

Société d'Exploration Minière Vior Inc.

Statements of Financial Position

(expressed in Canadian dollars)

	As at September 30, 2016 \$	As at June 30, 2016 \$
Assets		
Current assets		
Cash	1,539,594	991,841
Short-term investment	4,033,731	2,896,012
Tax credits for mining exploration and commodity taxes receivable	45,980	52,703
Other amounts receivable (note 4)	202,880	138,135
Prepaid expenses	48,684	17,915
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	5,870,869	4,096,606
	625,792	619,629
Mining properties (note 5)		
Property, plant and equipment , at cost less accumulated depreciation of \$7,316 (\$6,790 as at June 30, 2016)	6,090	6,616
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	6,502,751	4,722,851
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Liabilities		
Current liabilities		
Accounts payable and accrued liabilities (note 6)	83,348	156,252
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Equity		
Share capital (note 7)	30,459,492	30,012,803
Warrants (note 8)	264,881	30,254
Stock options (note 9)	172,604	172,604
Contributed surplus	1,506,184	1,506,184
Deficit	(28,669,292)	(28,856,084)
Accumulated other comprehensive income	2,685,534	1,700,838
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	6,419,403	4,566,599
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	6,502,751	4,722,851
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Commitment (note 13)

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 Income (Loss)

(expressed in Canadian dollars)

	Three-month periods ended	
	September 30,	
	2016	2015
	\$	\$
Revenues		
Interest	1,867	3,164
Fees charged to a partner	71,290	-
Settlement of litigation	120,000	-
	<u>193,157</u>	<u>3,164</u>
Expenses		
Salaries and fringe benefits	82,002	53,041
Professional and maintenance fees	31,604	10,366
Rent and office expenses	29,239	17,226
Advertising and promotion	200	500
Travelling	1,304	912
Search for mining properties (note 10)	13,118	1,793
Interest and bank charges	267	294
Depreciation of property, plant and equipment	526	293
Cost of mining properties abandoned, impaired or written off	1,128	-
	<u>159,388</u>	<u>84,425</u>
Income (loss) before deferred tax	33,769	(81,261)
Deferred tax	153,023	-
Net income (net loss) for the period	<u>186,792</u>	<u>(81,261)</u>
Per share (note 11)		
Basic net earnings (net loss)	<u>0.006</u>	<u>(0.004)</u>
Diluted net earnings (net loss)	<u>0.006</u>	<u>(0.004)</u>

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

Société d'Exploration Minière Vior Inc.

Statements of Comprehensive Income (Loss)

(expressed in Canadian dollars)

	Three-month periods ended	
	September 30,	
	2016	2015
	\$	\$
Net income (net loss) for the period	186,792	(81,261)
Other comprehensive income		
Items that may be reclassified subsequently to net loss		
Unrealized gain on an available-for-sale short-term investment, net of related income tax of \$153,023	984,696	-
Other comprehensive income for the period	984,696	-
Comprehensive income (loss) for the period	1,171,488	(81,261)

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 income (loss)	Total
	\$	\$	\$	\$	\$	\$	\$
Balance as at July 1, 2016	30,012,803	30,254	172,604	1,506,184	(28,856,084)	1,700,838	4,566,599
Net earnings	-	-	-	-	186,792	-	186,792
Unrealized gain on an available-for-sale short-term investment, net of related income tax of \$153,023	-	-	-	-	-	984,696	984,696
Comprehensive income for the period	-	-	-	-	186,792	984,696	1,171,488
Warrants granted	-	234,627	-	-	-	-	234,627
Issuance of shares for cash consideration	526,382	-	-	-	-	-	526,382
Share issue expenses	(79,693)	-	-	-	-	-	(79,693)
Balance as at September 30, 2016	30,459,492	264,881	172,604	1,506,184	(28,669,292)	2,685,534	6,419,403

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
	\$	\$	\$	\$	\$	\$	\$
Balance as at July 1, 2015	29,973,781	33,919	173,829	1,494,438	(28,811,190)	(112,431)	2,752,346
Net loss	-	-	-	-	(81,261)	-	(81,261)
Comprehensive loss for the period	-	-	-	-	(81,261)	-	(81,261)
Warrants granted	-	6,856	-	-	-	-	6,856
Warrants cancelled	-	(10,521)	-	10,521	-	-	-
Issuance of shares for cash consideration	43,144	-	-	-	-	-	43,144
Share issue expenses	(4,122)	-	-	-	-	-	(4,122)
Balance as at September 30, 2015	30,012,803	30,254	173,829	1,504,959	(28,892,451)	(112,431)	2,716,963

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)

	Three-month periods ended	
	September 30,	
	2016	2015
	\$	\$
Cash flows from operating activities		
Net income (net loss) for the period	186,792	(81,261)
Adjustments for:		
Depreciation of property, plant and equipment	526	293
Deferred tax	(153,023)	-
Cost of mining properties abandoned, impaired or written off	1,128	-
	<u>35,423</u>	<u>(80,968)</u>
Changes in items of working capital		
Tax credits for mining exploration and commodity taxes receivable	(5,910)	24,171
Other amounts receivable	(64,745)	(902)
Prepaid expenses	(30,769)	(400)
Accounts payable and accrued liabilities	(14,424)	(7,414)
	<u>(115,848)</u>	<u>15,455</u>
	<u>(80,425)</u>	<u>(65,513)</u>
Cash flows from financing activities		
Share capital and warrants issued for cash, net of share issue expenses	681,315	45,878
	<u>681,315</u>	<u>45,878</u>
Cash flows from investing activities		
Additions to mining properties and capitalized exploration costs	(68,961)	(132,124)
Change in credit on duties refundable for loss	15,824	248
Additions to property, plant and equipment	-	(3,045)
	<u>(53,137)</u>	<u>(134,921)</u>
Increase (decrease) in cash	547,753	(154,556)
Cash - Beginning of period	991,841	1,430,134
Cash - End of period	<u>1,539,594</u>	<u>1,275,578</u>
Interest received	1,717	3,236

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

Société d'Exploration Minière Vior Inc.

Statements of Cash Flows (continued)

(expressed in Canadian dollars)

Additional information

Items not affecting cash

	Three-month periods ended	
	September 30,	
	2016	2015
	\$	\$
Related to investing activities:		
Credit on duties refundable for loss and refundable tax credit receivable for resources applied against mining properties	3,190	116,802
Acquisition of mining properties and exploration costs included in accounts payable and accrued liabilities	2,310	1,056

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

Société d'Exploration Minière Vior Inc.

Notes to Financial Statements

For the three-month periods ended September 30, 2016 and 2015

(expressed in Canadian dollars)

1 General information

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

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

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

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

2 Basis of preparation

These condensed interim financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS"), as defined in the Chartered Professional Accountants of Canada Handbook and adopted by the International Accounting Standards Board ("IASB") applicable to the preparation of condensed interim financial statements, including IAS 34, *Interim Financial Reporting* and using the same accounting policies and methods of computation as our most recent annual financial statements except for the change in accounting policy disclosed in Note 3. The condensed interim financial statements should be read in conjunction with the annual financial statements for the year ended June 30, 2016, which have been prepared in accordance with IFRS as issued by the IASB.

These financial statements were approved by the Board of Directors on November 17, 2016.

3 Changes in accounting policies

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.

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, have no impact on the Company's profit or loss or financial position.

Société d'Exploration Minière Vior Inc.

Notes to Financial Statements

For the three-month periods ended September 30, 2016 and 2015

(expressed in Canadian dollars)

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 September 30, 2016. Many of these updates are not relevant to the Company and are therefore not discussed herein.

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

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

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

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

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

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

Société d'Exploration Minière Vior Inc.

Notes to Financial Statements

For the three-month periods ended September 30, 2016 and 2015

(expressed in Canadian dollars)

4 Other amounts receivable

	As at September 30, 2016	As at June 30, 2015
	\$	\$
Partner	198,964	133,861
Others	3,916	4,274
	<u>202,880</u>	<u>138,135</u>

5 Mining properties

Reconciliation of mining properties

	Exploration costs	Acquisition cost		Total
	\$	Mining properties	Claims	\$
Balance as at June 30, 2016	554,341	7,925	57,363	619,629
Costs incurred	9,450	-	1,031	10,481
Mining properties abandoned, impaired or written off	(1,029)	-	(99)	(1,128)
Credit on duties refundable for loss and refundable tax credit for resources	(3,190)	-	-	(3,190)
Balance as at September 30, 2016	<u>559,572</u>	<u>7,925</u>	<u>58,295</u>	<u>625,792</u>

Société d'Exploration Minière Vior Inc.

Notes to Financial Statements

For the three-month periods ended September 30, 2016 and 2015

(expressed in Canadian dollars)

Detail of mining properties

	N ^o of claims	Undivided interest %	Balance as at June 30, 2016 \$	Costs incurred \$	Mining properties abandoned, impaired or written off, credit on duties refundable for loss and refundable tax credit for resources \$	Balance as at September 30, 2016 \$
Big Island Lake	80					
Acquisition costs		100	4,420	-	-	4,420
Exploration costs			7,775	9,149	(3,089)	13,835
			<u>12,195</u>	<u>9,149</u>	<u>(3,089)</u>	<u>18,255</u>
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>
Foothills (note a)	617					
Acquisition costs		100	30,687	-	(99)	30,588
Exploration costs			318,481	-	(1,029)	317,452
			<u>349,168</u>	<u>-</u>	<u>(1,128)</u>	<u>348,040</u>
Ligneris	77					
Acquisition costs		100	18,487	141	-	18,628
Exploration costs			136,849	301	(102)	137,048
			<u>155,336</u>	<u>442</u>	<u>(102)</u>	<u>155,676</u>
Veza-Noyard	10					
Acquisition costs		100	1,406	-	-	1,406
Exploration costs			76,464	-	-	76,464
			<u>77,870</u>	<u>-</u>	<u>-</u>	<u>77,870</u>
Others	-					
Acquisition costs		-	2,552	891	-	3,443
Exploration costs			-	-	-	-
			<u>2,552</u>	<u>891</u>	<u>-</u>	<u>3,443</u>
			<u>619,629</u>	<u>10,482</u>	<u>(4,319)</u>	<u>625,792</u>

All mining properties are located in the province of Quebec.

Société d'Exploration Minière Vior Inc.

Notes to Financial Statements

For the three-month periods ended September 30, 2016 and 2015

(expressed in Canadian dollars)

(a) On March 9, 2016, the Company granted Iluka Exploration (Canada) Ltd ("Iluka") the option to acquire an initial 51% interest in the Foothills property for a consideration of exploration work totalling \$400,000 during the first year of the agreement and an additional 39% for a consideration of exploration work totalling \$2,100,000 no later than March 31, 2019. On August 25, 2016, the Company amended the agreement to add 140 new claims held by the Company. Iluka will pay \$25,000 plus the cost of the claims, increase from \$400,000 to \$500,000 the amount relating to the exploration work required to obtain the initial 51% interest and increase from \$2,100,000 to \$2,200,000 the amount relating to the exploration work required to obtain the additional 39% interest. As at September 30, 2016, Iluka spent \$491,592 on exploration work.

6 Accounts payable and accrued liabilities

	As at September 30, 2016 \$	As at June 30, 2016 \$
Suppliers	53,902	131,260
Salaries and fringe benefits	29,446	24,992
	<u>83,348</u>	<u>156,252</u>

7 Share capital

Authorized

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

Issued and fully paid

The share capital issued has varied as follows:

	Three-month period ended September 30, 2016		Year ended June 30, 2015	
	Number	\$	Number	\$
Balance - Beginning of period	23,259,901	30,012,803	22,704,346	29,973,781
Issuance of shares for cash consideration (a) (b)	7,400,000	526,382	555,555	43,144
Share issue expenses	-	(79,693)	-	(4,122)
Balance - End of period	<u>30,659,901</u>	<u>30,459,492</u>	<u>23,259,901</u>	<u>30,012,803</u>

(a) On July 31, 2015, the Company made a \$50,000 private placement through the issuance of 555,555 of its shares 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. The offering is presented net of the value of the related warrants which was established at \$6,856. Share issue expenses of \$4,122 were incurred by the Company under the private placement.

Société d'Exploration Minière Vior Inc.

Notes to Financial Statements

For the three-month periods ended September 30, 2016 and 2015

(expressed in Canadian dollars)

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

8 Warrants

The following table presents warrant activity since July 1, 2015 and summarizes information about outstanding and exercisable warrants as at September 30, 2016.

	Three-month period ended		Year ended June 30,	
	September 30,		2016	
	2016		2016	
	Number	Weighted average exercise price \$	Number	Weighted average exercise price \$
Outstanding and exercisable - Beginning of period	638,889	0.13	540,000	0.17
Granted	7,700,000	0.15	138,889	0.11
Matured	-	-	(40,000)	0.60
Outstanding and exercisable - End of period	8,338,889	0.15	638,889	0.13

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

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

The 138,889 outstanding and exercisable warrants at \$0.11 will mature in July 2017.

The 7,700,000 outstanding and exercisable warrants at \$0.15 will mature in July 2017.

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

	Three-month period ended	Year ended
	September 30,	June 30,
	2016	2016
Risk-free interest rate	0.57%	0.41%
Expected volatility	157.35%	144.38%
Dividend yield	Nil	Nil
Expected life	1 year	2 years
Fair value of warrants granted	\$0.03	\$0.049

Société d'Exploration Minière Vior Inc.

Notes to Financial Statements

For the three-month periods ended September 30, 2016 and 2015

(expressed in Canadian dollars)

9 Stock options

The Company maintains a stock option plan under which certain key employees, managers, directors, consultants, service providers and investor relations service providers may be granted stock options for shares of the Company. A maximum of 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.

The following table presents the stock option activity since July 1, 2015 and summarizes information about fixed stock options outstanding and exercisable as at September 30, 2016.

	Three-month period ended September 30,		Year ended June 30,	
	2016	Weighted average exercise price \$	2016	Weighted average exercise price \$
Outstanding and exercisable - Beginning of period	2,055,000	0.16	2,060,000	0.16
Cancelled	-	-	(5,000)	0.50
Outstanding and exercisable - End of period	2,055,000	0.16	2,055,000	0.16

The following table summarizes information about stock options outstanding and exercisable as at September 30, 2016:

Exercise price	Options outstanding and exercisable Number	Weighted average remaining contractual life (years)	Weighted average exercise price \$
\$0.10	1,750,000	8.66	0.10
\$0.50	305,000	4.09	0.50

Société d'Exploration Minière Vior Inc.

Notes to Financial Statements

For the three-month periods ended September 30, 2016 and 2015

(expressed in Canadian dollars)

10 Search for mining properties

	Three-month periods ended	
	September 30,	
	2016	2015
	\$	\$
Salaries and fees	13,021	1,781
Other	97	12
	<u>13,118</u>	<u>1,793</u>

11 Earnings per share

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

	Three-month periods ended	
	September 30,	
	2016	2015
Basic weighted average number of shares outstanding	29,131,640	23,078,742
Stock options	1,750,000	-
Warrants	138,889	-
Diluted weighted average number of shares outstanding	<u>31,020,529</u>	<u>23,078,742</u>

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	305,000	2,060,000
Warrants	6,609,783	638,889

Société d'Exploration Minière Vior Inc.

Notes to Financial Statements

For the three-month periods ended September 30, 2016 and 2015

(expressed in Canadian dollars)

12 Financial instruments and measurement of fair value

a) Financial instruments

The classification of financial instruments as at September 30, 2016 and June 30, 2016 is summarized as follows:

As at September 30, 2016

				Carrying value	Fair value
	Available-for-sale	Loans and receivables	Financial liabilities at amortized cost	Total	Total
	\$	\$	\$	\$	\$
Financial Assets					
Cash	-	1,539,594	-	1,539,594	1,539,594
Short-term investment	4,033,731	-	-	4,033,731	4,033,731
Other amounts receivable	-	202,880	-	202,880	202,880
	4,033,731	1,742,474	-	5,776,205	5,776,205
Financial Liabilities					
Accounts payable and accrued liabilities		-	64,238	64,238	64,238
		-	64,238	64,238	64,238

As at June 30, 2016

				Carrying value	Fair value
	Available-for-sale	Loans and receivables	Financial liabilities at amortized cost	Total	Total
	\$	\$	\$	\$	\$
Financial Assets					
Cash	-	991,841	-	991,841	991,841
Short-term investment	2,896,012	-	-	2,896,012	2,896,012
Other amounts receivable	-	138,135	-	138,135	138,135
	2,896,012	1,129,976	-	4,025,988	4,025,988
Financial Liabilities					
Accounts payable and accrued liabilities		-	133,748	133,748	133,748
		-	133,748	133,748	133,748

Available-for-sale assets consist of shares in a public company. Cash, 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 three-month periods ended September 30, 2016 and 2015

(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 September 30, 2016 and as at June 30, 2016, classified using the fair value hierarchy described above:

	As at September 30,
	2016
	<u>Level 1</u>
Financial assets	\$
Shares	<u>4,033,731</u>
	As at June 30,
	2016
	<u>Level 1</u>
Financial assets	\$
Shares	<u>2,896,012</u>

No transfer attributable to changes in the observability of market data was made among the fair value measurement hierarchy level during the three-month period ended September 30, 2016 and the year ended June 30, 2016.

c) Valuation techniques that are used to measure fair value

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

Société d'Exploration Minière Vior Inc.

Notes to Financial Statements

For the three-month periods ended September 30, 2016 and 2015

(expressed in Canadian dollars)

d) Other information

As at September 30, 2016, gross unrealized gains on available-for-sale securities totalled \$3,102,870 (\$1,965,151 as at June 30, 2016). These gains related to common shares is mainly explained by fluctuations of prices in the market.

13 Commitment

The Company has a rental lease for its administrative offices with a company owned by a director. The rental lease has a term of three years beginning on June 1, 2016 and ending on May 31, 2019. The annual cost is \$19,800 and will be subject to an annual raise according to the consumer price index with a minimum of 2% annually.