Société d'Exploration Minière Vior inc.

Financial Statements

For the years ended June 30, 2019 and 2018

Independent auditor's report

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

Our opinion

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of Société d'Exploration Minière Vior Inc. and its subsidiary (together, the Company) as at June 30, 2019 and 2018, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board (IFRS).

What we have audited
The Company's consolidated financial statements comprise:

- the consolidated statements of financial position as at June 30, 2019 and 2018;
- the consolidated statements of loss for the years then ended;
- the consolidated statements of comprehensive loss for the years then ended;
- the consolidated statements of changes in equity for the years then ended;
- the consolidated statements of cash flows for the years then ended; and
- the notes to consolidated financial statements, which include a summary of significant accounting policies.

Basis for opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report.

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

Independence
We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada. We have fulfilled our other ethical responsibilities in accordance with these requirements.

PricewaterhouseCoopers LLP/s.r.l./s.e.n.c.r.l.
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Other information

Management is responsible for the other information. The other information comprises the Management's Discussion and Analysis.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of management and those charged with governance for the consolidated financial statements

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

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

The engagement partner on the audit resulting in this independent auditor's report is Francois Berthiaume.

PricewaterhouseCoopers LLP[1]

Québec, Quebec
October 16, 2019

[1] CPA auditor, CA, public accountancy permit No. A125971

Société d'Exploration Minière Vior inc.

Consolidated Statements of Financial Position
(in Canadian dollars)

	Notes	As at June 30 2019	As at June 30 2018
		$	$
Assets			
Current assets			
Cash and cash equivalents		1,638,404	2,661,573
Listed shares and other investments	5	-	35,341
Tax credits and mining rights receivable		99,402	194,945
Sales tax receivable		1,647	-
Accounts receivable	6	153,139	443,445
Prepaid expenses		18,615	12,363
Total current assets		1,911,207	3,347,667
Non-current assets			
Listed shares and other investments	5	210,600	-
Mining properties	7	1,494,292	1,235,400
Property, plant and equipment, at cost less accumulated depreciation of $15,206 ($10,339 as at June 30, 2018)		12,007	16,543
Total non-current assets		1,716,899	1,251,943
Total assets		3,628,106	4,599,610
Liabilities			
Current liabilities			
Accounts payable and accrued liabilities	8	219,218	458,626
Non-current liabilities			
Accounts payable and accrued liabilities	8	-	45,000
Total liabilities		219,218	503,626
Equity			
Share capital	9	31,631,819	31,631,819
Warrants		141,533	166,429
Stock options		295,977	318,045
Contributed surplus		1,845,539	1,756,992
Deficit		(30,505,980)	(29,796,921)
Accumulated other comprehensive income		-	19,620
Total equity		3,408,888	4,095,984
Total liabilities and equity		3,628,106	4,599,610

Commitments (note 20)
Subsequent events (note 22)
The accompanying notes are an integral part of these financial statements.

On behalf of the Board of Directors

(s) Mark Fedosiewich
Mark Fedosiewich
President, Director

(s) Charles-Olivier Tarte
Charles-Olivier Tarte
Director

Société d'Exploration Minière Vior inc.

Consolidated Statements of Loss

(in Canadian dollars)

	Notes	Years ended June 30, 2019	2018
		$	$
Revenues			
Gain (loss) on listed shares and other investments		(4,037)	544,214
Interests		35,941	26,616
Fees charged to partners		119,111	140,668
Loss on an investment held for trading		-	(72,247)
		151,015	639,251
Expenses			
Salaries and fringe benefits		321,059	524,671
Professional fees		235,803	114,591
Regulatory fees		21,085	34,271
Rent and office expenses		69,536	83,240
Investor relation and visibility		12,897	18,685
Share-based compensation		41,583	236,117
Travelling		35,342	37,083
Search for mining properties	13	135,610	40,424
Depreciation of property plant and equipment		4,867	4,111
Cost of mining properties abandoned, impaired or written off		1,912	134,314
		879,694	1,227,507
Loss before deferred tax		(728,679)	(588,256)
Deferred tax	14	-	(90,920)
Net loss		(728,679)	(679,176)
Basic and diluted net loss per share	15	(0.016)	(0.017)

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

Société d'Exploration Minière Vior inc.

Consolidated Statements of Comprehensive Loss
(in Canadian dollars)

	Years ended June 30,	
	2019	**2018**
	$	**$**
Net loss	(728,679)	(679,176)
Other comprehensive loss		
Items that may be reclassified subsequently to net loss		
Unrealized loss on available-for-sale on listed shares and other investments, net of related income tax of nil ($17,723 in 2018)	-	(114,048)
Reclassification of realized gains on available-for-sale on listed shares and other investments to net income, net of related income tax of nil ($73,197 in 2018)	-	(471,017)
Other comprehensive loss	-	(585,065)
Comprehensive loss	(728,679)	(1,264,241)

Société d'Exploration Minière Vior inc.

Consolidated Statements of Changes in Equity
(in Canadian dollars)

	Number of shares outstanding	Share capital	Warrants	Stock options	Contributed surplus	Deficit	Accumulated other compre-hensive income	Total
		$	$	$	$	$	$	$
Balance at June 30, 2018	44,259,267	31,631,819	166,429	318,045	1,756,992	(29,796,921)	19,620	4,095,984
Adjustment on initial adoption of IFRS 9	-	-	-	-	-	19,620	(19,620)	-
Balance at July 1, 2018	44,259,267	31,631,819	166,429	318,045	1,756,992	(29,777,301)	-	4,095,984
Net loss	-	-	-	-	-	(728,679)	-	(728,679)
Comprehensive loss	-	-	-	-	-	(728,679)		(728,679)
Warrants expired (note 10)	-	-	(24,896)	-	24,896	-	-	-
Stock options granted (note 11)	-	-	-	41,583	-	-	-	41,583
Stock options expired (note 11)	-	-	-	(63,651)	63,651	-	-	-
Balance at June 30, 2019	44,259,267	31,631,819	141,533	295,977	1,845,539	(30,505,980)	-	3,408,888

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

Société d'Exploration Minière Vior inc.

Consolidated Statements of Changes in Equity
(in Canadian dollars)

	Number of shares outstanding	Share capital $	Warrants $	Stock options $	Contributed surplus $	Deficit $	Accumulated other comprehend-sive income $	Total $
Balance at July 1, 2017	33,159,267	30,855,944	227,410	81,928	1,529,582	(29,117,745)	604,685	4,181,804
Net loss	-	-	-	-	-	(679,176)	-	(679,176)
Unrealized loss on an available-for sale listed share and other investments, net of related income tax of $17,723	-	-	-	-	-	-	(114,048)	(114,048)
Reclassification of realized gains on available-for-sale on listed shares and other investments to net income, net of related income tax of $73,197	-	-	-	-	-	-	(471,017)	(471,017)
Comprehensive loss	-	-	-	-	-	(679,176)	(585,065)	(1,264,241)
Private placement (note 9)	11,100,000	831,571	166,429	-	-	-	-	998,000
Warrants expired (note 10)	-	-	(227,410)	-	227,410	-	-	-
Stock options granted (note 11)	-	-	-	236,117	-	-	-	236,117
Share-issue expenses (note 9)	-	(55,696)	-	-	-	-	-	(55,696)
Balance at June 30, 2018	44,259,267	31,631,819	166,429	318,045	1,756,992	(29,796,921)	19,620	4,095,984

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

Société d'Exploration Minière Vior inc.

Consolidated Statements of Cash Flows
(in Canadian dollars)

	Years ended June 30,	
	2019	2018
	$	$
Cash flows from operating activities		
Net loss	(728,679)	(679,176)
Adjustments for:		
Loss (gain) on listed shares and other investments	4,037	(544,214)
Loss on an investment held for trading	-	72,247
Share-based compensation	41,583	236,117
Depreciation of property, plant and equipment	4,867	4,111
Deferred tax	-	90,920
Cost of mining properties abandoned, impaired or written off	1,912	134,314
Departure allowance payable on a long-term basis to a senior officer	-	45,000
	(676,280)	(640,681)
Changes in items of working capital		
Sales tax receivable, tax credits and mining rights receivable	(1,647)	9,500
Accounts receivable	290,306	(318,916)
Prepaid expenses	(6,252)	22,805
Accounts payable and accrued liabilities	(284,652)	284,397
	(2,245)	(2,214)
	(678,525)	(642,895)
Cash flows from financing activities		
Share capital, warrants and stock options issued for cash, net of share-issue expenses	-	942,304
	-	942,304
Cash flows from investing activities		
Acquisition of other investments	(210,600)	-
Disposal of listed shares	31,304	684,210
Acquisition of mining properties and capitalized exploration costs	(359,962)	(742,951)
Tax credits and mining rights received	194,945	25,173
Additions to property, plant and equipment	(331)	(13,957)
	(344,644)	(47,525)
Increase (decrease) in cash and cash equivalents	(1,023,169)	251,884
Cash and cash equivalents - beginning	2,661,573	2,409,689
Cash and cash equivalents - ending	1,638,404	2,661,573
Interest received	36,106	29,027
Additional disclosure on the consolidate cash flow statements (note 18)		

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

1. GENERAL INFORMATION

Société d'Exploration Minière Vior Inc. (the "Corporation") which is governed by the Quebec Business Corporations Act, is in the business of acquiring and exploring mining properties. The address of the Corporation's registered office is 839, Saint-Joseph Est, Suite 210, Québec City, Quebec, Canada. The Corporation's shares are listed on the TSX Venture Exchange (the "Exchange") under the VIO ticker.

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 Corporation 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 Corporation must secure sufficient funding to meet its existing commitments for exploration and development programs and general and administration costs.

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

The Financial Statements were approved by the Board of Directors on October 16, 2019

2. BASIS OF PREPARATION

The Financial Statements have been prepared in accordance with International Financial Reporting Standards ("IFRS"), as defined by the International Accounting Standards Board ("IASB").

2.1 Basis of measurement

The Financial Statements have been prepared on a going concern basis, under the historical cost convention, except for certain assets at fair market value.

2.2 Consolidation

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

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

2. BASIS OF PREPARATION (CONT'D)

2.3 Functional and presentation currency

Items included in the Financial Statements of each of the Corporation's entities are measured using the currency of the primary economic environment in which the entity operations (the "functional currency"). The Financial Statements are presented in Canadian dollars, which is the Corporation's and its subsidiary functional currency.

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.

3.1 Cash and cash equivalents

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

3.2 Listed shares and other investments

Listed shares and other investments consist of shares listed on the Exchange and warrants in a public company as well as shares of a private company.

3.3 Financial instruments

Financial assets and financial liabilities are recognized when the Corporation 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 Corporation 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, depending on the purpose for which the instruments were acquired as well as their characteristics.

<u>Financial assets - applicable as of July 1, 2018</u>

Fair value through profit and loss listed shares:
Listed shares and the other investments are valued at fair value through profit and loss and they are equity investments recognized initially at fair value and subsequently measured at fair value. Gains or losses arising from changes in fair value are recorded in the statement of loss. Dividend income on those investments are recognized in the statement of loss.

Amortized cost:
Financial assets at amortized cost are non-derivative financial assets with fixed or determinable payments constituted solely of payments of principal and interest that are held within a "held to collect" business model. Financial assets at amortized cost are initially recognized at the amount expected to be received, less, when material, a discount to reduce the financial assets to fair value. Subsequently, financial assets at amortized cost are measured using the effective interest method less a provision for expected losses. The Corporation's cash and cash equivalents and accounts receivable are classified within this category.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Financial assets - applicable as of June 30, 2018

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

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

The Corporation's financial assets classified as available for sale and included in short-term investments consisted of shares in a public company as of June 30, 2018.

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 Corporation's loans and receivables consist of cash, cash equivalents and accounts receivable in the consolidated statement of financial position.

Effective for all period presented

Financial liabilities at amortized cost:
Financial liabilities consist of 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 as non-current liabilities.

Impairment of financial assets at amortized cost:
The impairment loss is the difference between the original cost of the asset and its fair value at the measurement date, less any impairment losses previously recognized in the statement of income (loss). The carrying amount of the asset is reduced by this amount either directly or indirectly through the use of an allowance account. 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 or increase. The Corporation has adopted IFRS 9 standards on financial instruments dealing with classification and measurement, impairment and hedge accounting

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.4 Property, plant and equipment and depreciation

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

3.5 Mining properties

The Corporation 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 Corporation owns an interest in accordance with industry standards for the current exploration phase of these properties, these procedures give no assurance to the Corporation as to title. The title to property may be subject to unrecognized prior agreements and not compliant with regulatory requirements.

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

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.

3.6 Joint arrangements

The Corporation 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.

3.7 Provisions

Provisions for environmental restoration, restructuring costs and legal claims, where applicable, are recognized when: (i) the Corporation 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 Corporation'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 Corporation had no provisions as at June 30, 2018 and 2017.

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

The Corporation is entitled to a credit on duties refundable for loss under the Mining Duties Act and a refundable tax credit for resources 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 Corporation has complied with all the conditions related to those credits and that those credits will be received.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.9 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.

3.10 Flow-through shares

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

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

3.11 Warrants

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

3.12 Share-based compensation plan

The Corporation has established a share-based compensation plan, which is described in note 11 of the financial statements. The Corporation 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.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.13 Income taxes

The Corporation 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.

3.14 Revenue recognition

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

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

3.15 Basic and diluted earnings per share

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

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

3.16 Segment reporting

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

3.17 New adopted accounting standards

The most significative standards, interpretations to existing standards and amendments effective as of these financial statements are listed below

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

IFRS 2, S*hare-based payment* ("IFRS 2")

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

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

The Corporation has adopted the requirements of IFRS 9, Financial Instruments with a date of initial application of July 1, 2018. This standard replaces IAS 39, Financial Instruments: Recognition and Measurement ("IAS 39"). IFRS 9 eliminates the classification of financial instruments as "available-for-sale" and "held to maturity" and the requirement to bifurcate embedded derivatives with respect to hybrid financial assets. This standard incorporates a new hedging model, which increases the scope of hedged items eligible for hedge accounting, and aligns hedge accounting more closely with risk management. This standard also amends the impairment model by introducing a new "expected credit loss" model for calculating impairment. This new standard also increases required disclosures about an entity's risk management strategy, cash flows from hedging activities, and the impact of hedge accounting on the financial statements.

IFRS 9 uses a single approach to determine whether a financial asset is measured at amortized cost or fair value, replacing the multiple rules in IAS 39. The approach in IFRS 9 is based on how an entity manages its financial instruments and the contractual cash flow characteristics of the financial assets. Most of the requirements in the IAS 39 for classification and measurement of financial liabilities and for the derecognition of financial assets were carried forward in IFRS 9.

The following table summarizes the classification and measurement changes for the Corporation's financial assets and financial liabilities as a result of the adoption of IFRS 9.

	IAS 39	IFRS 9
Financial assets		
Cash and cash equivalents	Loans and receivables	Amortized cost
Accounts receivable	Loans and receivables	Amortized cost
Listed shares	Available for sale	Fair value through profit and loss
Other investments	Fair value through profit and loss	fair value through profit and loss
Financial liabilities		
Accounts payable and accrued liabilities	Amortized cost	Amortized cost

The accounting for these instruments and the line item in which they are included in the statement of financial position were not affected by the adoption of IFRS 9 except for the change in fair value of the listed shares that were recorded in the comprehensive loss under IAS 39 and that are from now on recorded in the statement of loss under IFRS 9.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

In accordance with the transitional provision of IFRS 9, the financial assets and liabilities held on July 1, 2018 were reclassified retrospectively without prior period restatement based on the new classification requirements taking into account the business model under which they are held at July 1, 2018 and the cash flow characteristics of the financial assets at their date of initial recognition.

There was one adjustment to the opening balance of the comprehensive loss as of July 1, 2018 relating to the listed shares for which the balance was reclassified to the opening balance of the deficit for $19,620.

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

In May 2014, the IASB issued IFRS 15, Revenue from contracts with customers. The objective of this new standard is to provide a single, comprehensive revenue recognition model for all contracts with customers to improve comparability. This new standard contains principles that an entity will apply to determine the measurement of revenue and timing of when it is recognized. The underlying principle is that an entity will recognize revenue to depict the transfer of goods or services to customers at an amount that the entity expects to be entitled to in exchange for those goods or services. This new standard is effective for annual periods beginning on or after January 1, 2018. The Corporation has adopted this standard effective for fiscal years beginning on or after July 1, 2018 and it did not have an impact on its Financial Statements.

3.18 New accounting standards not yet adopted

Amendments of IFRS 9

In October 2017, the IASB issued narrow-scope amendments to IFRS 9. The amendments clarify the classification of certain prepayable financial assets and the accounting of financial liabilities following modification. The amendments are effective for annual periods beginning on or after January 1, 2019. The Corporation will adopt these amendments for the fiscal years on or after July 1, 2019 and it will not have an impact on its Financial Statements.

IFRS 16, *Leases* ("IFRS 16")

This new standard issued by the IASB in January 2016, establishes principles for the recognition, measurement and presentation of the leases and the disclosures about them, from the points of view of the lessee and the lessor. For accounting of the lessee, there will be now only one model, which requires the recognition of all assets and liabilities arising from lease contracts. This standard is effective for annual periods beginning on or after January 1, 2019. The Corporation will adopt these amendments for the fiscal years on or after July 1, 2019 and it will not have an impact on its Financial Statements.

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The preparation of financial statements in conformity with IFRS requires the Corporation 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.

4.1 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 Corporation has made in the preparation of the financial statements.

Mining properties

The Corporation’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 Corporation’s control. This evaluation involves a comparison of the estimated recoverable amounts of mining properties to carrying values. Assets are reviewed for an indication of impairment at each reporting date and when there are indicators of impairment. This determination requires significant judgment. Factors which could trigger an impairment review include, but are not limited to, interruptions in exploration activities and significant negative industry or economic trends.

Deferred tax assets and liabilities

Deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amount of existing assets and liabilities and their respective tax bases. The determination of the ability of the Corporation 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 Corporation. Management is required to assess whether it is “probable” that the Corporation 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.

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS (CONT'D)

4.2 Critical judgments in applying the entity's accounting policies

Listed shares and other investments

At each reporting date, the Corporation assesses whether there is objective evidence that a financial asset is impaired. Objective evidence of an impairment loss includes: (i) significant financial difficulty of the debtor; (ii) delinquencies in interest or principal payments; (iii) increased probability that the borrower will enter bankruptcy or other financial reorganization; and (iv) in the case of equity securities, a significant or prolonged decline in the fair value of the security below its cost. Assumptions used to calculate the fair value are described in note 17.3.

Fair value of stock options and warrants

Determining the fair value of stock options and warrants involves estimates of interest rates, expected live of the stock options and warrants, share price volatility and the application of the Black Scholes valuation model. The Black Scholes valuation model requires the input of highly subjective assumptions that can materially affect the fair value estimate. Stock options granted vest in accordance with the stock option plan.

Several variables are used when determining the value of the stock options and warrants using the Black Scholes valuation model:

- Risk-free interest rate: the Corporation uses the interest rate available for government securities of an equivalent expected term as at the date of grant of the stock options or the issuance of the warrants.
- Volatility: the Corporation uses historical information on the market price of the Corporation or peer companies (if necessary) to determine the degree of volatility at the date when the instruments are granted or issued. Therefore, depending on when the stock options and warrants were granted or issued, and the year of historical information examined, the degree of volatility can be different when calculating the value f different stock options and warrants.

5. LISTED SHARES AND OTHER INVESTMENTS

a) Variation of listed shares and other investments	As at June 30,	
	2019	2018
	$	$
Balance - Beginning of year	35,341	923,569
Acquisitions	210,600	-
Disposals	(35,341)	(684,210)
Change in fair value	-	(204,018)
Balance - End of year	210,600	35,341

5. LISTED SHARES AND OTHER INVESTMENTS (CONT'D)

On May 3, 2019, the Corporation completed a strategic investment in Carlin-Type Holdings Ltd. (" CTH"). CTH is a Canadian private corporation whose wholly owned Nevada subsidiary Ridgeline Minerals Corporation ("Ridgeline") holds the option to acquire a 100% interest in three gold exploration projects all located in Nevada USA, Carlin-East, Swift and Selena.

The Corporation invested $210,600 in the initial seed round of financing, providing it with an equity interest of approximately 8.3% in CTH. The Corporation has also been granted a pre-emptive right to participate on a pro-rata basis inn CTH's next equity private placement financing. As of June 30, 2019, the investment fair value still corresponds to the amount invested.

6. ACCOUNTS RECEIVABLE

	As at June 30	
	2019	**2018**
	$	**$**
Exploration partners	143,753	436,212
Other	9,386	7,233
	153,139	443,445

7. MINING PROPERTIES

Detail of mining properties

	Undivided interest	Balance as at June 30, 2018	Net additions	Impairment	Tax credits	Balance as at June 30, 2019
	%	$	$	$	$	$
Quebec, Canada						
Big Island Lake (note 7.1)	100					
Acquisition costs		6,513	-	(378)	-	6,135
Exploration costs		18,007	-	(1,044)	(151)	16,812
		24,520	-	(1,422)	(151)	22,947
Foothills (note 7.2)	100					
Acquisition costs		19,209	-	-	-	19,209
Exploration costs		204,902	-	-	-	204,902
		224,111	-	-	-	224,111
Ligneris (note 7.3)	100					
Acquisition costs		24,774	5,036	-	-	29,810
Exploration costs		147,607	197,754	-	(72,309)	273,052
		172,381	202,790	-	(72,309)	302,862
Mosseau (note 7.4)	100					
Acquisition costs		187,730	26,405	-	-	214,135
Exploration costs		404,582	4,201	-	(26,026)	382,757
		592,312	30,606	-	(26,026)	596,892
Vezza-Noyard	100					
Acquisition costs		1,799	422	-	-	2,221
Exploration costs		76,566	2,266	-	(916)	77,916
		78,365	2,688	-	(916)	80,137
Others	N/A					
Acquisition costs		3,031	-	(485)	-	2,546
Exploration costs		32	-	(5)	-	27
		3,063	-	(490)	-	2,573
Sub-total - Canada		1,094,752	236,084	(1,912)	(99,402)	1,229,522
Nevada, USA						
Tonya (note 7.5)	100					
Acquisition costs		112,585	50,076	-	-	162,661
Exploration costs		28,063	74,046	-	-	102,109
Sub-total – USA		140,648	124,122	-	-	264,770
Summary						
Acquisition costs		355,641	81,939	(863)	-	436,717
Exploration costs		879,759	278,267	(1,049)	(99,402)	1,057,575
Total		1,235,400	360,206	(1,912)	(99,402)	1,494,292

7. MINING PROPERTIES (CONT'D)

Detail of mining properties

	Undivided interest	Balance as at June 30, 2017	Net additions	Impairment	Tax credits	Balance as at June 30, 2018
	%	$	$	$	$	$
Quebec, Canada						
Big Island Lake (note 7.1)	100					
Acquisition costs		7,812	962	(2,261)	-	6,513
Exploration costs		22,487	2,527	(6,154)	(853)	18,007
		30,299	3,489	(8,415)	(853)	24,520
Foothills (note 7.2)	100					
Acquisition costs		29,761	-	(10,552)	-	19,209
Exploration costs		317,452	-	(112,550)	-	204,902
		347,213	-	(123,102)	-	224,111
Ligneris (note 7.3)	100					
Acquisition costs		21,200	3,574	-	-	24,774
Exploration costs		139,238	12,165	-	(3,796)	147,607
		160,438	15,739	-	(3,796)	172,381
Mosseau (note 7.4)	100					
Acquisition costs		164,281	23,449	-	-	187,730
Exploration costs		36,742	555,314	-	(187,474)	404,582
		201,023	578,763	-	(187,474)	592,312
Vezza-Noyard	100					
Acquisition costs		1,799	-	-	-	1,799
Exploration costs		76,485	123	(42)	-	76,566
		78,284	123	(42)	-	78,365
Others	N/A					
Acquisition costs		3,443	337	(749)	-	3,031
Exploration costs		-	3,122	(2,006)	(1,084)	32
		3,443	3,459	(2,755)	(1,084)	3,063
Sub-total Canada		820,700	601,573	(134,314)	(193,207)	1,094,752
Nevada, USA						
Tonya (note 7.5)	100					
Acquisition costs		-	112,585	-	-	112,585
Exploration costs		-	28,063	-	-	28,063
Sub-total USA		-	140,648	-	-	140,648
Summary						
Acquisition costs		228,296	140,907	(13,562)	-	355,641
Exploration costs		592,404	601,314	(120,752)	(193,207)	879,759
Total		820,700	742,221	(134,314)	(193,207)	1,235,400

7. MINING PROPERTIES (CONT'D)

7.1 Big Island Lake

On May 1, 2018, the Corporation granted Iluka Exploration (Canada) Ltd. ("Iluka") the option to acquire an initial 51% interest in the Big Island Lake property for a consideration of exploration work totalling $200,000 before March 31, 2019, and an additional 39% interest for a consideration of exploration work totalling $1,500,000 no later than March 31, 2021. As at June 30, 2019, Iluka spent $496,995 on exploration work and acquired a 51% interest. However, the Corporation has yet to receive from Iluka notice that the 51% interest option has been exercised.

7.2 Foothills

On March 9, 2016 (later amended on August 25, 2016, November 3, 2016 and June 21, 2018), the Corporation granted Iluka the option to acquire an initial 51% interest in the Foothills property for a consideration of exploration work totalling $500,000 during the first year of the agreement and an additional 39% interest for a consideration of exploration work totalling $2,200,000 no later than December 31, 2019. On August 25, 2016, the Corporation amended the agreement to add 140 new claims held by the Corporation. Iluka agreed to pay $25,000 plus the cost of the claims.

As at June 30, 2019, Iluka spent $2,241,872 on exploration work and acquired a 51% interest. However, the Corporation has yet to receive from Iluka notice that the 51% interest option has been exercised.

7.3 Ligneris

On June 26, 2019, the Corporation signed an earn-in agreement with Ethos Gold Corp ("Ethos") allowing Ethos to earn up to a 70% interest in the Ligneris property.

Ethos can earn a 51% interest in the Ligneris property by fulfilling the following conditions:

	Exploration work		**Payments with Ethos' shares**	
	Commitment	Completed	Commitment	Completed
	$	$	Number	$ [1)2)]
At the signature	-	-	200,000	-
On or before June 26, 2020	750,000	43,503	225,000	-
On or before June 26, 2021	750,000	-	250,000	-
On or before June 26, 2022	750,000	-	325,000	-
On or before June 26, 2023	750,000	-	-	-
	3,000,000	43,503	1,000,000	-

1) Estimated at fair market value on the day the shares were issued
2) 200,000 shares were issued to the Corporation in July 2019 and valued at $50,000

Ethos will be granted 60 days to decide to obtain a complementary interest of 19 % (70 % total interest) once the 51% option has been exercised. Ethos will have to spend an additional $4,000,000 in the following three years.

7. MINING PROPERTIES (CONT'D)

7.4 Mosseau

On March 20, 2017, the Corporation entered into an acquisition agreement with Ressources Tectonic Inc., 3421856 Canada Inc. and Alphonse Beaudoin on the Mosseau property, located east of Lebel-sur-Quévillon, Québec. As per the agreement (later amended on June 20, 2018, and June 20, 2019), the Corporation has the option, until June 20, 2020, to acquire a 100% interest in 15 claims from the Mosseau property on the following terms

	Cash payments		Share payments	
	Commitment	Completed	Commitment	Completed
	$	$	$	$
Upon TSX approval	90,000	90,000	65,000	65,000
On or before June 20, 2018	22,500	22,500	-	-
On or before June 20, 2019	22,500	22,500	-	-
On or before June 20, 2020	80,000	-	-	-
	215,000	135,000	65,000	65,000

As of June 30, 2019, the Corporation made the last payment to 3421856 Canada Inc. and Alphonse Beaudoin, thereby completing the acquisition of their six claims, but extended the option on the nine remaining claims held by Ressources Tectonic Inc. until June 20, 2020. The prospector syndicate retains a 2% net smelter return ("NSR"), half of which can be bought back for $1,000,000.

7.5 Tonya

On July 28, 2017, Vior USA entered into an agreement with Gold Range Company, LLC, ("Gold Range") on 12 claims located in the Pershing Township in Nevada, USA. This agreement gives Vior USA the exclusive rights to explore, develop and mine the property in return for an NSR royalty of 3% in favor of Gold Range, of which two tranches of 1% may be bought back for the sum of US$1,000,000 each. Vior USA must pay in advance royalty amounts as follow: US$10,000 at the effective date of the agreement, as well as at the first and second anniversary, US$15,000 at the third and fourth anniversary and US$25,000 at the fifth anniversary. For the subsequent years and until production, an additional amount of US$10,000 will be added at each new anniversary. When production starts, the 3 % NSR royalty will be paid, nevertheless Gold Range will not be receiving the royalty until the advance royalty paid by Vior USA is depleted. Vior USA will need to complete a US$100,000 in exploration work on the property before July 28, 2020. As of June 30, 2019, US$20,000 have been given to Gold Range

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

On March 14, 2018, Vior USA entered into an agreement with Michiels Family Associates, Inc. and Whitred Holdings, LLC, for the acquisition of the surface rights to the Tonya property for US $400,000 payable as follows: $20,000 upon signature of the agreement, a monthly amount of $1,000 for 24 months following the signing of the agreement, a monthly amount of $1,700 for the next 24 months following the first payment period, a monthly amount of $2,000 for the next 12 months following the second payment period and the balance $291,200 within 10 business days after the end of the third payment period. Vior USA may terminate this agreement at any time without additional payment or penalty. If Vior USA moves from the exploration stage to the construction of a mine or mineral extraction, the remaining balance will become due and payable within 60 days of the commencement of construction of the mine or of mineral extraction. As at June 30, 2019, US $35,000 had been paid to Michiels Family Associates, Inc. and Whitred Holdings, LLC.

8. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	As at June 30,	
	2019	**2018**
	$	**$**
Suppliers	155,500	370,815
Commodity taxes payable	-	19,653
Salaries and fringe benefits	18,718	23,158
Departure allowance to a senior officer (1)	45,000	90,000
	219,218	503,626

(1) Include a long-term portion of $ 45,000 as at June 30, 2018.

9. SHARE CAPITAL

9.1 Authorized

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

9.2 Private placements

On July 5, 2017, the Corporation completed a private placement by issuing 4,100,000 shares at $0.08 per share, for total gross proceeds of $328,000. Along with these shares, 2,050,000 warrants were issued which give the holder the right to subscribe for one common share at $0.12 per share until July 5, 2018. The private placement is presented net of the warrants value which was established at $24,896. Share-issue expenses of $21,700 were incurred under the private placement relating to this private placement.

On December 8, 2017, the Corporation completed a private placement by issuing 1,500,000 shares at $0.08 per share, for total gross proceeds of $120,000. Along with these shares, 1,500,000 warrants were issued which give the holder the right to subscribe for one common share at $0.12 per share until December 8, 2022. The private placement is presented net of the warrants value which was established at $51,932. Share-issue expenses of $5,343 were incurred under the private placement relating to this private placement.

On December 20, 2017, the Corporation completed a private placement by issuing 5,500,000 shares at $0.10 per share, for total gross proceeds of $550,000. Along with these shares, 2,750,000 warrants were issued which give the holder the right to subscribe for one common share at $0.15 per share until December 20, 2019. The private placement is presented net of the warrants value which was established at $89,601. Share-issue expenses of $28,653 were incurred under the private placement relating to this private placement.

10. WARRANTS

The following table presents warrant activity

	Years ended June 30,			
	2019		2018	
	Number	Weighted average exercise price	Number	Weighted average exercise price
		$		$
Outstanding - Beginning of the year	6,300,000	0.13	7,450,000	0.15
Granted on private placements	-	-	6,300,000	0.13
Expired	(2,050,000)	0.12	(7,450,000)	0.15
Outstanding - End of the year	4,250,000	0.14	6,300,000	0.13

Outstanding warrants:

Number	Exercise price	Expiry date
	$	
2,750,000	0.15	December 20, 2019
1,500,000	0.12	December 8, 2022
4,250,000		

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

	Year ended June 30,
	2018
Risk-free interest rate	1.43%
Expected volatility	99.641%
Dividend yield	Zero
Expected life	2.39 years
Fair value of warrants granted	$0.027

11. STOCK OPTIONS

The Corporation 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 Corporation. On June 25, 2019, the Board approved an increase of the number of common shares reserved for issuance under the Corporation’s fixed number stock option plan from 3,725,926 to 4,425,900 and this modification has been approved by the Exchange. The exercise price of any option granted under the plan shall be fixed by the Board of Directors at the time of grant and shall not be lower than the fair market value. Stock Options grated expire after a maximum of ten years following the date of grant. Stock options vest when granted, or otherwise as determined by the Board of Directors.

11. STOCK OPTIONS (CONT'D)

The following table presents the stock options activities:

	Years ended June 30,			
	2019		2018	
	Number	Weighted average exercise price	Number	Weighted average exercise price
		$		$
Outstanding and exercisable - Beginning of the year	3,680,000	0.14	405,000	0.40
Granted	525,000	0.10	3,275,000	0.10
Expired	(665,000)	0.15	-	-
Outstanding and exercisable - End of the year	3,540,000	0.13	3,680,000	0.14

The following table summarizes information about stock options outstanding and exercisable

Stock options	Exercise price	Expiry date
	$	
240,000	0.50	October 31, 2020
150,000	0.135	January 4, 2023
525,000	0.10	May 15, 2024
100,000	0.10	June 20, 2027
1,675,000	0.10	October 10, 2027
850,000	0.10	October 30, 2027
3,540,000		

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

	Years ended June 30	
	2019	2018
Risk-free interest rate	1.56%	2.06%
Expected volatility	110.59%	108.3%
Dividend yield	Zero	Zero
Expected life	5 years	9,5 years
Fair value of options granted	$0.079	$0.072

12. COMPENSATION AWARDED TO 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 Corporation.

Compensation awarded to key management included:

	Years ended June 30,	
	2019	**2018**
	$	**$**
Short-term employee salaries and benefits	360,179	494,982
Long-term employee salaries and benefits	-	45,000
Share-based compensation	35,641	220,865
Total compensation of key management	395,820	760,847

13. SEARCH FOR MINING PROPERTIES

	Years ended June 30,	
	2019	**2018**
	$	**$**
Salaries and fees	116,047	33,564
Transport	10,481	3,167
Analysis	2,349	-
Other	6,733	3,693
	135,610	40,424

14. DEFERRED TAX

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

	Years ended June 30,	
	2019	**2018**
	$	**$**
Deferred income tax recovery	-	(90,920)

14. DEFERRED TAX (CONT'D)

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	
	2019	**2018**
	$	**$**
Loss before deferred tax	(728,679)	(588,256)
Combined federal and provincial income tax rate of 26.65% (26.75% in 2018)	194,193	157,358
Share-issue expenses not affecting earnings	-	14,899
Non-deductible expenses	(8,131)	(64,011)
Difference between current and future tax rates	-	47,453
Change in unrecognized deferred tax assets	(180,398)	(245,584)
Other	(5,664)	(1,035)
Deferred tax recovery	-	(90,920)

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

Recognized deferred tax assets and liabilities:

	As at June 30 2019	As at June 30 2018
	$	**$**
Deferred tax assets		
Non-capital losses	15,687	20,251
	-	20,251
Deferred tax liabilities		
Listed shares and other investments	-	(4,420)
Mining properties	15,687	(15,831)
	15,687	(20,251)
Presented in the consolidated statement of financial position as follows:		
Deferred tax assets	-	-
Deferred tax liabilities	-	-

14. DEFERRED TAX (CONT'D)

Unrecognized deferred tax assets:

	As at June 30 2019	As at June 30 2018
	$	$
Non-capital losses	939,793	740,440
Property, plant and equipment and intangible assets	15,949	14,660
Share-issue expenses	18,513	27,298
Mining properties	155,752	157,079
Others	25,028	36,487
	1,155,035	976,064

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, 2019, the Corporation has non-capital losses of $3,633,955 at the federal level and $3,568,582 at the provincial level ($2,898,167 at the federal level and $2,834,485 at the provincial level as at June 30, 2018) available to reduce taxable income in future years. These losses expire at various dates between 2029 and 2039.

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

Deferred tax assets

	Non-capital losses	Capital losses	Total
	$	$	$
As at July 1, 2017	157,619	-	157,619
Charged to the consolidated statement of loss	(137,368)	-	(137,368)
As at June 30, 2018	20,251	-	20,251
Charged to the consolidated statement of loss	(4,564)	-	(4,564)
As at June 30, 2019	15,687	-	15,687

14. DEFERRED TAX (CONT'D)

Deferred tax liabilities

	Listed shares and other investments	Mining properties	Total
	$	$	$
As at July 1, 2017	119,184	38,435	157,619
Credited to the consolidated statement of loss	(23,844)	(22,604)	(46,448)
Credited to other comprehensive loss	(90,920)	-	(90,920)
As at June 30, 2018	4,420	15,831	20,251
Credited to the consolidated statement loss	(4,420)	(144)	(4,564)
Credited to other comprehensive loss	-	-	-
As at June 30, 2019	-	15,687	15,687

Deferred tax assets and liabilities in the amount of $15,687 will be realized after more than 12 months.

As at June 30, 2019, the non-refundable federal investment tax credits were as follows

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

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

15. EARNINGS PER SHARE

The calculation of basic loss per share is based on the loss for the year divided by the weighted average number of shares in circulation during the year. In calculating the diluted loss per share, potential common shares such as share options and warrants have not been included as they would have the effect of decreasing the loss per share. Decreasing the loss per share would be antidilutive. Details of share options and warrants issued that could potentially dilute earnings per share in the future are given in notes 10 and 11.

	Fiscal 2019	**Fiscal 2018**
	$	$
Net loss	(728,679)	(679,176)
Weighted average number of outstanding shares	44,259,267	40,967,802
Basic and diluted net loss per share	(0.016)	(0.017)

16. CAPITAL MANAGEMENT

The Corporation considers the items included in equity for an amount of $3,408,888 ($4,095,984 in 2018) as capital components.

The Corporation manages and adjusts its capital structure, based on the funds available to it, in order to support the acquisition and exploration of mining properties. Given that the Corporation 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 Corporation's management to sustain the future development of the business. In the opinion of management, working capital as at June 30, 2019, will cover the cost of current expenses and the exploration expenditures for the next year.

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

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

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

There was no change in the approach used by the Corporation for its capital management for the year ended June 30, 2019. The Corporation is not subject to externally imposed capital requirements.

17. FINANCIAL INSTRUMENTS AND FAIR VALUE MEASUREMENT

17.1 Financial instruments

As at June 30, 2018, the Corporation's assets at fair value through net loss consist of warrants. Available-for-sale assets consist of shares in a public company. Cash and cash equivalents, accounts receivable and accounts payable and accrued liabilities are financial instruments whose carrying value approximates their fair value due to their short-term maturity

As at June 30, 2019, the Corporation's assets at fair value through net loss consist of warrants, which fair value is nil and shares in a private company. Cash and cash equivalents, accounts receivable and accounts payable and accrued liabilities are financial instruments at amortized cost whose carrying value approximates their fair value due to their short-term maturity

17.2 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, 2019 and as at June 30, 2018, classified using the fair value hierarchy described above:

	As at June 30, 2019		As at June 30, 2018	
	Level 1	**Level 3**	**Level 1**	**Level 3**
	$	$	$	$
Financial assets				
Listed shares	-	-	35 ,341	-
Shares in a private company	-	210,600		
Warrants	-	-	-	-

No transfer attributable to changes in the observability of market data was made among the fair value measurement hierarchy levels during the years ended June 30, 2019 and June 30, 2018.

17. FINANCIAL INSTRUMENTS AND FAIR VALUE MEASUREMENT (CONT'D)

c) Valuation techniques that are used to measure fair value

The fair value of shares is established using the bid price on the most beneficial active market for these instruments that is readily available to the Corporation. When a bid price is not available, the Corporation 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.

Management is responsible to determine a value for the financial instruments, including those classified as level 3 in the fair value hierarchy. The evaluation process and results are reviewed and approved by the audit committee each quarter. For example, for the shares not listed, the management considers the value of the shares issued by the private company as well as elements that could impact the net asset value of the private company.

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

d) Financial risk factors

The Corporation`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 Corporation's credit risk is primarily attributable to cash and cash equivalent, short-term investments and other amounts receivable. The maximum exposure to credit risk approximates the amount recognized on the statement of financial position. The Corporation 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 Corporation signed an agreement with a major mining company and that the credit risk related to amounts receivable from a partner is nil, this partner having already paid these amounts. The credit risk related to cash and cash equivalent is limited because the Corporation deals with a Canadian bank with a high credit rating and its subsidiaries. The Corporation 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 Corporation, which is revised regularly.

17. FINANCIAL INSTRUMENTS AND FAIR VALUE MEASUREMENT (CONT'D)

Liquidity risk

Liquidity risk is the risk that the Corporation may be unable to fulfill its financial obligations related to financial liabilities. The Corporation's approach to managing liquidity risk is to ensure that it will have sufficient liquidities to meet liabilities when due. As at June 30, 2019, the Corporation had a cash balance of $1,638,404 ($2,661,573 $ at June 30, 2018) to settle current liabilities of $219,218 ($458,626 as at June 30, 2018). All of the Corporation'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 Corporation's current policy is to invest excess cash principally in term deposits or in interest- bearing accounts held with a Canadian bank and its subsidiaries.

For the year ended June 30, 2019, a 1% increase or decrease in interest rates on interest-bearing bank balances would result in an estimated impact of $15,817 (impact of $24,644 for the year ended June 30, 2018) on the statements of loss and comprehensive loss.

Currency risk

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

Equity risk

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

Changes in fair value of available-for-sale shares are recorded in other comprehensive loss. A variation of ±10% of the quoted market prices as at June 30, 2019 would have had a $ 21,060 after-tax effect in the statements of loss and comprehensive loss ($3,059 for the year ended June 30, 2018).

Change in fair value of warrants at fair value through profit or loss are recorded in the statements of loss. A variation of ± 10% in market prices as at June 30, 2019 would result in an estimated after-tax effect in the statements of loss and comprehensive loss (nil for the year ended June 30, 2018)

18. ADDITIONAL INFORMATION ON CASH FLOWS STATEMENTS

Items not impacting cash and cash equivalents

	Years ended June 30,	
	2019	**2018**
	$	**$**
Related to investing activities :		
Tax credit and mining rights receivable applied against mining properties	99,402	193,207
Additions to mining properties and exploration expenditures included in accounts payable and accrued liabilities	5,901	5,657

19. SEGMENT REPORTING

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

	As at June 30, 2019	**As at June 30, 2018**
	$	$
Canada		
Acquisition costs	274,056	243,056
Exploration costs	955,466	851,696
Total	1,229,522	1,094,752
United States		
Acquisition costs	162,661	112,585
Exploration costs	102,109	28,063
Total	264,770	140,648

The mining property located in United States is held by the Corporation's subsidiary Vior USA.

All cost incurred in the subsidiary, except for the incorporation cost, are capitalized in the mining property.

20. COMMITMENTS

The Corporation has leases for its two administrative offices. The minimum future lease payments required to meet its obligations are respectively $30,327 and $6,887 for the next two years. The Corporation renewed, on October 1, 2019, the Longueuil lease for the period of 12 months for a total amount of $20,652.

21. RECLASSIFICATIONS

For presentation purposes, the following elements of the statement of comprehensive loss for the year ended June 30, 2018 were reclassified to provide more relevant information:

- Interest and bank charges were grouped with rent and office expenses.
- Maintenance fees are now labelled as regulatory fees and they were removed from professional fees in order to be presented separately

22. SUBSEQUENT EVENT

On July 8, 2019, the Corporation granted to an officer 150,000 stock options exercisable at $0.11 per share, valid for 5 years. Those options were granted at an exercise price equal to the closing market value of the shares the previous day of the grant. The estimated fair value of these stock options is $12,300 which is $0.082 per stock option. The fair value of the options granted was estimated using the Black Scholes valuation model with no expected dividend yield, 110.0% expected volatility, 1.58% risk-free interest rate and 5 years options expected life. This expected life was estimated by benchmarking comparable situations for companies that are similar to the Corporation. The expected volatility was determined by calculating the historical volatility of the Corporation’s share price back from the date of grant and for a period corresponding to the expected life of the options.