



September 28, 2015

## **Independent Auditor's Report**

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

We have audited the accompanying financial statements of Société d'Exploration Minière Vior Inc., which comprise the statements of financial position as at June 30, 2015 and June 30, 2014 and the 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 financial statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of 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 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 financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the 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 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 financial statements.

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

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\*PwC\* refers to PricewaterhouseCoopers LLP/s.r.l./s.e.n.c.r.l., an Ontario limited liability partnership.



**Opinion**

In our opinion, the financial statements present fairly, in all material respects, the financial position of Société d'Exploration Minière Vior Inc. as at June 30, 2015 and June 30, 2014 and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards.

*PricewaterhouseCoopers LLP<sup>1</sup>*

<sup>1</sup> CPA auditor, CA, public accountancy permit No. A121191

# Société d'Exploration Minière Vior Inc.

## Statements of Financial Position

(expressed in Canadian dollars)

	As at June 30, 2015 \$	As at June 30, 2014 \$
<b>Assets</b>		
<b>Current assets</b>		
Cash and cash equivalents	1,430,134	1,932,858
Short-term investment	-	57,063
Tax credits for mining exploration and commodity taxes receivable	134,562	9,000
Other amounts receivable (note 5)	5,471	38,446
Prepaid expenses	10,170	17,252
	<hr/>	<hr/>
	1,580,337	2,054,619
<b>Investment in an associate</b> (note 6)	640,338	811,432
<b>Mining properties</b> (note 7)	646,867	498,083
<b>Property, plant and equipment</b> , at cost less accumulated depreciation of \$5,823 (\$6,501 as at June 30, 2014)	5,443	5,977
	<hr/>	<hr/>
	2,872,985	3,370,111
<b>Liabilities</b>		
<b>Current liabilities</b>		
Accounts payable and accrued liabilities (note 8)	120,639	79,381
<b>Equity</b>		
<b>Share capital</b> (note 9)	29,973,781	29,867,964
<b>Warrants</b> (note 10)	33,919	10,521
<b>Stock options</b> (note 11)	173,829	76,669
<b>Contributed surplus</b>	1,494,438	1,493,703
<b>Deficit</b>	(28,811,190)	(28,056,015)
<b>Accumulated other comprehensive loss</b>	(112,431)	(102,112)
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	2,752,346	3,290,730
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	2,872,985	3,370,111

**Subsequent event** (note 19)

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

**Approved by the Board of Directors**

(signed) Claude St-Jacques \_\_\_\_\_, Director

(signed) Pierre St-Jacques \_\_\_\_\_, Director

# Société d'Exploration Minière Vior Inc.

## Statements of Loss

(expressed in Canadian dollars)

	Years Ended June 30,	
	2015	2014
	\$	\$
<b>Revenues</b>		
Royalties	-	75,688
Interest	18,827	25,084
Gain on sale of a short-term investment	9,062	20,234
	<u>27,889</u>	<u>121,006</u>
<b>Expenses</b>		
Salaries and fringe benefits	220,243	162,870
Professional and maintenance fees	117,362	92,985
Management fees	-	29,481
Rent and office expenses	52,469	51,699
Advertising and promotion	2,063	1,187
Share-based compensation	97,895	-
Travelling	6,592	5,147
Search for mining properties (note 13)	10,570	109,292
Interest and bank charges	1,115	1,072
Depreciation of property, plant and equipment	2,023	1,676
Part XII.6 tax	-	288
Loss on sale of a mining property	-	24,804
Cost of mining properties abandoned, impaired or written off	142,285	17,223
	<u>652,617</u>	<u>497,724</u>
<b>Loss before an investment in an associate and deferred tax</b>	(624,728)	(376,718)
<b>Share of net loss of an associate</b> (note 6)	(109,311)	(83,848)
<b>Impairment loss of an associate</b> (note 6)	(58,569)	(311,086)
	<u>(167,880)</u>	<u>(394,934)</u>
<b>Loss before deferred tax</b>	(792,608)	(771,652)
<b>Deferred tax</b> (note 14)	37,433	11,219
	<u>(755,175)</u>	<u>(760,433)</u>
<b>Per share</b> (note 15)		
<b>Basic net loss</b>	<u>(0.035)</u>	<u>(0.036)</u>
<b>Diluted net loss</b>	<u>(0.035)</u>	<u>(0.036)</u>

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

# Société d'Exploration Minière Vior Inc.

## Statements of Comprehensive Loss

(expressed in Canadian dollars)

	<u>Years Ended June 30,</u>	
	<b>2015</b>	<b>2014</b>
	<b>\$</b>	<b>\$</b>
<b>Net loss for the year</b>	(755,175)	(760,433)
<b>Other comprehensive loss</b>		
<b>Items that may be reclassified subsequently to net loss</b>		
Unrealized gain (loss) on an available-for-sale short-term investment, net of related income tax of \$276 (\$3,893 in 2014)	(1,787)	25,050
Reclassification of gains on an available-for-sale short-term investment realized upon sale, net of related income tax of \$896 (\$2,721 in 2014)	(5,750)	(17,513)
Share of other comprehensive loss of the associate, net of related income tax of \$432 (\$2,526 in 2014)	(2,782)	(16,256)
<b>Other comprehensive loss for the year</b>	<u>(10,319)</u>	<u>(8,719)</u>
<b>Comprehensive loss for the year</b>	<u>(765,494)</u>	<u>(769,152)</u>

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

## Société d'Exploration Minière Vior Inc.

### Statements of Changes in Equity

(expressed in Canadian dollars)

	Share capital	Warrants	Stock options	Contributed surplus	Deficit	Accumulated other comprehensive loss	Total
	\$	\$	\$	\$	\$	\$	\$
<b>Balance as at July 1, 2014</b>	29,867,964	10,521	76,669	1,493,703	(28,056,015)	(102,112)	3,290,730
Net loss	-	-	-	-	(755,175)	-	(755,175)
Unrealized loss on an available-for-sale short-term investment, net of related income tax of \$276	-	-	-	-	-	(1,787)	(1,787)
Reclassification of gains on an available-for-sale short-term investment realized upon sale, net of related income tax of \$896	-	-	-	-	-	(5,750)	(5,750)
Share of other comprehensive loss of the associate, net of related income tax of \$432	-	-	-	-	-	(2,782)	(2,782)
Comprehensive loss for the year	-	-	-	-	(755,175)	(10,319)	(765,494)
Stock options granted	-	-	97,895	-	-	-	97,895
Stock options cancelled	-	-	(735)	735	-	-	-
Warrants granted	-	23,398	-	-	-	-	23,398
Issuance of shares for cash consideration	121,644	-	-	-	-	-	121,644
Share issue expenses	(15,827)	-	-	-	-	-	(15,827)
<b>Balance as at June 30, 2015</b>	<b>29,973,781</b>	<b>33,919</b>	<b>173,829</b>	<b>1,494,438</b>	<b>(28,811,190)</b>	<b>(112,431)</b>	<b>2,752,346</b>

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

## Société d'Exploration Minière Vior Inc.

### Statements of Changes in Equity (continued)

(expressed in Canadian dollars)

	Share capital	Warrants	Stock options	Contributed surplus	Deficit	Accumulated other comprehensive loss	Total
	\$	\$	\$	\$	\$	\$	\$
<b>Balance as at July 1, 2013</b>	29,867,964	25,432	100,103	1,455,358	(27,295,582)	(93,393)	4,059,882
Net loss	-	-	-	-	(760,433)	-	(760,433)
Unrealized gain on an available-for-sale short-term investment, net of related income tax of \$3,893	-	-	-	-	-	25,050	25,050
Reclassification of gains on an available-for-sale short-term investment realized upon sale, net of related income tax of \$2,721	-	-	-	-	-	(17,513)	(17,513)
Share of other comprehensive loss of the associate, net of related income tax of \$2,526	-	-	-	-	-	(16,256)	(16,256)
Comprehensive loss for the year	-	-	-	-	(760,433)	(8,719)	(769,152)
Stock options matured	-	-	(23,434)	23,434	-	-	-
Warrants matured	-	(14,911)	-	14,911	-	-	-
<b>Balance as at June 30, 2014</b>	<b>29,867,964</b>	<b>10,521</b>	<b>76,669</b>	<b>1,493,703</b>	<b>(28,056,015)</b>	<b>(102,112)</b>	<b>3,290,730</b>

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

# Société d'Exploration Minière Vior Inc.

## Statements of Cash Flows

(expressed in Canadian dollars)

	Years Ended June 30,	
	2015	2014
	\$	\$
<b>Cash flows from operating activities</b>		
Net loss for the year	(755,175)	(760,433)
Adjustments for:		
Gain on sale of a short-term investment	(9,062)	(20,234)
Share-based compensation	97,895	-
Depreciation of property, plant and equipment	2,023	1,676
Impairment loss of an associate	58,569	311,086
Share of net loss of an associate	109,311	83,848
Deferred tax	(37,433)	(11,219)
Loss on sale of a mining property	-	24,804
Cost of mining properties abandoned, impaired or written off	142,285	17,223
	<u>(391,587)</u>	<u>(353,249)</u>
Changes in items of working capital		
Tax credits for mining exploration and commodity taxes receivable	(34,086)	(1,312)
Other amounts receivable	32,975	103,291
Prepaid expenses	7,082	(3,732)
Accounts payable and accrued liabilities	(16,529)	22,517
	<u>(10,558)</u>	<u>120,764</u>
	<u>(402,145)</u>	<u>(232,485)</u>
<b>Cash flows from financing activities</b>		
Change in share capital issued for cash, net of share issue expenses	168,253	-
	<u>168,253</u>	<u>-</u>
<b>Cash flows from investing activities</b>		
Additions to mining properties and capitalized exploration costs	(326,030)	(109,695)
Change in credit on duties refundable for loss	1,272	-
Proceeds from the disposal of a short-term investment	57,415	30,610
Option payments received	-	50,000
Additions to property, plant and equipment	(1,489)	(1,402)
	<u>(268,832)</u>	<u>(30,487)</u>
<b>Decrease in cash and cash equivalents</b>	<u>(502,724)</u>	<u>(262,972)</u>
<b>Cash and cash equivalents - Beginning of year</b>	<u>1,932,858</u>	<u>2,195,830</u>
<b>Cash and cash equivalents - End of year</b>	<u>1,430,134</u>	<u>1,932,858</u>
Interest received	19,320	25,052

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



# Société d'Exploration Minière Vior Inc.

## Statements of Cash Flows (continued)

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(expressed in Canadian dollars)

### Additional information

Items not affecting cash and cash equivalents

	<u>Years Ended June 30,</u>	
	<b>2015</b>	<b>2014</b>
	<b>\$</b>	<b>\$</b>
Related to investing activities:		
Credit on duties refundable for loss and refundable tax credit receivable for resources applied against mining properties	92,748	1,465
Acquisition of mining properties and exploration costs included in accounts payable and accrued liabilities	60,535	2,748
Sale of a mining property in consideration of short-term investments	-	58,730

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

# Société d'Exploration Minière Vior Inc.

Notes to Financial Statements

For the years ended June 30, 2015 and 2014

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(expressed in Canadian dollars)

## 1 General information

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

In addition to ongoing working capital requirements, the Company must secure sufficient funding for meeting 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 being available, the Company may be unable to continue its operations, and amounts realized for assets may be less than amounts reflected in these financial statements.

The address of the Company's registered office is 116 St-Pierre, Suite 200, Quebec City, Quebec, Canada.

## 2 Basis of preparation

These 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 28, 2015.

## 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 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.

# Société d'Exploration Minière Vior Inc.

Notes to Financial Statements

For the years ended June 30, 2015 and 2014

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(expressed in Canadian dollars)

## 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.

# Société d'Exploration Minière Vior Inc.

## Notes to Financial Statements

For the years ended June 30, 2015 and 2014

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(expressed in Canadian dollars)

### 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 costs 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.

# Société d'Exploration Minière Vior Inc.

## Notes to Financial Statements

For the years ended June 30, 2015 and 2014

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(expressed in Canadian dollars)

### 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*.

# Société d'Exploration Minière Vior Inc.

## Notes to Financial Statements

For the years ended June 30, 2015 and 2014

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(expressed in Canadian dollars)

### 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 Québec, 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.

# Société d'Exploration Minière Vior Inc.

## Notes to Financial Statements

For the years ended June 30, 2015 and 2014

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(expressed in Canadian dollars)

### 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.

## 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 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.

# Société d'Exploration Minière Vior Inc.

## Notes to Financial Statements

For the years ended June 30, 2015 and 2014

(expressed in Canadian dollars)

### 5 Other amounts receivable

	As at June 30,	
	2015	2014
	\$	\$
Royalties receivable	-	31,608
Others	5,471	6,838
	<u>5,471</u>	<u>38,446</u>

### 6 Investment in an associate

	As at June 30,	
	2015	2014
	\$	\$
Aurvista Gold Corporation, under the equity method (interest of 29.76%)		
Balance - Beginning of year	811,432	1,225,148
Share of net loss	(109,311)	(83,848)
Share of other comprehensive loss	(3,214)	(18,782)
Impairment loss	(58,569)	(311,086)
Balance - End of year	<u>640,338</u>	<u>811,432</u>

On August 9, 2011, following the closing of its initial public offering and its listing on the TSX Venture Exchange, Aurvista Gold Corporation («Aurvista»), a mining exploration company exercising its activities in the province of Quebec, acquired the Company's residual interest in the Douay, Douay Ouest, Douay Est and Bloc Joutel properties (collectively Douay), except for 10% in two claims of the Douay Ouest property for a consideration of 21,250,000 common shares of its share capital for a gross value of \$20,293,750 at the issuing date.

As a result of this transaction, the Company held 43.8% of the issued common shares of Aurvista. Since the Company has significant influence on Aurvista, the investment was accounted for under the equity method. On the transaction date, the investment in Aurvista was recorded based on the gross proceeds from the disposal of the Douay properties, being \$20,293,750, less a discount of \$4,533,750 related to share escrow agreements. The discount was calculated using a valuation model at an average rate of 22%, based on the release period of the escrowed shares. The Company will have to issue to the intermediaries involved in the transaction 564,200 Aurvista shares over an 18-month period in settlement of selling costs of \$538,812, less a discount of \$120,375. The amount to be paid will be adjusted based on the fair value of the shares held by the Company in Aurvista at the end of each period. Selling costs of \$42,748 were also paid to a law firm. Considering the escrow discount and the selling costs, the net proceeds amounted to \$13,925,664.

As at June 30, 2013, following the issuance of 20,976,012 shares by Aurvista and a distribution by the Company of 564,200 shares of Aurvista to intermediaries involved in the transaction, the Company holds 29.76% of the issued common shares of Aurvista. No issuance or distribution of the common shares of Aurvista has occurred since that time.

During the second quarter of fiscal year 2015, the Company has 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 (\$311,086 during fiscal year 2014). The investment was adjusted to its recoverable amount representing the quoted market price of the Aurvista shares less selling costs.

The Company's share in the results of Aurvista as well as the financial information (assets, liabilities, revenues and net loss) of Aurvista will be accounted for and presented in the Company's financial statements with a maximum delay of one quarter depending of the availability of Aurvista's financial information at the time of the release of the Company's financial statements. The share in the results of Aurvista for the quarter ended June 30, 2015 is recorded in the current fiscal year of the Company.



# Société d'Exploration Minière Vior Inc.

## Notes to Financial Statements

For the years ended June 30, 2015 and 2014

(expressed in Canadian dollars)

Aurvista's financial information as at June 30, 2015

	\$		\$
Current assets	866,467	Revenues	-
Non-current assets	28,864,679	Net loss	(367,308)
Current liabilities	734,387	Other comprehensive loss	(10,800)
Non-current liabilities	478,318	Total comprehensive loss	(378,108)

## 7 Mining properties

### Reconciliation of mining properties

	Exploration costs	Acquisition cost		Total
		Mining properties	Claims	
	\$	\$	\$	\$
<b>Balance as at June 30, 2013</b>	491,981	10,994	34,887	537,862
Costs incurred	78,861	-	33,582	112,443
Mining properties abandoned, impaired or written off	(15,485)	-	(1,738)	(17,223)
Loss on sale of a mining property	(23,729)	(765)	(310)	(24,804)
Mining property under option	(105,491)	(2,304)	(935)	(108,730)
Credit on duties refundable for loss and refundable tax credit for resources	(1,465)	-	-	(1,465)
<b>Balance as at June 30, 2014</b>	424,672	7,925	65,486	498,083
Costs incurred	359,622	-	24,195	383,817
Mining properties abandoned, impaired or written off	(118,075)	-	(24,210)	(142,285)
Credit on duties refundable for loss and refundable tax credit for resources	(92,748)	-	-	(92,748)
<b>Balance as at June 30, 2015</b>	573,471	7,925	65,471	646,867

# Société d'Exploration Minière Vior Inc.

Notes to Financial Statements

For the years ended June 30, 2015 and 2014

(expressed in Canadian dollars)

## Detail of mining properties

	# claims	Undivided interest %	Balance as at June 30, 2014 \$	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, 2015 \$
Big Island Lake	40					
Acquisition costs		100	-	2,210	-	2,210
Exploration costs			-	3,632	(455)	3,177
			<u>-</u>	<u>5,842</u>	<u>(455)</u>	<u>5,387</u>
Douay Ouest (note a)	5					
Acquisition costs		10	7,925	-	-	7,925
Exploration costs			14,583	-	-	14,583
			<u>22,508</u>	<u>-</u>	<u>-</u>	<u>22,508</u>
Foothills	466					
Acquisition costs		100	33,571	14,750	(18,000)	30,321
Exploration costs			6,120	346,335	(92,034)	260,421
			<u>39,691</u>	<u>361,085</u>	<u>(110,034)</u>	<u>290,742</u>
Ligneris	124					
Acquisition costs		100	28,187	6,276	(5,163)	29,300
Exploration costs			251,210	9,655	(42,050)	218,815
			<u>279,397</u>	<u>15,931</u>	<u>(47,213)</u>	<u>248,115</u>
Veza-Noyard	10					
Acquisition costs		100	2,093	360	(1,047)	1,406
Exploration costs			152,570	-	(76,284)	76,286
			<u>154,663</u>	<u>360</u>	<u>(77,331)</u>	<u>77,692</u>
Others	-					
Acquisition costs		-	1,824	599	-	2,423
Exploration costs			-	-	-	-
			<u>1,824</u>	<u>599</u>	<u>-</u>	<u>2,423</u>
			<u>498,083</u>	<u>383,817</u>	<u>(235,033)</u>	<u>646,867</u>

All mining properties are located in the province of Quebec.

# Société d'Exploration Minière Vior Inc.

## Notes to Financial Statements

For the years ended June 30, 2015 and 2014

(expressed in Canadian dollars)

### Detail of mining properties

	# claims	Undivided interest %	Balance as at June 30, 2013 \$	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, 2014 \$
Douay Ouest	5					
Acquisition costs		10	7,925	-	-	7,925
Exploration costs			14,583	-	-	14,583
			<u>22,508</u>	<u>-</u>	<u>-</u>	<u>22,508</u>
Beauchastel	-					
Acquisition costs		-	4,313	-	(4,313)	-
Exploration costs			128,937	284	(129,221)	-
			<u>133,250</u>	<u>284</u>	<u>(133,534)</u>	<u>-</u>
Foothills	216					
Acquisition costs		100	-	33,571	-	33,571
Exploration costs			-	6,120	-	6,120
			<u>-</u>	<u>39,691</u>	<u>-</u>	<u>39,691</u>
Ligneris	146					
Acquisition costs		100	29,914	11	(1,738)	28,187
Exploration costs			212,853	54,034	(15,677)	251,210
			<u>242,767</u>	<u>54,045</u>	<u>(17,415)</u>	<u>279,397</u>
Veza-Noyard	20					
Acquisition costs		100	2,093	-	-	2,093
Exploration costs			135,420	18,423	(1,273)	152,570
			<u>137,513</u>	<u>18,423</u>	<u>(1,273)</u>	<u>154,663</u>
Others	-					
Acquisition costs		-	1,824	-	-	1,824
Exploration costs			-	-	-	-
			<u>1,824</u>	<u>-</u>	<u>-</u>	<u>1,824</u>
			<u>537,862</u>	<u>112,443</u>	<u>(152,222)</u>	<u>498,083</u>

All mining properties are located in the province of Quebec.

(a) As a result of the transaction described in note 6, Aurvista may acquire the 10% residual interest in the five claims of the Douay Ouest property in consideration of a sum of \$25,000 in the 20 years following the acquisition of the residual interest in the properties described above. If this residual interest is acquired, Aurvista shall also pay Northern Abitibi Mining Corp. ("NAM") a sum of \$80,000 and remit 80,000 shares of the Company, as described in the price adjustment clause included in the property acquisition agreement entered into between NAM and the Company. The Company will also issue 40,000 warrants to NAM.

# Société d'Exploration Minière Vior Inc.

Notes to Financial Statements

For the years ended June 30, 2015 and 2014

(expressed in Canadian dollars)

## 8 Accounts payable and accrued liabilities

	As at June 30, 2015 \$	As at June 30, 2014 \$
Suppliers	87,327	53,420
Salaries and fringe benefits	18,380	24,681
Companies owned by directors	14,932	1,280
	<u>120,639</u>	<u>79,381</u>

## 9 Share capital

Authorized

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

On February 17, 2015, the Company consolidated its share capital on a 5-to-1 basis. The 2014 comparative figures have been adjusted accordingly.

Issued and fully paid

The share capital issued has varied as follows :

	Years ended June 30,			
	2015		2014	
	Number	\$	Number	\$
Balance - Beginning of year	21,103,775	29,867,964	21,103,775	29,867,964
Issuance of shares for cash consideration (a) (b)	1,600,571	121,644	-	-
Share issue expenses	-	(15,827)	-	-
Balance - End of year	<u>22,704,346</u>	<u>29,973,781</u>	<u>21,103,775</u>	<u>29,867,964</u>

a) On February 17, 2015, the Company completed a \$100,000 private placement through the issuance of 1,000,000 shares of the Company at a price of \$0.10 per share along with 500,000 share purchase warrants giving the holder the right to subscribe for one common share of the Company at a price of \$0.14 until February 17, 2017. The offering is presented net of the value of the related warrants which was established at \$23,398. Share issue expenses of \$8,327 were incurred by the Company under the private placement.

b) On March 9, 2015, the Company completed a private placement consisting of 600,571 flow-through shares at a price of \$0.14 per share for aggregate gross proceeds of \$84,080. An amount of \$35,555, net of share issue expenses was recorded as a premium related to flow-through shares in accounts payable and accrued liabilities of the Company. Share issue expenses of \$7,500 were incurred by the Company under the private placement.

# Société d'Exploration Minière Vior Inc.

Notes to Financial Statements

For the years ended June 30, 2015 and 2014

(expressed in Canadian dollars)

## 10 Warrants

The following table presents the warrant activity since July 1, 2013 and summarizes information about outstanding and exercisable warrants as at June 30, 2015. The table has been adjusted to reflect the share consolidation of the Company on a 5-to-1 basis. The 2014 comparative figures have been adjusted accordingly.

	Years ended June 30,			
	2015		2014	
	Number	Weighted average exercise price \$	Number	Weighted average exercise price \$
Outstanding and exercisable - Beginning of year	40,000	0.60	100,480	0.55
Granted	500,000	0.14	-	-
Matured	-	-	(60,480)	0.50
Outstanding and exercisable - End of year	540,000	0.17	40,000	0.60

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

The 40,000 outstanding and exercisable warrants at \$0.60 will mature in August 2015.

The 500,000 outstanding and exercisable warrants at \$0.14 will mature in February 2017.

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

	Year ended June 30, 2015
Risk-free interest rate	0.46%
Expected volatility	147.91%
Dividend yield	Nil
Expected life	2 years
Fair value of warrants granted	\$0.047

## 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 2,270,434 stock options may be granted (maximum of 5% of the number of common shares outstanding in favour of key employees, managers, directors and consultants, and maximum of 2% of the number of common shares outstanding in favour of investor relations service providers).

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

# Société d'Exploration Minière Vior Inc.

Notes to Financial Statements

For the years ended June 30, 2015 and 2014

(expressed in Canadian dollars)

The following table presents the stock option activity since July 1, 2013 and summarizes information about fixed stock options outstanding and exercisable as at June 30, 2015. The table has been adjusted to reflect the share consolidation of the Company on a 5-to-1 basis. The 2014 comparative figures have been adjusted accordingly.

	Years ended June 30,			
	2015		2014	
	Number	Weighted average exercise price \$	Number	Weighted average exercise price \$
Outstanding and exercisable - Beginning of year	313,000	0.50	442,000	0.50
Granted	1,750,000	0.10	-	-
Cancelled	(3,000)	0.50	(129,000)	0.50
Outstanding and exercisable - End of year	2,060,000	0.13	313,000	0.50

The following table summarizes information about stock options outstanding and exercisable as at June 30, 2015:

Exercise price	Options outstanding and exercisable Number	Weighted average remaining contractual life (years)	Weighted average exercise price \$
\$0.10	1,750,000	9.91	0.10
\$0.50	310,000	5.34	0.50

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

	Year ended June 30, 2015
Risk-free interest rate	1.70%
Expected volatility	97.65%
Dividend yield	Nil
Expected life	10 years
Fair value of stock options granted	\$0,056

# Société d'Exploration Minière Vior Inc.

Notes to Financial Statements

For the years ended June 30, 2015 and 2014

(expressed in Canadian dollars)

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

## 13 Search for mining properties

	Years ended June 30,	
	2015	2014
	\$	\$
Salaries and fees	10,087	90,421
Transport	-	9,616
Other	483	9,255
	10,570	109,292

## 14 Deferred tax

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

	Years ended June 30,	
	2015	2014
	\$	\$
Deferred tax recovery	37,433	11,219

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,	
	2015	2014
	\$	\$
Loss before deferred tax	(792,608)	(771,652)
Combined federal and provincial income tax rate of 26.90%	213,212	207,574
Share issue expenses not affecting earnings	4,257	-
Expiry of tax losses	(41,374)	-
Difference between current and future tax rates	(22,981)	(55,645)
Change in unrecognized deferred tax assets	(107,108)	(151,847)
Tax impact on flow-through shares	16,420	12,575
Comprehensive loss not affecting loss	(25,393)	(1,354)
Other	400	(84)
Deferred tax recovery	37,433	11,219

# Société d'Exploration Minière Vior Inc.

## Notes to Financial Statements

For the years ended June 30, 2015 and 2014

(expressed in Canadian dollars)

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

Recognized deferred tax assets and liabilities:

	<b>As at June 30, 2015</b>	<b>As at June 30, 2014</b>
	\$	\$
Deferred tax assets		
Non-capital losses	56,000	65,000
Capital losses	79,217	103,369
	<u>135,217</u>	<u>168,369</u>
Deferred tax liabilities		
Investment in an associate	(79,217)	(102,198)
Short-term investment	-	(1,171)
Mining properties	(56,000)	(65,000)
	<u>(135,217)</u>	<u>(168,369)</u>

Presented in the statement of financial position as follows:

Deferred tax assets	-	-
Deferred tax liabilities	-	-

Unrecognized deferred tax assets:

	<b>As at June 30, 2015</b>	<b>As at June 30, 2014</b>
	\$	\$
Non-capital losses	984,426	909,405
Capital losses	160,371	136,218
Property, plant and equipment and intangible assets	12,554	11,150
Issue expenses	5,013	5,800
Mining properties	148,000	141,000
Others	13,460	13,143
	<u>1,323,824</u>	<u>1,216,716</u>



# Société d'Exploration Minière Vior Inc.

## Notes to Financial Statements

For the years ended June 30, 2015 and 2014

(expressed in Canadian dollars)

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, 2015, the Company has non-capital losses of \$3,916,687 at the federal level and \$3,806,074 at the provincial level (\$3,675,243 at the federal level and \$3,556,615 at the provincial level for 2014) available to reduce taxable income in future years. These losses expire at various dates between 2016 (\$252,263 at the federal level and \$226,897 at the provincial level) and 2035.

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	Property, plant and equipment and intangible assets	Issue expenses	Mining properties	Others	Total
		\$	\$	\$	\$	\$	\$
As at July 1, 2013	71,000	157,843	-	-	-	-	228,843
Charged to the statement of loss	(6,000)	(54,474)	-	-	-	-	(60,474)
As at June 30, 2014	65,000	103,369	-	-	-	-	168,369
Charged to the statement of loss	(9,000)	(24,152)	-	-	-	-	(33,152)
As at June 30, 2015	56,000	79,217	-	-	-	-	135,217

### Deferred tax liabilities

	Short-term investment	Investment in an associate	Mining properties	Convertible debentures	Total
	\$	\$	\$	\$	\$
As at July 1, 2013	-	157,843	71,000	-	228,843
Credited to the statement of loss (Credited) charged to other comprehensive loss	-	(53,119)	(6,000)	-	(59,119)
	1,171	(2,526)	-	-	(1,355)
As at June 30, 2014	1,171	102,198	65,000	-	168,369
Credited to the statement of loss Credited to other comprehensive loss	-	(22,549)	(9,000)	-	(31,549)
	(1,171)	(432)	-	-	(1,603)
As at June 30, 2015	-	79,217	56,000	-	135,217

# Société d'Exploration Minière Vior Inc.

## Notes to Financial Statements

For the years ended June 30, 2015 and 2014

(expressed in Canadian dollars)

Deferred tax assets and liabilities in the amount of \$199,932 will be realized after more than 12 months.

As at June 30, 2015, the non-refundable federal tax credits and non-refundable provincial tax credits for resources were as follows:

Expiry Date	Federal \$	Expiry Date	Provincial \$
2025	12,725	2016	3,034
2026	3,597	2017	32,075
2027	2,926	2018	3,550
2028	4,643		
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 and the non-refundable provincial tax credits for resources are not recognized because there is no reasonable assurance that the credits will be realized.

## 15 Earnings per share

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

	2015	2014
Basic weighted average number of shares outstanding	21,658,474	21,103,775
Diluted weighted average number of shares outstanding	21,658,474	21,103,775

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

Stock options	2,060,000	313,000
Warrants	540,000	40,000

# **Société d'Exploration Minière Vior Inc.**

Notes to Financial Statements

For the years ended June 30, 2015 and 2014

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(expressed in Canadian dollars)

## **16 Capital management**

The Company considers the items included in equity for \$2,752,346 (\$3,290,730 in 2014) as capital components.

The Company manages and adjusts its capital structure, based on the funds available to the Company, 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 future development of the business.

In the opinion of management, working capital as at June 30, 2015 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 relative size of the Company, is reasonable.

There is no change in the approach used by the Company for its capital management for the year ended June 30, 2015.

The Company is not subject to externally imposed capital requirements.

# Société d'Exploration Minière Vior Inc.

Notes to Financial Statements

For the years ended June 30, 2015 and 2014

(expressed in Canadian dollars)

## 17 Financial instruments

### a) Financial instruments

The classification of financial instruments as at June 30, 2015 and 2014 is summarized as follows:

	<b>As at June 30, 2015</b>			
			Carrying value	Fair value
	Loans and receivables	Financial liabilities at amortized cost	Total	Total
	\$	\$	\$	\$
<b>Financial Assets</b>				
Cash and cash equivalents	1,430,134	-	1,430,134	1,430,134
Other amounts receivable	5,471	-	5,471	5,471
	1,435,605	-	1,435,605	1,435,605
<b>Financial Liabilities</b>				
Accounts payable and accrued liabilities	-	104,086	104,086	104,086
	-	104,086	104,086	104,086

	<b>As at June 30, 2014</b>				
			Carrying value	Fair value	
	Available-for-sale assets	Loans and receivables	Financial liabilities at amortized cost	Total	Total
	\$	\$	\$	\$	\$
<b>Financial Assets</b>					
Cash and cash equivalents	-	1,932,858	-	1,932,858	1,932,858
Short-term investment	57,063	-	-	57,063	57,063
Other amounts receivable	-	38,446	-	38,446	38,446
	57,063	1,971,304	-	2,028,367	2,028,367
<b>Financial Liabilities</b>					
Accounts payable and accrued liabilities	-	-	65,393	65,393	65,393
	-	-	65,393	65,393	65,393

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.

# Société d'Exploration Minière Vior Inc.

Notes to Financial Statements

For the years ended June 30, 2015 and 2014

(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, 2014, classified using the fair value hierarchy described above:

	As at June 30, 2014
	<u>Level 2</u>
	\$
<b>Financial assets</b>	
Shares	<u>57,063</u>

As at June 30, 2015, no financial instruments have been recorded at fair value.

No transfer attributable to changes in the observability of market data was made among the fair value measurement hierarchy level during the years ended June 30, 2015 and 2014.

## c) The valuation techniques that are used to measure fair value are as follows :

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.

## d) Financial risk factors

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

# Société d'Exploration Minière Vior Inc.

## Notes to Financial Statements

For the years ended June 30, 2015 and 2014

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(expressed in Canadian dollars)

### **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 other comprehensive loss (\$4,171 for the year ended June 30, 2014).

# Société d'Exploration Minière Vior Inc.

Notes to Financial Statements

For the years ended June 30, 2015 and 2014

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(expressed in Canadian dollars)

## 18 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

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 search for mining properties consist mainly of fees related to exploration and 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. Since the beginning of the current year, these management fees are paid directly by the Company as salary.

## 19 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.