



VIOR

Management's Discussion & Analysis For the Year Ended June 30, 2015

Any statement or reference to dollar amounts herein shall mean lawful money of Canada unless otherwise indicated.

Scope of Management's Financial Analysis

The following analysis should be read in conjunction with the annual audited financial statements of Société d'Exploration Minière Vior Inc. (the "Company" or "Vior") and the accompanying notes for the years ended June 30, 2015 and 2014. The financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB").

Forward-Looking Statements

This document contains forward-looking information and statements, which constitute "forward-looking information" under Canadian securities law and which may be material regarding, among other things, the Company's beliefs, plans, objectives, estimates, intentions and expectations. Forward-looking information and statements are typically identified by words such as "anticipate", "believe", "expect", "estimate", "forecast", "goal", "intend", "plan", "will", "may", "should", "could" and similar expressions. Specific forward-looking information in this document includes, but not limited to, statements with respect to the Company's future operating and financial results, its exploration activities, its capital expenditure plans and the ability to execute on its future operating, investing and financing strategies.

These forward-looking information and statements, by their nature, necessarily involve risks and uncertainties that could cause actual results to differ materially from those contemplated by these forward-looking statements. We consider the assumptions on which these forward-looking statements are based to be reasonable, but caution the reader that these assumptions regarding future events, many of which are beyond our control, may ultimately prove to be incorrect since they are subject to risks and uncertainties that affect the Company. We disclaim any obligation to update any such factors or to publicly announce any revisions to any of the forward-looking statements contained herein to reflect future results, events or developments, unless required to do so by a governmental authority or by applicable law.

Nature of Activities

The Company, which is governed by the *Quebec Business Corporations Act*, specializes in the acquisition and exploration of mining properties. It has not yet determined whether its mining properties contain ore reserves that are economically recoverable. Whether mining property costs can be recovered depends on the existence of economically recoverable reserves, the Company's ability to obtain the financing necessary to continue exploring and developing the properties and enter into commercial production, or proceeds from the disposal of properties. The Company will have to raise additional funds periodically to continue 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.

The Company is engaged in the exploration and development of quality gold-bearing properties in known and accessible mining regions of Canada using advanced exploration techniques.

Exploration Activities

Summary of Activities

The following technical data have been verified by Marc L'Heureux, geologist and qualified person as defined by *National Instrument 43-101 – Standards of Disclosure for Mineral Projects*.

The Company's exploration expenses for the year ended June 30, 2015, totalled \$359,622 (\$78,966 in 2014) and were incurred during the current year on the Foothill property and on the acquisition of the Big Island Lake project. Expenses incurred during the current year were higher than the prior year as the Company devoted most of its efforts in developing its Foothill project.

Properties

As at June 30, 2015, the Company held a portfolio of five mining properties in Quebec, covering more than 35,416 hectares (four properties totalling 20,149 hectares in 2014).

Ligneris Property

The Ligneris property consists of 124 claims totalling 4,886 hectares held 100% by the Company. It is located approximately 80 kilometres north of the LaRonde Complex and 100 kilometres northeast of the city of Rouyn-Noranda.

The last exploration work on Ligneris was carried out in November 2013. The Company completed some mapping and rock sampling. Exploration work was concentrated in the extensions of the known mineralized zones and along the geophysical anomalies. Assay results from 130 rock samples collected in the field have confirmed the presence of the mineralized zones. Out of the 130 samples collected, 28 returned anomalous gold results and 12 returned anomalous base metals (Ag, Zn, Cu) results. Best results from selected samples collected in felsic volcanic, sericite schist and quartz veins yielded: 4.32 g/t Au; 2.85 g/t Au, 26.3 g/t Ag, 4860 ppm Zn; 2.02 g/t Au, 17.1 g/t Ag, 3920 ppm Zn; 1.54 g/t Au, 29.8 Ag; 1.47 g/t Au, 8.1 g/t Ag, 1400 ppm Cu, 2530 ppm Zn and 0.96 g/t Au, 5.4 g/t Ag. Those results are mainly from samples located in the vicinity of old stripping zones and known showings.

During the current year, the Company completed integration of field data and a report on mapping and sampling on the Ligneris project.

The Company is currently looking for a partner to fund future major exploration work on this project.

Big Island Lake Property

During the year, the Company acquired 40 claims covering 2,193 hectares held 100% by the Company. It is located about 25 kilometers north of the village of Havre-Saint-Pierre in the North Shore region of Quebec. These claims, which form the Big Island Lake property, are located in a high potential sector titanium mineralization.

During the quarter ended June 30, 2015, the Company completed compilation work and initiated logistic in preparation for a reconnaissance program slated to be done during September and October 2015.

Veza-Noyard Property

The Veza-Noyard property is located 25 kilometres to the South of Matagami, in the NTS sheet 32F12. The property is 100% owned by Vior and consists of one block totalling 10 claims, covering an area of 203 hectares.

The Veza-Noyard property is less than 300 metres southeast of the Veza gold deposit owned by Maudore Minerals Ltd., which has an indicated and measured resource of 261,000 ounces of gold contained in ore grading 6.5 g/t (cut-off 4.2 g/t), and an inferred resource of 68,540 ounces in ore grading 4.9 g/t (cut-off 3 g/t) (43-101 report by GeoPointCom, 2012). The Veza-Noyard property lies in the north-central part of the Archaean Abitibi sub-Province. The Casa Berardi-Cameron Regional Fault separates the sedimentary rocks of the Taibi Domain to the

north from the volcanics of the Cartwright Domain to the south and crosses the property from east to west. This deformation zone is host to several gold deposits, including the Casa Berardi, Douay, Vezza and Discovery deposits. The Noyard gold showing in the northern part of the property consists of a gold-bearing intersection grading 1.2 g/t Au over 3 metres in a mineralized breccia containing 5%-30% pyrite (SOQUEM drill hole 1132-03-04).

The Company is currently looking for a partner to finance future exploration programs on the project, particularly to follow up by drilling on gravity anomalies.

Foothills Property

The Company's 100%-owned Foothills property consists of 466 contiguous map-designated claims covering over 27,021 hectares located in the municipality of Saint-Urbain area, about 100 kilometers northeast of Quebec City. During the quarter ended June 30, 2015, the Company carried out exploration work for a total cost of \$92,818, which included mapping, outcrop stripping by hand and shovel, as well as rock and sediment sampling. This work led to the discovery of two new ilmenite showings, Boudreau and Blueberry Lake, as well as the discovery of more than fifty new blocks and fragments of ilmenite (Fe_2TiO_3) rich Rutile (TiO_2) on the property. These findings result from the field follow-up program (announced in the press release of June 2, 2015) on magnetic targets generated from the high-resolution helicopter-borne magnetic survey conducted in winter 2015.

The two titanium mineral showings were discovered by prospecting in the field and are located on the edge of magnetic anomalies. The Boudreau showing, which is located in the south central part of the property, is composed of mostly 100% coarse grained massive ilmenite distributed on two outcropping zones spaced by 25 meters and which the exposed surface is between 7 and 8 meters thick on one of the two outcrops. Several rutile-rich ilmenite blocks were found near the Boudreau showing, which remains open in all directions. The Blueberry Lake showing is located in the central eastern part of the property and is defined by three distinct outcrops coarse grained massive ilmenite distributed over a north-south strike of 140 meters. This showing is located about 1 kilometer east of a massive ilmenite prospect known under the name of Lake Ontario.

In addition, the new rutile-rich ilmenite blocks and fragments discovered in the southern part of the property led to better define potential target areas that may host rutile-rich ilmenite mineralization. Rock samples from outcrops and blocks, as well as stream sediment samples were collected and sent for analysis.

During the fiscal year ended June 30, 2015, the Company also consolidated its land position on the Foothills property, passing from 216 to 466 designated claims.

The various exploration rounds conducted on the property over a hundred field sites between June 1 and October 27, 2014 succeeded at defining two diffuse streaks of rutile-rich ilmenite blocks, which are spread over a strike length of 9 kilometers in a northwest-southeast direction, with a width of 5.5 kilometers. The blocks, which visually contain up to 45% rutile, have TiO_2 (titanium) contents that reach up to 57.6%. The glacial direction patterns known in the area suggest that the source of these rutile-rich blocks may be located only a few kilometers away near the contact zone between the western edge of Saint-Urbain anorthosite complex and surrounding Grenvillian gneissic rocks. At the end of 2014, a total of 118 blocks of ilmenite containing varying amounts of rutile were found and collected in the field, 20 of which were analyzed and their TiO_2 contents varied between 42.1% and 57.6 %, with an average of 52.5%.

In February 2015, the Company carried out a high-resolution helicopter-borne magnetic survey in order to identify potential sources of the rutile-rich ilmenite block trains defined during the 2014 exploration campaign.

The magnetic survey covered an area of 107 km² for a total of 2,400 line-kilometers in the western portion of the property mostly comprised within the Saint-Urbain anorthosite complex and its contact zone with the regional rock units which would also be the potential source of the mineralization in rutile.

The data acquired from the survey were used to measure the variation in magnetic susceptibility between the rutile-rich rocks and other iron-rich rocks such as hemo-ilmenite. The instrumentation used for the survey consisted of a magnetic gradiometer Colibri system provided by Novatem inc. The flight lines were spaced at 50 meters. The Company has also appointed MB GeoSolutions for the processing and the definition of potential magnetic targets by considering the induced magnetism as well as the residual magnetism as an exploration tool.

In August 2015, the Company completed rock, stream and soil sediments sampling work in the area of the new Boudreau and Blueberry showings, as well as a ground gravity survey covering only the sector of the Blueberry showing. Results are pending.

In the industry, the major portion of rutile and ilmenite are converted into non-toxic pigments of titanium dioxide used for the manufacturing of paint, plastic, paper, textile, cosmetic and ceramic. Rutile is also used in titanium metal manufacturing for the aerospace industry, surgical implants, and for motor vehicles and desalination stations. The forecast for the price of rutile market are estimated at between US\$1,075 and US\$1,250 / ton for the years 2015-2017 (source Crédit Suisse - Equity Research, March 28, 2014).

Investment in an associate

As of June 30, 2015, Vior held 29.76% of the share capital of Aurvista Gold Corporation (“Aurvista”), which holds projects in the Douay gold sector.

Outlook

The Company collaborates actively with Aurvista on the properties of the Douay area so as to maximize results from the 29.76% interest it holds in Aurvista's share capital.

On other fronts, the Company has a sound financial position but given the weak market conditions for funding the mining sector, the directors of the Company took precautionary measures to preserve the treasury while ensuring and monitoring the progress of ongoing projects. The Company is currently seeking for partners to finance future exploration work on its portfolio of projects, and also evaluates several other external opportunities to enhance the value of its assets.

During the year, the Company put a lot of effort identifying good quality projects and business opportunities mainly in Quebec. The process is still ongoing and discussions have been initiated and are ongoing with potential partners.

Selected Financial Information

	Results for the years ended	
	June 30,	June 30,
	2015	2014
	\$	\$
Revenues	27,889	121,006
Share of net loss of an associate	(109,311)	(83,848)
Impairment loss of an associate	(58,569)	(311,086)
Expenses	652,617	497,724
Deferred tax	37,433	11,219
Net loss for the year	<u>(755,175)</u>	<u>(760,433)</u>
Basic net loss per share	<u>(0.035)</u>	<u>(0.036)</u>
Diluted net loss per share	<u>(0.035)</u>	<u>(0.036)</u>

Results of Operations

Revenues for the year ended June 30, 2015 totalled \$27,889 compared to \$121,006 for the previous year while the Company was receiving production royalties from the Mouska mine operated by IAMGOLD Corporation. During the reporting year, there were no royalties as a result of the closing of the mine in April 2014. The sale of the short-term investment during the current year resulted in a gain of \$9,062 compared to \$20,234 for the previous year.

During the year ended June 30, 2015, expenses increased to reach \$652,617 compared to \$497,724 for the previous year. The items “Salaries and fringe benefits”, “Management fees” and “Search for mining properties” taken as a whole and excluding \$840 for the current year and \$19,736 for the previous year in fees, in transport and other expenses included in the item “Search for mining properties”, represent the remuneration of employees of the Company. Since the beginning of the current year, remuneration paid as management fees during the preceding years is now paid as salaries and fringe benefits. The allocation of the vice-president exploration salary between the items “Salaries and fringe benefits”, “Search for mining properties” and “Mining properties” explains individual differences.

The increase of \$24,377 in “Professional and maintenance fees” between the years ended June 30, 2014 and 2015 is mainly due to the share consolidation of the Company on a 5-to-1 basis. The increase of \$97,895 in “share-based compensation” comes from the granting of 1,750,000 stock options in May 2015. In the previous year, the sale of the Beauchastel property resulted in a loss of \$24,804.

During the current year, the Company abandoned six claims and wrote off four claims of its Vezza-Noyard property for an amount of \$77,331. It abandoned fifteen claims of its Foothills property for an amount of \$21,000 and twenty-two claims of its Ligneris property for an amount of \$43,954. During the previous year, the Company abandoned nine claims of its Ligneris property for \$17,223.

As at June 30, 2015 and 2014, the investment in an associate was 29.76%. During the second quarter of fiscal year 2015, the Company determined that the fair value of its investment in Aurvista was lower than its carrying amount and consequently recognized an impairment loss of \$58,569. During fiscal year 2014, the Company determined that the fair value of its investment in Aurvista was lower than its carrying amount and subsequently recognized an impairment loss of \$311,086.

The Company’s share in the results in an associate is accounted for and presented in the Company’s financial statements with a maximum delay of one quarter depending on the availability of Aurvista’s financial information at the time of the release of the Company’s financial statements.

The deferred tax recovery of \$37,433 recorded during the current year results essentially from the elimination of the premium related to flow-through shares while the deferred tax recovery of \$11,219 recorded in the preceding year mostly results from the impairment loss of an associate.

Other Information

	Statements of Financial Position as at	
	June 30, 2015	June 30, 2014
	\$	\$
Share of net loss of an associate	(109,311)	(83,848)
Impairment loss of an associate	(58,569)	(311,086)
Total assets	2,872,985	3,370,111
Equity	2,752,346	3,290,730

Since its incorporation, the Company has never paid cash dividends on its outstanding common shares. Any future dividend payment will depend on the Company's financial needs to fund its exploration programs, its future growth, and any other factor that the Board of Directors deems necessary to consider in the circumstances. It is highly unlikely that any dividends will be paid in the near future.

Liquidity and Financing

During the year ended June 30, 2015, cash flows used in operating activities totalled \$402,145 compared to \$232,485 for the preceding year. This difference is primarily attributable to changes in other amounts receivable and accounts payable and accrued liabilities.

Cash flows from financing activities include the issuance of shares under private placements, and the exercise of warrants and stock options. For the year ended June 30, 2015, 1,600,571 shares were issued under two private placements for a total consideration of \$184,080. These funds are for exploration purposes. No exercise of stock options and warrants took place in the years ended June 30, 2015 and 2014.

The Company's investing activities mainly include the acquisition of mining properties and the capitalization of exploration work. 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% (38.75% before June 2014) under the *Quebec Income Tax Act*. Those credits are calculated on qualified exploration expenditures incurred in the province of Quebec. Acquisition of mining properties and capitalization of exploration work required disbursements of \$326,030 for the year ended June 30, 2015 and of \$109,695 for the year ended June 30, 2014.

The option of the Beauchastel property generated in the current year an amount of \$57,415, which comes from the sale of the shares received in payment of the option (\$80,610 during the previous year including \$50,000 in cash and \$30,610 from the sale of the shares received in payment of the option.)

It is management's opinion that the working capital available as at June 30, 2015 will cover all current expenses for at least the next 12 months.

Quarterly Information

The information presented hereafter details total revenues, net income (net loss), and net earnings (net loss) per participating share over the last eight quarters.

Quarter End	Total Revenues	Net Income (Net Loss)	Net Earnings (Net Loss) per Share	
			Basic	Diluted
06-30-2015	3,522	(712,879)	(0.032)	(0.032)
03-31-2015	11,966	301,786	0.013	0.013
12-31-2014	6,815	(299,518)	(0.014)	(0.014)
09-30-2014	5,586	(44,564)	(0.002)	(0.002)
06-30-2014	13,329	(489,440)	(0.024)	(0.024)
03-31-2014	48,144	251,407	0.012	0.012
12-31-2013	52,053	(155,919)	(0.007)	(0.007)
09-30-2013	7,630	(366,481)	(0.017)	(0.017)

Analysis of Quarterly Results

As the Company's business is mining exploration, it receives no income from operations. Royalties vary according to the level of production, metal prices, and the exchange rate. Quarterly changes in interest income trend with working capital.

Fourth Quarter

Operating activities

The Company posted a net loss of \$712,879 in the fourth quarter of the reporting year compared to \$489,440 in the previous year. There was no significant change in revenues in this fourth quarter compared to the fourth quarter of last year.

The significant changes in expenses in this fourth quarter compared to the fourth quarter of last year are attributable to an increase in share-based compensation of \$97,895, a decrease of fees in search for mining properties of \$27,470, a decrease in loss on sale of a mining property of \$24,804, an increase of \$24,787 in the cost of mining properties abandoned, impaired or written off as a result of the write-off of 21 claims of the Ligneris property. Also, the decrease in the impairment loss of an associate was more important by \$209,791 compared to the previous year when the share of net loss of an associate decreased by \$49,947. The variation in deferred tax of \$34,635 results essentially from the elimination of the premium related to flow-through shares.

Off-Balance-Sheet Arrangements

The Company has no off-balance-sheet arrangements.

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:

	2015	2014
	\$	\$
Short-term employee benefits	269,568	259,039
Share-based compensation	97,895	-
Total compensation of key management	<u>367,463</u>	<u>259,039</u>

Related Party Transactions

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

	2015	2014
	\$	\$
Incurring expenses capitalized in mining properties	29,867	40,349
Management fees	-	29,481
Rent and office expenses	17,592	765
Search for mining properties	357	590
	<u>47,816</u>	<u>71,185</u>

These transactions are 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.

Incurring expenses capitalized in mining properties and the search for mining properties consist mainly of fees related to exploration as well as services provided by a company owned by a director of the Company.

Management fees and rent and office expenses are issued from administrative and board presidency services provided by a management company. Management fees consist of fees paid to the Chairman of the Board.

Subsequent event

On July 31, 2015, the Company completed a \$50,000 private placement through the issuance of 555,555 shares of the Company at a price of \$0.09 per share along with 138,889 share purchase warrants giving the holder the right to subscribe for one common share of the Company at a price of \$0.11 until July 31, 2017.

Summary of Significant Accounting Policies

Cash and cash equivalents

Cash and cash equivalents consist of cash on hand and balances with banks.

Short-term investment

The short-term investment consists of shares in a public company. Purchases and sales relating to the short-term investment are recognized in the financial statements on the trade date based on its classification as an available-for-sale investment.

Financial instruments

Financial assets and 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 subsequently at fair value. Transaction costs are accounted for in the statement of loss. Gains and losses arising from changes in fair value are presented in the statement of 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 does not hold any financial assets in this category.

Available for sale – Available-for-sale investments are non-derivatives 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 carried at fair value. Unrealized gains and losses are recognized directly in other comprehensive loss, except for significant or prolonged decline in value, which are recognized in the statement of loss. Upon derecognition of the financial asset, the accumulated gains or losses previously recognized in accumulated other comprehensive loss are reclassified to the statement of 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 the short-term investment consist of shares in a public company. As at June 30, 2015 the Company did not hold any available-for-sale investments.

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 include cash, cash equivalents and other amounts receivable in the statement of financial position.

Financial liabilities at amortized cost – Financial liabilities include accounts payable and accrued liabilities 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 in 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 loss. This amount represents the loss in accumulated other comprehensive loss that is reclassified to the statement of 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 amortization and useful lives of the assets are reviewed annually and adjusted if appropriate.

Investment in an associate

An associate is an entity over which the Company has significant influence, but not control. The financial results of the Company's investments in its associate are included in the Company's results using the equity method. Subsequent to the acquisition date, the Company's share of profits or losses of the associate is recognized in the statement of loss and its share of other comprehensive loss of the associate is included in other comprehensive loss.

Unrealized gains and losses on transactions between the Company and an associate are eliminated to the extent of the Company's interest in the associate. Unrealized losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Dilution gains and losses arising from changes in interests in investments in the associate are recognized in the statement of loss.

At each reporting date, the Company assesses whether there is any objective evidence that its interests in the associate are impaired. If impaired, the carrying amount of the Company's share of the underlying assets of the associate is written down to its estimated recoverable amount (being the higher of fair value less cost of disposal and value in use) and charged to the statement of loss.

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 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, 2015 and 2014.

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% (38.75% before June 2014) 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 into the statement of 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

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 presented in reduction of *share capital*.

Share-based compensation plan

The Company has established a share-based compensation plan, which is described in note 11. 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

Revenues from royalties are recognized monthly according to estimated extraction recoveries at the beginning of the year and adjusted to actual quantities extracted as at June 30 and as at December 31 of each year, provided the Company has reasonable assurance that these amounts will be recovered. These royalties correspond to 0.2% of the value of gold recovered on the Mouska mining property.

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

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 exercised at the later of the beginning of the year or the date of issuance, as the case may be, and that the funds obtained thereby be 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.

New interpretation adopted during the year

The Company has adopted the following interpretation that has been applied in preparing these financial statements. These changes were made in accordance with the applicable transitional provisions.

IFRIC 21, *Levies* ("IFRIC 21")

In May 2013, the IASB issued *International Financial Interpretations Committee (IFRIC 21), Levies*. IFRIC 21 is effective for annual periods beginning on or after January 1, 2014 and is to be applied retrospectively. IFRIC 21 provides guidance on accounting for levies in accordance with IAS 37, *Provisions, Contingent Liabilities and Contingent Assets*. The interpretation defines a levy as an outflow from an entity imposed by a government in accordance with legislation and confirms that an entity recognizes a liability for a levy only when the triggering event specified in the legislation occurs. The adoption of this standard did not have an impact on the Company's financial statements.

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, 2015. 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. The Company is currently evaluating the impact of adopting this standard.

IAS 1, *Presentation of financial statements* ("IAS 1")

In December 2014, the IASB issued amendments to IAS 1, *Presentation of financial statements*. These amendments clarify guidance on how to exercise professional judgment in determining the extent and structure of disclosures in financial statements. Since IAS 1 is a presentation standard, the amendments thereto, which are effective for annual periods beginning on or after January 1, 2016, will have no impact on the Company's profit or loss or financial position.

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 amounts 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.

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 obligor; 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 of the financial statements.

Disclosure of Outstanding Share Data

The Company is authorized to issue an unlimited number of common shares without par value. As at September 28, 2015, 23,259,901 shares were outstanding.

The Company has a stock option plan under which stock options may be granted up to a maximum of 2,270,434. As at September 28, 2015, 2,060,000 stock options were outstanding. Their expiry dates vary from November 1, 2020 to May 26, 2025.

Also as at September 28, 2015, 638,889 warrants were outstanding. Their expiry dates vary from February 17, 2017 to July 31, 2017.

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 equivalents 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 receivable. The credit risk on cash and cash equivalents 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, 2015, the Company had a cash and cash equivalent balance of \$1,430,134, (\$1,932,858 as at June 30, 2014) to settle current liabilities of \$120,639 (\$79,381 as at June 30, 2014). 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 and/or in interest-bearing accounts held with a Canadian bank and its subsidiaries.

For the year ended June 30, 2015, a 1% increase or decrease in interest rates on interest-bearing bank balances would result in an estimated impact of \$12,698 (impact of \$13,638 for the year ended June 30, 2014) on the statements of loss and comprehensive loss.

Foreign exchange risk

The Company's functional currency is the Canadian dollar and virtually all of purchases are made in this currency. As a result, the Company's exposure to foreign exchange 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 loss. A variation of $\pm 10\%$ of the quoted market prices as at June 30, 2015, would have had no after-tax effect on the statements of loss (\$4,171 for the year ended June 30, 2014).

Other Risk Factors and Uncertainties

Exploration risks

The Company is considered an exploration company. It has not yet determined whether its mining properties contain ore reserves that are economically recoverable. The recoverability of mining property costs is dependent upon the existence of economically recoverable ore reserves, the ability of the Company to obtain the financing necessary to continue the exploration and development of its properties, and upon future profitable production or proceeds from the disposal of assets.

Risk on the uncertainty of title

Although the Company has taken steps to verify title to mining properties in which it has an interest in accordance with industry standards for the current exploration phase of such properties, these measures do not guarantee the Company's title. The property title may be subject to unregistered prior agreements and non-compliant with regulatory requirements.

Key personnel

The success of the Company rests in its capacity to attract and retain qualified staff. There is strong competition in the industry, and the Company's success depends in large part on its ability to retain senior officers and qualified geologists. Inability to recruit qualified personnel and the loss of key personnel could compromise the speed and success of operations.

Environmental risk

The Company is exposed to various environmental situations that can occur during exploration work. The Company maintains an environmental management program including operational plans and practices.

Additional Information and Continuous Disclosure

This Management's Discussion & Analysis is dated September 28, 2015. The Company regularly provides additional information through press releases, material change reports, financial statements, and information circulars on SEDAR (www.sedar.com).

(signed) Claude St-Jacques

President and CEO

(signed) Gaétan Mercier

Chief Financial Officer