturity is three months or less from the date of acquisition.

Short-term investments

Short-term investments consists of shares and warrants in a public company. Purchases and sales relating to the short-term investments are recognized in the financial statements on the trade date based on its classification as available-for-sale investments and as investments held for trading.

Financial instruments

Financial assets and financial liabilities are recognized when the Company becomes a party to the contractual provisions of the instrument. Financial assets are derecognized when the rights to receive cash flows from the assets have expired or have been transferred and the Company has transferred substantially all risks and rewards of ownership.

The standards require that financial assets and financial liabilities, including derivative financial instruments, be initially measured at fair value. Subsequent to initial recognition, financial assets and financial liabilities are measured based on their classification: at fair value through profit or loss, available for sale, loans and receivables or financial liabilities at amortized cost.

At fair value through profit or loss – Financial assets at fair value through profit or loss are financial assets held for trading. A financial asset is classified in this category if acquired or contracted principally for the purpose of selling in the short-term or if so designated by management. Assets in this category principally include embedded derivatives and derivatives which do not qualify for hedge accounting.

Financial instruments in this category are recognized initially and measured subsequently at fair value. Transaction costs are expensed in the consolidated statement of income (loss) ("statements of income (loss)"). Gains and losses arising from changes in fair value are presented in the statement of income (loss) in the period in which they arise.

Financial instruments in this category are included in non-current assets unless the investments mature within 12 months or management intends to dispose of them within 12 months.

The Company holds warrants in a public company in this category.

Available for sale – Available-for-sale investments are non-derivative financial instruments that are either designated in this category or not classified in any of the other categories. Financial assets classified as available for sale are recognized initially at fair value plus transaction costs and are subsequently measured at fair value. Unrealized gains and losses are recognized directly in other comprehensive income (loss), except for significant or prolonged decline in value, in which case they are recognized in the statement of income (loss). Upon derecognition of the financial asset, the accumulated gains or losses previously recognized in accumulated other comprehensive income (loss) are reclassified to the statement of income (loss).

Available-for-sale investments are included in non-current assets unless the investments mature within 12 months or management intends to dispose of them within 12 months.

The Company's financial assets classified as available for sale and included in short-term investments consist of shares in a public company.

Loans and receivables – Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Financial assets classified as loans and receivables are recognized initially at the amount expected to be received less, when material, a discount to reclass the loans and receivables to fair value. Subsequently, they are measured at amortized cost using the effective interest method less a provision for impairment. They are included in current assets except for those with maturities greater than 12 months after the reporting period, which would be classified as non-current assets.

The Company's loans and receivables consist of cash, cash equivalents and other amounts receivable in the consolidated statement of financial position.

Financial liabilities at amortized cost – Financial liabilities consist of accounts payable and accrued liabilities and the departure allowance payable to a senior officer and are initially recognized at the amount required to be paid less, when material, a discount to reduce the payable to fair value. Subsequently, they are measured at amortized cost using the effective interest method, which corresponds to par value due to their short-term maturity. They are classified as current liabilities if the payment is due within 12 months. Otherwise, they are presented as non-current liabilities.

Impairment of financial assets

At each reporting date, the Company assesses whether there is objective evidence that a financial asset is impaired. If such evidence exists, the Company recognizes an impairment loss, as follows:

i) Financial assets carried at amortized cost: The loss is the difference between the amortized cost of the loan or receivable and the present value of the estimated future cash flows, discounted using the instrument’s original effective interest rate. The carrying amount of the asset is reduced by this amount either directly or indirectly through the use of an allowance account.

ii) Available-for-sale financial assets: The impairment loss is the difference between the original cost of the asset and its fair value at the measurement date, less any impairment losses previously recognized in the statement of income (loss). This amount represents the loss in accumulated other comprehensive income (loss) that is reclassified to the statement of income (loss).

Impairment losses on financial assets carried at amortized cost and available-for-sale debt securities are reversed in subsequent periods if the amount of the loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized. Impairment losses on available-for-sale equity instruments are not reversed.

Property, plant and equipment and depreciation

Property, plant and equipment are recorded at cost less accumulated depreciation and impairment, and are depreciated using the straight-line method over their estimated useful lives ranging from five to ten years, which is considered appropriate to reduce the carrying amounts to estimated residual values of the assets. Cost includes expenditures that are directly attributable to the acquisition of the assets. Residual values, method of depreciation and useful lives of the assets are reviewed annually and adjusted if appropriate.

Mining properties

The Company records its acquisition of interests in mining properties and areas of geological interest at cost less option payments received and other recoveries. These acquisition costs are recognized as intangible assets. Exploration costs related to these interests and projects are capitalized on the basis of specific claim blocks or areas of geological interest until the mining properties to which they relate are placed into production, sold or abandoned. These exploration costs are recognized as tangible assets. These costs will be amortized over the estimated recoverable resources in the current mine plan using the unit of production method or written off if the mining properties are sold or projects are abandoned. General exploration costs not related to specific mining properties are expensed as incurred.

Although management has taken actions to verify the ownership rights for mining properties in which the Company owns an interest in accordance with industry standards for the current exploration phase of these properties, these procedures give no assurance to the Company as to title. The title to property may be subject to unrecognized prior agreements and not compliant with regulatory requirements.

Mining properties are reviewed for impairment at each reporting date whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the mining property exceeds its recoverable amount. The recoverable amount is the higher of the mining property's fair value less costs of disposal and value in use. Value in use is determined using the present value of the future cash flows expected to be derived from an asset. Impairment losses are recognized in the statement of income (loss) under caption *Cost of mining properties abandoned, impaired or written off.*

For the purpose of assessing impairment, mining properties are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Impairments are reviewed for potential reversals at each reporting date. Impairment can be reversed but is limited to the carrying amount that would have been determined net of depreciation, as if no impairment to the carrying amount would have been recognized.

Joint arrangements

The Company conducts exploration on some mining properties through joint operations where the joint arrangement participants are bound by a contractual agreement establishing joint control over the assets of the joint arrangement. As for joint operations, each party recognizes its rights to the assets, liabilities, revenues and expenses of the arrangement.

Provisions

Provisions for environmental restoration, restructuring costs and legal claims, where applicable, are recognized when : (i) the Company has a present legal or constructive obligation as a result of past events; (ii) it is more likely than not that an outflow of resources will be required to settle the obligation; and (iii) the amount can be reliably estimated.

Provisions are measured at management's best estimate of the expenditure required to settle the obligation at the end of the reporting period, and are discounted to present value where the effect is material. The increase in the provision due to passage of time is recognized as interest expense. Changes in assumptions or estimates are reflected in the period in which they occur.

Provision for environmental restoration represents the legal and constructive obligations associated with the eventual closure of the Company's property, plant and equipment. These obligations consist of costs associated with reclamation and monitoring of activities and the removal of tangible assets. The discount rate used is based on a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability, excluding the risks for which future cash flow estimates have already been adjusted.

The Company had no provisions as at June 30, 2018 and 2017.

Credit on duties refundable for loss and refundable tax credit for resources

The Company is entitled to a credit on duties refundable for loss of 8% under the *Mining Duties Act* and a refundable tax credit for resources which may reach 31% under the *Quebec Income Tax Act*. Those credits are calculated on qualified exploration expenditures incurred in the province of Quebec. Those credits are accounted for using the cost reduction method. Accordingly, they are recorded as a reduction of the related expenses or capital expenditures in the year the expenses are incurred provided there is reasonable assurance that the Company has complied with all the conditions related to those credits and that those credits will be received.

Share capital

Share capital issued for non-monetary consideration is generally recorded at the quoted market price of the shares on the date of agreement relating to their issue. Share-issue expenses are recorded as a reduction of shares.

Flow-through shares

The Company finances some exploration expenditures through the issuance of flow-through shares. The resource expenditure deductions for income tax purposes are renounced to investors in accordance with the appropriate income tax legislation. The difference between the quoted price of the common shares and the amount the investors pay for the shares ("premium"), measured in accordance with the residual value method, is recognized as a liability which is reversed to the statement of income (loss) as a deferred tax recovery when eligible expenditures have been made.

The Company recognizes a deferred tax liability for the expenses renounced and a deferred tax expense at the moment the eligible expenditures are made.

Warrants

The fair value of warrants is measured on the date of grant. The fair value of warrants granted is measured using the Black-Scholes option-pricing model, taking into account the terms and conditions upon which the warrants were granted. When warrants are issued as compensation to brokers, on the date of grant, the fair value of warrants is recognized as a share-issue expense and is recorded as a reduction of share capital.

Share-based compensation plan

The Company has established a share-based compensation plan, which is described in note 11 of the financial statements. The Company accounts for compensation costs for all forms of share-based compensation awarded to employees and non-employees, including stock options, using a fair value-based method.

Fair value is measured on the date of grant. The fair value of options granted is measured using the Black-Scholes option-pricing model, taking into account the terms and conditions upon which the options were granted. On the date of grant, the fair value of stock options is recognized as an expense under caption *Share-based compensation* using the graded vesting method. Upon the exercise of stock options, any consideration received from plan members is credited to share capital and the fair value of the exercised stock options is reclassified from Stock options to Share capital.

Income taxes

The Company provides for income taxes using the liability method. Under this method, deferred tax assets and liabilities are determined based on deductible or taxable temporary differences between the carrying amount and tax bases of assets and liabilities using enacted or substantively enacted income tax rates expected to be in effect for the year in which the differences are expected to reverse. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the financial position reporting date.

A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized.

Deferred tax assets and liabilities are presented as non-current and are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when deferred tax assets and liabilities arising from the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

Revenue recognition

Interest on cash and cash equivalents, calculated using the effective interest method, is recognized in the statement of income (loss) as part of interest income on an accrual basis.

The fees invoiced to partners are recognized when the services are provided as project operator.

Basic and diluted earnings per share

Basic earnings per share are determined using the weighted average number of common shares outstanding during the year.

Diluted earnings per share are determined using the weighted average number of common shares outstanding during the year, plus the effects of dilutive potential common shares outstanding during the year. For stock options and warrants, the calculation of diluted earnings per share is made using the treasury stock method, as if all dilutive potential common shares had been issued at the later of the beginning of the year or the date of issuance, as the case may be, and as if the funds obtained thereby had been used to purchase common shares of the Company at the average market value of the participating shares during the year.

Segment reporting

The Company currently operates in one business segment, being the acquisition and the exploration of mining properties. All of the Company's mining properties are located in Quebec, Canada except for one property located in Nevada, USA.

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 June 30, 2018. Many of these updates are not relevant to the Company and are therefore not discussed herein.

IFRS 2, *Share-based payment* ("IFRS 2")

The IASB issued amendments to IFRS 2, *Share-based payment*, in June 2016. Changes have been made to address certain matters relating to the recognition of (i) cash-settled awards and (ii) equity-settled awards with net settlement terms for employee withholding taxes. The amendments to this standard are effective for fiscal years beginning on or after January 1, 2018. The Company has determined that the adoption of IFRS 2 will not have a material impact on its consolidated financial statements.

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

In July 2014, the IASB issued the final standard on financial instruments dealing with 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 retrospectively. 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, *Leases* ("IFRS 16")

This new standard issued by the IASB in January 2016, establishes principles for the recognition, measurement and presentation of the leases and the disclosures about them, from the points of view of the lessee and the lessor. For accounting of the lessee, there will be 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.

4 Critical accounting estimates and judgments

The preparation of financial statements in conformity with IFRS requires the Company to make judgments, 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. These financial statements include estimates that, by their nature, are uncertain. The impacts of such estimates are pervasive throughout the financial statements, and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised and future periods if the revision affects both current and future periods. These judgments, estimates and assumptions are based on historical experience, current and future economic conditions and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

a) Critical accounting estimates and assumptions

Critical accounting estimates and assumptions are those that have a significant risk of causing material adjustment and are often applied to matters or outcomes that are inherently uncertain and subject to change. As such, management cautions that future events often vary from forecasts and expectations and that estimates routinely require adjustment. The following discusses the most significant accounting estimates and assumptions that the Company has made in the preparation of the financial statements.

Mining properties

The Company’s evaluation of the recoverable amount with respect to the mining properties is based on numerous assumptions including long-term commodity prices, future capital requirements, exploration potential and operations performance and may differ significantly from actual values. The recoverable amounts are based, in part, on certain factors that may be partially or totally outside of the Company’s control. This evaluation involves a comparison of the estimated recoverable amounts of mining properties to carrying values. Assets are reviewed for an indication of impairment at each reporting date and when there are indicators of impairment. This determination requires significant judgment. Factors which could trigger an impairment review include, but are not limited to, interruptions in exploration activities and significant negative industry or economic trends.

Deferred tax assets and liabilities

Deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amount of existing assets and liabilities and their respective tax bases. The determination of the ability of the Company to utilize tax losses carry-forwards to offset deferred tax liabilities requires management to exercise judgment and make certain assumptions about the future performance of the Company. Management is required to assess whether it is “probable” that the Company will benefit from these prior losses and other deferred tax assets.

Changes in economic conditions, commodity prices and other factors could result in revisions to the estimates of the benefits to be realized or the timing of utilizing the losses.

(expressed in Canadian dollars)

b) Critical judgments in applying the entity's accounting policies

Short-term investments

At each reporting date, the Company assesses whether there is objective evidence that a financial asset is impaired. Objective evidence of an impairment loss includes: (i) significant financial difficulty of the debtor; (ii) delinquencies in interest or principal payments; (iii) increased probability that the borrower will enter bankruptcy or other financial reorganization; and (iv) in the case of equity securities, a significant or prolonged decline in the fair value of the security below its cost. Assumptions used to calculate the fair value are described in note 17b.

5 Short-term investments

a) Variation of short-term investments

	As at June 30,	
	2018	**2017**
	$	**$**
Balance - Beginning of year	923,569	2,896,012
Acquisitions	-	148,000
Distribution of a stock dividend	-	(4,752,500)
Disposals	(684,210)	(1,315,075)
Change in fair value	(204,018)	3,947,132
Balance - End of year	35,341	923,569

b) Gain on short-term investments

	As at June 30,	
	2018	**2017**
	$	**$**
Gain on sale of short-term investments	544,214	5,141,381
Other gain(1)	-	28,000
	544,214	5,169,381

(1) Corresponds to the amount by which fair value exceeds the consideration on initial registration of a temporary investment.

6 Other amounts receivable

	As at June 30,	
	2018	**2017**
	$	**$**
Exploration partner	436,212	118,134
Others	7,233	6,395
	443,445	124,529

(expressed in Canadian dollars)

7 Mining properties

Reconciliation of mining properties

		Acquisition cost		
	Exploration costs	Mining properties	Claims	Total
	$	$	$	$
Balance as at June 30, 2016	554,341	7,925	57,363	619,629
Costs incurred	73,013	160,001	11,800	244,814
Mining properties abandoned, impaired or written off	(15,881)	(7,925)	(1,056)	(24,862)
Credit on duties refundable for loss and refundable tax credit for resources	(18,881)	-	-	(18,881)
Balance as at June 30, 2017	592,592	160,001	68,107	820,700
Costs incurred	601,314	103,027	37,880	742,221
Mining properties sold, abandoned, impaired or written off	(120,753)	-	(13,561)	(134,314)
Credit on duties refundable for loss and refundable tax credit for resources	(193,207)	-	-	(193,207)
Balance as at June 30, 2018	879,946	263,028	92,426	1,235,400

(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 June 30, 2018 $
Québec, Canada						
Big Island Lake (note f)	69					
Acquisition costs		49	7,812	962	(2,261)	6,513
Exploration costs			22,487	2,527	(7,007)	18,007
			30,299	3,489	(9,268)	24,520
Foothills (note a)	568					
Acquisition costs		49	29,761	-	(10,552)	19,209
Exploration costs			317,452	-	(112,550)	204,902
			347,213	-	(123,102)	224,111
Ligneris	94					
Acquisition costs		100	21,200	3,574	-	24,774
Exploration costs			139,238	12,165	(3,796)	147,607
			160,438	15,739	(3,796)	172,381
Mosseau (note b)	53					
Acquisition costs		100	164,281	23,449	-	187,730
Exploration costs			36,742	555,314	(187,474)	404,582
			201,023	578,763	(187,474)	592,312
Vezza-Noyard	10					
Acquisition costs		100	1,799	-	-	1,799
Exploration costs			76,485	123	(42)	76,566
			78,284	123	(42)	78,365
Others	-					
Acquisition costs		-	3,443	337	(749)	3,031
Exploration costs			-	3,122	(3,090)	32
			3,443	3,459	(3,839)	3,063
			820,700	601,573	(327,521)	1,094,752
Nevada, USA						
Tonya (notes d and e)	59					
Acquisition costs		100	-	112,585	-	112,585
Exploration costs			-	28,063	-	28,063
			-	140,648	-	140,648
			820,700	742,221	(327,521)	1,235,400

(expressed in Canadian dollars)

Detail of mining properties

	N° of claims	Undivided interest %	Balance as at June 30, 2016 $	Costs incurred $	Mining properties sold, abandoned, impaired or written off, credit on duties refundable for loss and refundable tax credit for resources $	Balance as at June 30, 2017 $
Big Island Lake	95					
Acquisition costs		100	4,420	3,523	(131)	7,812
Exploration costs			7,775	22,615	(7,903)	22,487
			12,195	26,138	(8,034)	30,299
Douay West (note c)	-					
Acquisition costs		-	7,925	-	(7,925)	-
Exploration costs			14,583	-	(14,583)	-
			22,508	-	(22,508)	-
Foothills (note a)	840					
Acquisition costs		49	30,687	-	(926)	29,761
Exploration costs			318,481	-	(1,029)	317,452
			349,168	-	(1,955)	347,213
Ligneris	94					
Acquisition costs		100	18,487	2,713	-	21,200
Exploration costs			136,849	3,607	(1,218)	139,238
			155,336	6,320	(1,218)	160,438
Mosseau (note b)	53					
Acquisition costs		100	-	164,281	-	164,281
Exploration costs			-	46,760	(10,018)	36,742
			-	211,041	(10,018)	201,023
Vezza-Noyard	10					
Acquisition costs		100	1,406	393	-	1,799
Exploration costs			76,464	31	(10)	76,485
			77,870	424	(10)	78,284
Others	-					
Acquisition costs		-	2,552	891	-	3,443
Exploration costs			-	-	-	-
			2,552	891	-	3,443
			619,629	244,814	(43,743)	820,700

All mining properties are located in the province of Quebec.

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 June 30, 2018, Iluka spent $1,317,589 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, 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. On June 20, 2018, the option was extended from 15 months to 27 months and the cash payment of $60,000 and the issue of shares of the Company having a value of $65,000 at the end of the period 15 months were replaced by a cash payment of $22,500 on the date of the 15th month of signature and a cash payment of $102,500 on the date of the 27th month of the date of the signature. As at June 30, 2018, the Company paid $112,500 in cash and remitted $65,000 worth of the Company's shares.

c) On March 21, 2017, the Company sold to Aurvista Gold Corporation a 10% interest in the 5 claims of the Douay West property in consideration of $12,500. The loss of $10,008 arising from this transaction is presented in the financial statements under the caption *Loss on sale of a mining property*.

d) 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 dollars: $10,000 on the effective date of the agreement as well as on the first and second anniversaries of the effective date of the agreement, $15,000 on the third and fourth anniversaries 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 at June 30, 2018, US $10,000 had been paid to Gold Range Company, LLC.

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

e) On March 14, 2018, Vior Gold USA, LLC entered into an agreement with Michiels Family Associates, Inc. and Whitred Holdings, LLC, for the acquisition of the surface rights to the Tonya property for US $400,000 payable as follows: $20,000 upon signature of the agreement, a monthly amount of $1,000 for 24 months following the signing of the agreement, a monthly amount of $1,700 for the next 24 months following the first payment period, a monthly amount of $2,000 for the next 12 months following the second payment period and the balance $291,200 within 10 business days after the end of the third payment period. Vior Gold USA, LLC may terminate this agreement at any time without additional payment or penalty. If Vior Gold USA, LLC moves from the exploration stage to the construction of a mine or mineral extraction, the remaining balance will become due and payable within 60 days of the commencement of construction of the mine or of mineral extraction. As at June 30, 2018, US $23,000 had been paid to Michiels Family Associates, Inc. and Whitred Holdings, LLC.

f) On May 1, 2018, the Company granted Iluka the option to acquire an initial 51% interest in the Big Island Lake property for a consideration of exploration work totalling $200,000 before March 31, 2019, and an additional 39% interest for a consideration of exploration work totalling $1,500,000 no later than March 31, 2021. As at June 30, 2018, Iluka spent $315,616 on exploration work and acquired a 51% interest.

(expressed in Canadian dollars)

8 Accounts payable and accrued liabilities

	As at June 30, 2018 $	As at June 30, 2017 $
Suppliers	370,815	148,186
Commodity taxes payable	19,653	-
Salaries and fringe benefits	23,158	26,773
Departure allowance to a senior officer (1)	90,000	-
	503,626	174,959

(1) Include a long-term portion of $ 45,000.

9 Share capital

Authorized
Unlimited number of common shares, voting and participating, without par value

Issued and fully paid

The share capital issued has varied as follows:

	Years ended June 30,			
	2018		2017	
	Number	$	Number	$
Balance - Beginning of year	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) (d)	11,100,000	831,571	7,400,000	526,382
Share-issue expenses	-	(55,696)	-	(87,987)
Balance - End of year	44,259,267	31,631,819	33,159,267	30,855,944

a) On July 20, 2016, the Company made a $740,000 private placement through the issuance of 7,400,000 of its shares at a price of $0.10 per share along with 7,400,000 share purchase warrants giving the holder the right to subscribe for one common share of the Company at a price of $0.15 until July 20, 2017. The offering is presented net of the value of the related warrants, which was established at $213,618. Share issue expenses of $79,693 were incurred by the Company under the private placement including 300,000 warrants at a price of $ 0.15 for a 12-month period as intermediation fees.

b) 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.

(expressed in Canadian dollars)

c) 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.

d) 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 $28,653 were incurred by the Company under the private placement.

10 Warrants

The following statements presents warrant activity since July 1, 2016 and summarizes information about outstanding and exercisable warrants as at June 30, 2018.

	Years ended June 30,			
	2018		2017	
	Number	Weighted average exercise price $	Number	Weighted average exercise price $
Outstanding and exercisable - Beginning of year	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 year	6,300,000	0.13	7,450,000	0.15

The following statements 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 2,750,000 outstanding and exercisable warrants at $0.15 will mature in December 2019.
The 1,500,000 outstanding and exercisable warrants at $0.12 will mature in December 2022.

(expressed in Canadian dollars)

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

	Years ended June 30, 2018	Years ended June 30, 2017
Risk-free interest rate	1.43%	0.57%
Expected volatility	99.64%	157.35%
Dividend yield	Nil	Nil
Expected life	2.39 years	1 year
Fair value of warrants granted	$0.027	$0.030

11 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. Options vest when granted.

The following table presents the stock options activity since July 1, 2016 and summarizes information about fixed stock options outstanding and exercisable as at June 30, 2018:

	Years ended June 30,			
	2018		2017	
	Number	Weighted average exercise price $	Number	Weighted average exercise price $
Outstanding and exercisable - Beginning of year	405,000	0.40	2,055,000	0.16
Granted	3,275,000	0.10	100,000	0.10
Exercised	-	-	(1,750,000)	0.10
Outstanding and exercisable - End of year	3,680,000	0.14	405,000	0.40

(expressed in Canadian dollars)

The following table summarizes information about stock options outstanding and exercisable as at June 30, 2018:

Exercise price	**Options outstanding and exercisable Number**	**Weighted average remaining contractual life (years)**	**Weighted average exercise price** $
$0.10	3,075,000	9.29	0.10
$0.135	300,000	4.52	0.135
$0.50	305,000	2.34	0.50

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

	Years ended June 30,	
	2018	**2017**
Risk-free interest rate	2.06%	1.49%
Expected volatility	108.300%	105.85%
Dividend yield	Nil	Nil
Expected life	9,5 years	10 years
Fair value of stock options granted	$0.072	$0.072

12 Compensation of key management

Key management includes the directors, the president, the vice-president exploration and the chief financial officer. The short-term employee benefits include salaries for key management and fees for directors. The share-based payments are grants of stock options of the Company.

Compensation awarded to key management included:

	Years ended June 30,	
	2018 $	**2017** $
Short-term employee salaries and benefits	494,982	295,197
Long-term employee salaries and benefits	45,000	-
Share-based compensation	220,865	7,218
Total compensation of key management	760,847	302,415

(expressed in Canadian dollars)

13 Search for mining properties

	Years ended June 30, 2018	2017
	$	$
Salaries and fees	33,564	66,436
Transport	3,167	6,974
Analysis	-	2,038
Other	3,693	5,534
	40,424	80,982

14 Deferred tax

The major component of the income tax provision is as follows:

	Years ended June 30, 2018	2017
	$	$
Deferred income tax recovery	(90,920)	(170,343)

The reconciliation of income taxes, calculated using the combined federal and Quebec provincial statutory tax rates, to income taxes presented in the financial statements is detailed as follows:

	Years ended June 30, 2018	2017
	$	$
Income (loss) before deferred tax	(588,256)	4,661,182
Combined federal and provincial income tax rate of 26.75%	157,358	(1,251,527)
Share-issue expenses not affecting earnings	14,899	23,625
Non-deductible expenses	(64,011)	-
Difference between current and future tax rates	47,453	(282,252)
Change in unrecognized deferred tax assets	(245,584)	355,943
Comprehensive income (loss) not affecting earnings	-	978,352
Other	(1,035)	5,516
Deferred tax recovery	(90,920)	(170,343)

(expressed in Canadian dollars)

The significant components of the deferred tax assets and liabilities are as follows:

Recognized deferred tax assets and liabilities:

	As at June 30, 2018 $	As at June 30, 2017 $
Deferred tax assets		
Non-capital losses	20,251	157,619
	20,251	157,619
Deferred tax liabilities		
Short-term investments	(4,420)	(119,184)
Mining properties	(15,831)	(38,435)
	(20,251)	(157,619)
Presented in the consolidated statement of financial position as follows:		
Deferred tax assets	-	-
Deferred tax liabilities	-	-

Unrecognized deferred tax assets:

	As at June 30, 2018 $	As at June 30, 2017 $
Non-capital losses	740,440	528,659
Property, plant and equipment and intangible assets	14,660	13,453
Share-issue expenses	27,298	21,324
Mining properties	157,079	154,461
Others	36,487	12,482
	975,964	730,379

In assessing the realizability of deferred tax assets, management considers whether it is more likely than not that some portion or all of the deferred tax assets will be realized. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable income.

As at June 30, 2018, the Company has non-capital losses of $2,898,167 at the federal level and $2,834,485 at the provincial level ($2,616,388 at the federal level and $2,554,955 at the provincial level as at June 30, 2017) available to reduce taxable income in future years. These losses expire at various dates between 2029 and 2038.

(expressed in Canadian dollars)

The movement in deferred income tax assets and liabilities during the year, without taking into consideration the offsetting of balances within the same tax jurisdiction, is as follows:

Deferred tax assets

	Non-capital losses	Capital losses	Total
	$	$	$
As at July 1, 2016	183,986	239,588	423,574
Charged to the statement of income (loss)	(26,367)	(239,588)	(265,955)
As at June 30, 2017	157,619	-	157,619
Charged to the statement of income (loss)	(137,368)	-	(137,368)
As at June 30, 2018	20,251	-	20,251

Deferred tax liabilities

	Short-term investments	Mining properties	Total
	$	$	$
As at July 1, 2016	382,574	41,000	423,574
Credited to the statement of income (loss)	(93,046)	(2,565)	(95,611)
Credited to other comprehensive income (loss)	(170,344)	-	(170,344)
As at June 30, 2017	119,184	38,435	157,619
Credited to the statement of income (loss)	(23,844)	(22,604)	(46,448)
Credited to other comprehensive income (loss)	(90,920)	-	(90,920)
As at June 30, 2018	4,420	15,831	20,251

Deferred tax assets and liabilities in the amount of $20,251 will be realized after more than 12 months.

As at June 30, 2018, the non-refundable federal investment tax credits were as follows:

Expiry Date	Federal
	$
2025	10,225
2026	1,972
2027	687
2028	2,307
2029	259
2030	1,098

These credits can be used up to the amount of income taxes payable for those years. The non-refundable federal investment tax credits are not recognized because there is no reasonable assurance that the credits will be realized.

(expressed in Canadian dollars)

15 Earnings per share

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

	2018	2017
Basic weighted average number of shares outstanding	40,965,020	31,016,473
Number of stock options	2,782	156,515
Number of warrants	-	3,634
Diluted weighted average number of shares outstanding	40,967,802	31,176,622

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

Stock options	605,000	305,000
Warrants	6,300,000	7,450,000

b) On March 6, 2017, the Company declared a dividend in share of Aurvista Gold Corporation («Aurvista») payable on March 20, 2017 to shareholders of record as of the close of business on March 15, 2017. The dividend value was $0.345 per share of Aurvista and 13,775,358 shares of Aurvista were distributed for a value of $4,752,500.

16 Capital management

The Company considers the items included in equity for an amount of $4,095,984 ($4,181,804 in 2017) as capital components.

The Company manages and adjusts its capital structure, based on the funds available to it, in order to support the acquisition and exploration of mining properties. Given that the Company is in the mineral exploration business, the Board of Directors does not establish quantitative return on capital criteria for its management, but rather relies on the expertise of the Company's management to sustain the future development of the business.

In the opinion of management, working capital as at June 30, 2018, will cover the cost of current expenses and the exploration expenditures for the next year.

The properties in which the Company currently has an interest are in the exploration stage; as such, the Company is dependent on external financing to fund its activities. In order to carry out the planned exploration and pay for administrative costs, the Company will spend its existing working capital and raise additional amounts as needed. The Company will continue to assess new properties and seek to acquire an interest in additional properties if it considers there is sufficient geologic or economic potential and if it has adequate financial resources to do so.

Other operations that affect equity are presented in the statements of changes in equity.

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the size of the Company, is reasonable.

There was no change in the approach used by the Company for its capital management for the year ended June 30, 2018.

The Company is not subject to externally imposed capital requirements.

(expressed in Canadian dollars)

17 Financial instruments and fair value measurement

a) Financial instruments

The classification of financial instruments as at June 30, 2018 and 2017 is summarized as follows:

				As at June 30, 2018	
				Carrying value	Fair value
	Available-for-sale	Loans and receivables	Financial liabilities at amortized cost	Total	Total
	$	$	$	$	$
Financial assets					
Cash and cash equivalents	-	2,661,573	-	2,661,573	2,661,573
Short-term investments	35,341	-	-	35,341	35,341
Other amounts receivable	-	443,445	-	443,445	443,445
	35,341	3,105,018	-	3,140,359	3,140,359
Financial liabilities					
Accounts payable and accrued liabilities	-	-	422,243	422,243	422,243
Departure allowance to a senior officer	-	-	45,000	45,000	45,000
	-	-	467,243	467,243	467,243

					As at June 30, 2017	
					Carrying value	Fair value
	At fair value through profit or loss	Available-for-sale	Loans and receivables	Financial liabilities at amortized cost	Total	Total
	$	$	$	$	$	$
Financial assets						
Cash and cash equivalents	-	-	2,409,689	-	2,409,689	2,409,689
Short-term investment	72,247	851,322	-	-	923,569	923,569
Other amounts receivable	-	-	124,529	-	124,529	124,529
	72,247	851,322	2,534,218	-	3,457,787	3,457,787
Financial liabilities						
Accounts payable and accrued liabilities	-	-	-	153,221	153,221	153,221
	-	-	-	153,221	153,221	153,221

The Company's assets at fair value through profit or loss consist of warrants. Available-for-sale assets consist of shares in a public company. Cash and cash equivalents, other amounts receivable and accounts payable and accrued liabilities are financial instruments whose carrying value approximates their fair value due to their short-term maturity.

(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 statement of financial position as at June 30, 2018 and as at June 30, 2017, classified using the fair value hierarchy described above:

	As at June 30, 2018		As at June 30, 2017	
	Level 1	Level 3	Level 1	Level 3
Financial assets	$		$	$
Shares	35,341	-	851,322	-
Warrants	-	-	-	72,247

No transfer attributable to changes in the observability of market data was made among the fair value measurement hierarchy levels during the year ended June 30, 2018.

On March 31, 2017, the Company transferred, from level 2 to level 1, an amount of $109,068 of common shares that were no longer on a sale period restriction.

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, wich uses share price inputs and volatility measurements. If the instrument is on a sale period restriction, the fair value is discounted.

d) Financial risk factors

The Company`s activities expose it to various financial risks, such as credit risk, liquidity risk and market risk.

Credit risk

Credit risk is the risk of loss associated with counterparty's inability to fulfill its payment obligations. The Company's credit risk is primarily attributable to cash and cash equivalent, short-term investments and other amounts receivable. The maximum exposure to credit risk approximates the amount recognized on the statement of financial position. The Company does not hold any collateral as security. Financial assets included in other amounts receivable consist of interest and amounts receivable from a partner. The credit risk related to these amounts is due to the partners' possible inability to settle their debts. Management believes that the credit risk with respect to financial assets included in amounts receivable is remote, as the Company signed an agreement with a major mining company and that the credit risk related to amounts receivable from a partner is nil, this partner having already paid these amounts. The credit risk related to cash and cash equivalent is limited because the Company deals with a Canadian bank with a high credit rating and its subsidiaries. The Company minimizes its exposure to issuer risk by investing only in products having a high-quality investment-grade rating. Exposure to these risks is closely monitored and maintained within the limits stated in the investment policy of the Company, which is revised regularly.

Liquidity risk

Liquidity risk is the risk that the Company may be unable to fulfill its financial obligations related to financial liabilities. The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidities to meet liabilities when due. As at June 30, 2018, the Company had a cash balance of $2,661,573, ($2,409,689 as at June 30, 2017) to settle current liabilities of $458,626 ($174,959 as at June 30, 2017). All of the Company's financial liabilities have contractual maturities of less than 30 days and are subject to normal trade terms.

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk includes interest rate risk, currency risk and other price risks such as equity risk.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market interest rates. The Company's current policy is to invest excess cash principally in term deposits or in interest-bearing accounts held with a Canadian bank and its subsidiaries.

For the year ended June 30, 2018, a 1% increase or decrease in interest rates on interest-bearing bank balances would result in an estimated impact of $24,644 (impact of $23,858 for the year ended June 30, 2017) on the statements of income (loss) and comprehensive income (loss).

Currency risk

The Company's functional currency is the Canadian dollar, and virtually all of its purchases are made in this currency. As a result, the Company's exposure to currency risk is minimal.

Equity risk

Equity risk is the risk that the fair value of a financial instrument varies due to equity market changes. An investment policy is in place and its application is monitored by the Board of Directors on a quarterly basis.

Changes in fair value of available-for-sale shares are recorded in other comprehensive income (loss). A variation of ±10% of the quoted market prices as at June 30, 2018 would have had a $3,059 after-tax effect on other comprehensive income (loss) ($73,820 for the year ended June 30, 2017).

(expressed in Canadian dollars)

Change in fair value of warrants at fair value through profit or loss are recorded in the statements of income (loss). A variation of ± 10% in market prices as at June 30, 2018 would result in an estimated after-tax effect in the statements of income (loss) of nil ($6,253 for the year ended June 30, 2017).

18 Related party transactions

The Company entered into the following transactions with companies owned by directors:

	2018	**2017**
	$	**$**
Rent and office expenses	-	19,800

These transactions were carried out in the normal course of operations and are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

Rent and office expenses are issued from renting office space.

19 Segment reporting

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

	As at June 30, 2018	**As at June 30, 2017**
Canada	**$**	**$**
Acquisition costs	243,056	228,296
Exploration costs	851,696	592,404
Total	1,094,752	820,700
United States of America		
Acquisition costs	112,585	-
Exploration costs	28,063	-
Total	140,648	-

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

20 Commitments

The Company has leases for its two administrative offices. The minimum future lease payments required to meet its obligations are $29,184, $25,946 and $6,487 per year for the next three years.