# Vior Inc.

## Consolidated Financial Statements

For the years ended June 30, 2021 and 2020

# Independent auditor's report

To the Shareholders of Vior Inc.

## Our opinion

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of Vior Inc. and its subsidiary (together, the Company) as at June 30, 2021 and 2020, 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, 2021 and 2020;
- the consolidated statements of comprehensive income 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 the consolidated financial statements, which include significant accounting policies and other explanatory information.

## 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.

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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 Maxime Guilbault.

**/s/PricewaterhouseCoopers LLP [1]**

Montréal, Quebec
October 14, 2021

[1] CPA auditor, CA, public accountancy permit No. A128042

# Vior inc.

## Consolidated Statements of Financial Position

(in Canadian dollars)

| | Note | As at June 30 2021 | As at June 30 2020 |
|---|---|---|---|
| | | $ | $ |
| **Assets** | | | |
| **Current assets** | | | |
| Cash and cash equivalents | | 1,749,922 | 938,000 |
| Investments | 5 | 700,000 | - |
| Tax credits and mining rights receivable | | 427,020 | 14,325 |
| Sales tax receivable | | 82,368 | 5,784 |
| Accounts receivable | | 84,051 | 37,226 |
| Prepaid expenses | | 22,917 | 19,932 |
| Total current assets | | 3,066,278 | 1,015,267 |
| **Non-current assets** | | | |
| Listed shares | 6 | 2,645,075 | 1,299,875 |
| Mining properties | 7 | 3,335,296 | 1,543,624 |
| Total non-current assets | | 5,980,371 | 2,843,499 |
| **Total assets** | | **9,046,649** | **3,858,766** |
| **Liabilities** | | | |
| **Current liabilities** | | | |
| Accounts payable and accrued liabilities | | 478,091 | 109,426 |
| Deferred governmental grant | 8 | - | 8,730 |
| | | 478,091 | 118,156 |
| **Non-current liabilities** | | | |
| Loans | 8 | 31,985 | 20,667 |
| **Total liabilities** | | 510,076 | 138,823 |
| **Equity** | | | |
| Share capital | 9 | 35,651,223 | 31,631,819 |
| Warrants | 10 | 301,167 | 193,394 |
| Stock options | 11 | 332,489 | 308,277 |
| Contributed surplus | | 2,045,791 | 1,845,539 |
| Deficit | | (29,794,097) | (30,259,086) |
| **Total equity** | | 8,536,673 | 3,719,943 |
| **Total liabilities and equity** | | **9,046,649** | **3,858,766** |

Subsequent events (note 19)

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

**On behalf of the Board of Directors**

| | |
|---|---|
| *(s) Mark Fedosiewich* | *(s) Charles-Olivier Tarte* |
| Mark Fedosiewich | Charles-Olivier Tarte |
| President, CEO and Director | Director |

# Vior Inc.
## Consolidated Statements of Comprehensive Income
(in Canadian dollars)

| | Note | Years ended June 30, 2021 | 2020 |
|---|---|---|---|
| | | $ | $ |
| **Revenues** | | | |
| Interests | | 4,608 | 14,287 |
| Fees charged to partners | | 17,842 | 256,894 |
| | | 22,450 | 271,181 |
| **Expenses** | | | |
| Salaries and benefits | | 199,572 | 151,432 |
| Professional fees | | 236,534 | 186,236 |
| Regulatory fees | | 43,781 | 27,998 |
| Rent and office expenses | | 42,091 | 85,038 |
| Communication and shareholders visibility | | 150,987 | 59,923 |
| Share-based compensation | | 87,216 | 12,300 |
| Travelling | | 8,411 | 18,314 |
| Search for mining properties | | 2,433 | 42,696 |
| Depreciation of property plant and equipment | | - | 2,025 |
| Impaired property, plant and equipment | | - | 9,982 |
| Cost of mining properties abandoned, impaired or written off | 7 | 67,272 | - |
| | | 838,297 | 595,944 |
| **Other revenues (charges)** | | | |
| Change in fair value – listed shares | 6 | 1,284,450 | 624,025 |
| Accretion on loans | 8 | (3,614) | (507) |
| | | 1,280,836 | 623,518 |
| **Net earnings** | | **464,989** | **298,755** |
| Basic earnings per share | 14 | 0.008 | 0.007 |
| Diluted earnings per share | 14 | 0.007 | 0.006 |

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

# Vior Inc.

Consolidated Statements of Changes in Equity
(in Canadian dollars)

| | Number of shares outstanding | Share capital | Warrants | Stock options | Contributed surplus | Deficit | Total |
|---|---|---|---|---|---|---|---|
| | | $ | $ | $ | $ | $ | $ |
| **Balance at June 30, 2019** | 44,259,267 | 31,631,819 | 141,533 | 295,977 | 1,845,539 | (30,505,980) | 3,408,888 |
| Net earnings | - | - | - | - | - | 298,755 | 298,755 |
| Warrants extended | - | - | 51,861 | - | - | (51,861) | - |
| Stock-based compensation | - | - | - | 12,300 | - | - | 12,300 |
| **Balance at June 30, 2020** | **44,259,267** | **31,631,819** | **193,394** | **308,277** | **1,845,539** | **(30,259,086)** | **3,719,943** |
| Net earnings | - | - | - | - | - | 464,989 | 464,989 |
| Private placement | 25,500,000 | 3,561,418 | 188,582 | - | - | - | 3,750,000 |
| Acquisition of mining properties | 2,410,000 | 476,800 | 68,000 | - | - | - | 544,800 |
| Warrants exercised | 375,000 | 63,597 | (7,347) | - | - | - | 56,250 |
| Warrants expired | - | - | (141,462) | - | 141,462 | - | - |
| Stock options exercised | 400,000 | 67,688 | - | (27,688) | - | - | 40,000 |
| Stock-based compensation | - | - | - | 110,690 | - | - | 110,690 |
| Stock options expired | - | - | - | (58,790) | 58,790 | - | - |
| Share issue expenses | - | (150,099) | - | - | - | - | (150,099) |
| **Balance at June 30, 2021** | **72,944,267** | **35,651,223** | **301,167** | **332,489** | **2,045,791** | **(29,794,097)** | **8,536,573** |

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

# Vior Inc.

Consolidated Statements of Cash Flows
(in Canadian dollars)

| | Years ended June 30, 2021 | 2020 |
|---|---|---|
| | $ | $ |
| **Cash flows from operating activities** | | |
| Net earnings | 464,989 | 298,755 |
| Adjustments for: | | |
| Change in fair value – listed shares | (1,284,450) | (624,025) |
| Share-based compensation | 87,216 | 12,300 |
| Deferred government grant | (21,026) | (11,110) |
| Depreciation of property, plant and equipment | - | 2,025 |
| Impaired property, plant and equipment | - | 9,982 |
| Cost of mining properties abandoned, impaired or written off | 67,272 | - |
| Accretion on loans | 3,614 | 507 |
| | (682,385) | (311,566) |
| Changes in non-cash working capital items | | |
| Sales tax receivable | (76,584) | (4,137) |
| Accounts receivable | (46,825) | 115,913 |
| Prepaid expenses | (2,985) | (1,317) |
| Accounts payable and accrued liabilities | 656,998 | (109,672) |
| | 530,604 | 787 |
| | (151,781) | (310,779) |
| **Cash flows from financing activities** | | |
| Loans cashed | 20,000 | 40,000 |
| Private placement | 3,750,000 | - |
| Share issue expenses | (150,099) | - |
| Warrants exercised | 56,250 | - |
| Stock options exercised | 40,000 | - |
| | 3,716,151 | 40,000 |
| **Cash flows from investing activities** | | |
| Additions to investments | (700,000) | - |
| Acquisition of listed shares | - | (415,250) |
| Acquisition of mining properties and capitalized exploration costs | (2,064,763) | (134,289) |
| Tax credits and mining rights received | 12,315 | 119,914 |
| | (2,752,448) | (429,625) |
| **Net change in cash and cash equivalents** | 811,922 | (700,404) |
| **Cash and cash equivalents - beginning** | 938,000 | 1,638,404 |
| **Cash and cash equivalents - ending** | **1,749,922** | **938,000** |
| Interest received | 2,692 | 15,533 |
| Additional information on the consolidated statements of cash flow (note 17) | | |

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

## 1. GENERAL INFORMATION AND LIQUIDITY

Vior Inc. (the "Corporation") governed by the Business Corporations Act (Québec), is in the business of acquiring and exploring mining properties. The address of the Corporation's registered office is 995 Wellington Street, suite 240, Montréal, Quebec, H3C 1V3, Canada. The Corporation's shares are listed on the TSX Venture Exchange (the "Exchange") under the symbol VIO. On December 14, 2020, the Corporation changed its name from Société d'Exploration minière Vior Inc. to Vior Inc.

The Corporation has not yet determined whether its mining 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 the necessary financing to complete the exploration and development work of its mining properties, and upon future profitable production or proceeds from the disposal of mining properties.

Although management has taken actions to verify the ownership rights for mining properties in which the Corporation owns an interest and 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 a mining property may be subject to unrecognized prior agreements and not compliant with regulatory requirements.

As at June 30, 2021, the Corporation has working capital of $2,588,187 including cash and cash equivalents of $1,749,922. Management of the Corporation believes it has sufficient funds to pay its ongoing general and administrative expenses, to pursue its budgeted exploration and evaluation expenditures, and to meet its liabilities, obligations and existing commitments for the ensuing twelve months as they fall due. In assessing whether the going concern assumption is appropriate, management takes into account all available information about the future, including the impact of COVID-19. The extent and duration of the impacts that the coronavirus may have on the Corporation's operations, including suppliers, service providers, employees and global financial markets, are still uncertain at this time. These events may cause significant changes in the future on the Corporation's ability to complete planned exploration and evaluation activities and meet its obligations according to terms of the flow-through financings or its ability to obtain debt and equity financing.

The Corporation is monitoring developments in order to be in a position to take appropriate actions as needed. To continue the Corporation's exploration and evaluation programs on its properties and its operations beyond June 30, 2022, the Corporation will periodically need to raise additional funds through the issuance of new equity instruments, the exercise of stock options and the search for partners to sign option agreements on certain of its mineral properties. 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 or that these sources of funding or initiatives will be available for the Corporation or that they will be available on terms that are acceptable to the Corporation.

These consolidated financial statements ("Financial Statements") were approved by the Board of Directors on October 13, 2021.

## 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 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 control was 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 earnings (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.

### 2.3 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 operates (the "functional currency"). The Financial Statements are presented in Canadian dollars, which is the functional currency of the Corporation and its subsidiary.

### 2.4 Jointly controlled assets and exploration activities

A jointly controlled asset involves joint control and offers joint ownership by the Corporation and other venturers of assets contributed to or acquired for the purpose of the joint venture, without the formation of a corporation, partnership or other entity.

Where the Corporation’s activities are conducted through jointly controlled assets and exploration activities, the Financial Statements include the Corporation's share in the assets and the liabilities from the joint operations as well as, when applicable, the Corporation’s share in the income and the expenses.

## 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 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.

Per IFRS 9, *Financial Instruments* ("IFRS 9"), financial assets and financial liabilities, including derivative financial instruments, are 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 the characteristics of their contractual cash flows.

*Fair value through profit or loss listed shares:*
Listed shares are valued at fair value through profit or loss and they consist of 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 income (loss). Dividend income on those investments is recognized in the statement of income (loss).

*Amortized cost:*
Financial assets at amortized cost are non-derivative financial assets with fixed or determinable payments consisting solely of payments of principal and interest and which 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, investments and accounts receivable are classified in this category.

*Financial liabilities at amortized cost:*
Financial liabilities consist of accounts payable and accrued liabilities and loans; they 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 expected credit loss is the difference between the amortized cost of the financial asset and the present value of future expected cash flows, discounted using the initial effective rate of the financial asset. The carrying amount of the asset is reduced by this amount either directly or indirectly through the use of an allowance account. Provision for anticipated losses are adjusted in subsequent periods if the credit loss has increased or decreased since initial recognition. The Corporation applies the simplified method permitted by IFRS 9 for trade receivables which requires the recognition of lifetime expected credit losses at initial recognition.

### 3.3 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.

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 the caption Cost of mining properties abandoned, impaired or written off.

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

From time to time, the Corporation may acquire or dispose of a property pursuant to the terms of an option agreement. Due to the fact that options are exercisable entirely at the discretion of the option holder, the amounts payable or receivable are not recorded. Option payments are recorded when they are made or received. Proceeds on the sale of mining properties are applied in reduction of the acquisition costs of the related mining rights, then in reduction of the exploration costs for the related area of interest, and any residual is recorded in the statement of comprehensive income (loss) unless there is contractual work required by the Corporation, in which case the residual gain is deferred and will be applied against the contractual disbursements when completed.
Funds received from partners on certain properties where the Corporation is the operator in order to perform exploration work as per agreements, are accounted for in the statement of financial position as advances received for upcoming exploration work. These advances are reduced gradually when the exploration work is performed. The project management fees received when the Corporation is the operator are recorded in the statement of comprehensive income (loss) when the exploration costs are charged back to the partner. When the partner is the operator, the management fees are recorded in the statement of financial position as exploration costs. Costs related to mining properties are systematically assessed for impairment when transferred to development assets.

### 3.4 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 when 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, 2021 and 2020.

### 3.5 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.

### 3.6 Government grants

The Corporation periodically receives grants from different government incentive programs. These grants are recognized initially when there is a reasonable assurance that they will be received and when the Corporation has intentions to comply with the conditions associated with the grants. The financial aid received for expenditures incurred is applied as a deduction from these expenditures on a systematic basis and in the same accounting period in which the expenditures are incurred.

### 3.7 Share capital

Share capital represents the amount received on the issuance of shares, less the warrants granted when units are issued, and their fair value is estimated using the Black-Scholes option-pricing model. 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 and warrants.

### 3.8 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 comprehensive 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.

### 3.9 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.

### 3.10 Share-based compensation plan

The Corporation operates an equity-settled share-based remuneration plan (share options plan) for its eligible directors, officers, employees and consultants. The Corporation's plan does not feature any options for a cash settlement.

An individual is classified as an employee when the individual is an employee for legal or tax purposes (direct employee) or provides services similar to those performed by a direct employee, including Directors of the Corporation. The expense is recorded over the vesting period for employees and over the period covered by the contract for non-employees.

All goods and services received in exchange for the grant of any share-based payment are measured at their fair values, unless that fair value cannot be estimated reliably. If the Corporation cannot estimate reliably the fair value of the goods or service received, the Corporation shall measure their value indirectly by reference to the fair value of the equity instruments granted. Where employees are rewarded using share-based payments, the fair values of employees' services are determined indirectly by reference to the fair value of the equity instruments granted. This fair value is appraised at the grant date using the Black Scholes option pricing model and excludes the impact of non-market vesting conditions.

All equity-settled share-based payments (except warrants to brokers) are ultimately recognized as an expense in the statement of comprehensive income (loss) or are capitalized as exploration costs in mining properties and treated as equity on the statement of financial position as equity, depending on the nature of the payment. The corresponding credit to stock options in *equity*. Warrants to brokers, in respect of an equity financing are recognized as share issue expense reducing the share capital. The corresponding credit is applied to *warrants* in equity.

If vesting periods or other vesting conditions apply, the expense is allocated over the vesting period, based on the best available estimate of the number of share options expected to vest. Non-market vesting conditions are included in assumptions about the number of options that are expected to become exercisable. Estimates are subsequently revised if there is any indication that the number of share options expected to vest differs from previous estimates.

Upon exercise of share options, the proceeds received net of any directly attributable transaction costs are recorded as capital stock. The accumulated charges related to the share options recorded in *stock options* are then also transferred to share capital.

### 3.11 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.

### 3.12 Revenue recognition

Fees charged to partners are recognized as revenues when these services are provided under project operatorship.

### 3.13 Lease

Leases in which the Corporation is acting as lessee are only short-term lease contracts, for a period of 12 months or less. Payments under an operating lease are recognized to the statement of comprehensive income (loss) on a straight-line basis over the period of the lease or capitalized in the mining properties. Related expenses, such as maintenance and insurance expenses, are recognized as incurred.

### 3.14 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 calculated 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.

### 3.15 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.

### 3.16 New adopted accounting standards

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

**Amendments to IAS 1 Presentation of Financial Statements**
The IASB has made amendments to IAS 1 Presentation of Financial Statements that use a consistent definition of materiality throughout IFRS and the Conceptual Framework for Financial Reporting, to clarify when information is material and incorporate some of the guidance in IAS 1 about immaterial information. In particular, the amendments clarify that information is material if omitting, misstating, or obscuring it could reasonably be expected to influence decisions that the primary users of general-purpose financial statements make based on those financial statements, which provide financial information about a specific reporting entity. Materiality depends on the nature or magnitude of information, or both. An entity assesses whether information, either individually or in combination with other information, is material in the context of its financial statements taken as a whole. The Corporation adopted IAS 1 on July 1, 2020, which did not have a significant impact on the consolidated financial statements disclosures.

## 4. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The preparation of the 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 in 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 may 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 that could trigger an impairment review include, but are not limited to, interruptions in exploration activities and significant negative industry or economic trends.

### 4.2 Critical judgments in applying the entity's accounting policies

**Going Concern and liquidity**
The assessment of the Corporation's ability to execute its strategy by funding future working capital and exploration activities involves judgment. Estimates and assumptions are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Areas of significant judgments in assessing whether the going concern assumption is appropriate relate to the expected level of exploration activities in the future, which is at least, but not limited to, 12 months from the end of the reporting period.

## 5. INVESTMENTS

On June 30, 2021, investments are composed of guaranteed investment certificates not cashable before the expiry date, bearing between 0.76% to 0.81% interest payable annually, maturing on April 27, 2022 and with a maturity value of $705,500.

## 6. LISTED SHARES

| | Years ended June 30, 2021 | 2020 |
|---|---|---|
| | $ | $ |
| *Listed shares classified as measured at fair value through profit or loss* | | |
| Balance - Beginning of year | 1,299,875 | 210,600 |
| Acquisitions | 60,750 | 465,250 |
| Change in fair value | 1,284,450 | 624,025 |
| **Balance - End of year** | **2,645,075** | **1,299,875** |

| | As at June 30, 2021 | | | As at June 30, 2020 | | |
|---|---|---|---|---|---|---|
| | Market price per share | Number of shares | Fair value | Market price per share | Number of shares | Fair value |
| | $ | | $ | $ | | $ |
| Ethos Gold Corp. | 0.31 | 425,000 | 131,750 | 0.125 | 200,000 | 25,000 |
| Ridgeline Minerals Corp. | 0.69 | 3,642,500 | 2,513,325 | 0.35 | 3,642,500 | 1,274,875 |
| | | | **2,645,075** | | | **1,299,875** |

The Corporation completed a series of strategic investments in Ridgeline Minerals Corporation (“Ridgeline”) (formerly Carlin-Type Holdings Ltd.). Ridgeline is an arm’s length corporation whose wholly owned Nevada subsidiary holds the option to acquire a 100% interest in three gold exploration projects all located in Nevada, USA: Carlin-East, Swift and Selena.

In May 2019, the Corporation invested $210,600 in the initial seed round of financing, and in the subsequent financing rounds the Corporation invested $247,500 in December 2019 and $167,750 in February 2020. Ridgeline completed its initial public offering (“IPO”) on August 13, 2020. In total, the Corporation has invested $625,850 in Ridgeline in consideration for 3,642,500 shares.

Pursuant to the amended option agreement on the Ligneris property (note 7.5), the Corporation received in July 2019, 200,000 shares of Ethos, valued at $50,000. In addition, the Corporation received in July 2020, 225,000 shares of Ethos, valued at $60,750. In total since the beginning of the option agreement, the Corporation has received 425,000 Ethos’ shares valued at $110,750 on their issuance dates.

## 7. MINING PROPERTIES

| | Undivided interest | Balance as at June 30, 2020 | Net additions | Option payments | Tax credits | Impair-ment | Balance as at June 30, 2021 |
|---|---|---|---|---|---|---|---|
| | % | $ | $ | $ | $ | $ | $ |
| **Quebec, Canada** | | | | | | | |
| Belleterre | n/a | | | | | | |
| Acquisition costs | | - | 584,925 | - | - | - | 584,925 |
| Exploration costs | | - | 325,580 | - | (107,570) | - | 218,010 |
| | | - | 910,505 | - | (107,570) | - | 802,935 |
| Belmont | 100 | | | | | | |
| Acquisition costs | | - | 28,080 | - | - | - | 28,080 |
| Exploration costs | | - | - | - | - | - | - |
| | | - | 28,080 | - | - | - | 28,080 |
| Big Island Lake | 100 | | | | | | |
| Acquisition costs | | 6,135 | - | - | - | - | 6,135 |
| Exploration costs | | 16,812 | - | - | - | - | 16,812 |
| | | 22,947 | - | - | - | - | 22,947 |
| Foothills | 100 | | | | | | |
| Acquisition costs | | 19,209 | - | - | - | (667)[1)] | 18,542 |
| Exploration costs | | 205,298 | - | - | - | - | 205,298 |
| | | 224,507 | - | - | - | (667) | 223,840 |
| Lac Merlin | 100 | | | | | | |
| Acquisition costs | | 2,650 | - | - | - | - | 2,650 |
| Exploration costs | | 2,956 | 1,378 | - | (58) | - | 4,276 |
| | | 5,606 | 1,378 | - | (58) | - | 6,926 |
| Ligneris | 100 | | | | | | |
| Acquisition costs | | - | 283,000 | - | - | - | 283,000 |
| Exploration costs | | 252,867 | 5,582 | (60,750) | (1,953) | - | 195,746 |
| | | 252,867 | 288,582 | (60,750) | (1,953) | - | 478,746 |
| Mirabelli | n/a | | | | | | |
| Acquisition costs | | - | 24,619 | - | - | (24,619)[2)] | - |
| Exploration costs | | - | 73,347 | - | (31,361) | (41,986)[2)] | - |
| | | - | 97,966 | - | (31,361) | (66,605) | - |
| Mosseau | 100 | | | | | | |
| Acquisition costs | | 215,377 | 81,643 | - | - | - | 297,020 |
| Exploration costs | | 384,125 | 198,219 | - | (75,795) | - | 506,549 |
| | | 599,502 | 279,862 | - | (75,795) | - | 803,569 |
| Skyfall | 100 | | | | | | |
| Acquisition costs | | 27,744 | 127,833 | - | - | - | 155,577 |
| Exploration costs | | 894 | 479,807 | - | (207,011) | - | 273,690 |
| | | 28,638 | 607,640 | - | (207,011) | - | 429,267 |
| Vezza-Noyard | 100 | | | | | | |
| Acquisition costs | | 2,221 | - | - | - | - | 2,221 |
| Exploration costs | | 78,324 | - | - | - | - | 78,324 |
| | | 80,545 | - | - | - | - | 80,545 |
| Others | N/A | | | | | | |
| Acquisition costs | | 2,546 | - | - | - | - | 2,546 |
| Exploration costs | | 27 | 46 | - | (20) | - | 53 |
| | | 2,573 | 46 | - | (20) | - | 2,599 |
| Subtotal – Canada | | 1,217,185 | 2,214,059 | (60,750) | (423,768) | (67,272) | 2,879,454 |

| | Undivided interest | Balance as at June 30, 2020 | Net additions | Option payments | Tax credits | Impair-ment | Balance as at June 30, 2021 |
|---|---|---|---|---|---|---|---|
| | % | $ | $ | $ | $ | $ | $ |
| **Nevada, USA** | | | | | | | |
| Tonya | 100 | | | | | | |
| Acquisition costs | | 218,273 | 77,995 | - | - | - | 296,268 |
| Exploration costs | | 108,166 | 51,408 | - | - | - | 159,574 |
| Subtotal – USA | | 326,439 | 129,403 | - | - | - | 455,842 |
| **Summary** | | | | | | | |
| Acquisition costs | | 494,155 | 1,208,095 | - | - | (25,286) | 1,676,964 |
| Exploration costs | | 1,049,469 | 1,135,367 | (60,750) | (423,768) | (41,986) | 1,658,332 |
| **Total** | | **1,543,624** | **2,343,462** | **(60,750)** | **(423,768)** | **(67,272)** | **3,335,296** |

1) The Corporation impaired partially for the claims that were dropped.

2) The Corporation wrote off the property following the termination of the option agreement (note 7.6).

| | Undivided interest | Balance as at June 30, 2019 | Net additions | Option payments | Tax credits | Balance as at June 30, 2020 |
|---|---|---|---|---|---|---|
| | % | $ | $ | $ | $ | $ |
| **Quebec, Canada** | | | | | | |
| Big Island Lake | 100 | | | | | |
| Acquisition costs | | 6,135 | - | - | - | 6,135 |
| Exploration costs | | 16,812 | - | - | - | 16,812 |
| | | 22,947 | - | - | - | 22,947 |
| Foothills | 100 | | | | | |
| Acquisition costs | | 19,209 | - | - | - | 19,209 |
| Exploration costs | | 204,902 | 612 | - | (216) | 205,298 |
| | | 224,111 | 612 | - | (216) | 224,507 |
| Lac Merlin | 100 | | | | | |
| Acquisition costs | | - | 2,650 | - | - | 2,650 |
| Exploration costs | | - | 4,562 | - | (1,606) | 2,956 |
| | | - | 7,212 | - | (1,606) | 5,606 |
| Ligneris | 100 | | | | | |
| Acquisition costs | | 29,810 | 3,426 | (33,236) | - | - |
| Exploration costs | | 273,052 | 612 | (16,764) | (4,033) | 252,867 |
| | | 302,862 | 4,038 | (50,000) | (4,033) | 252,867 |
| Mosseau | 100 | | | | | |
| Acquisition costs | | 214,135 | 1,242 | - | - | 215,377 |
| Exploration costs | | 382,757 | 29,420 | - | (28,052) | 384,125 |
| | | 596,892 | 30,662 | - | (28,052) | 599,502 |
| Skyfall | 100 | | | | | |
| Acquisition costs | | - | 27,744 | - | - | 27,744 |
| Exploration costs | | - | 1,532 | - | (638) | 894 |
| | | - | 29,276 | - | (638) | 28,638 |
| Vezza-Noyard | 100 | | | | | |
| Acquisition costs | | 2,221 | - | - | - | 2,221 |
| Exploration costs | | 77,916 | 700 | - | (292) | 78,324 |
| | | 80,137 | 700 | - | (292) | 80,545 |
| Others | N/A | | | | | |
| Acquisition costs | | 2,546 | - | - | - | 2,546 |
| Exploration costs | | 27 | - | - | - | 27 |
| | | 2,573 | - | - | - | 2,573 |
| Subtotal – Canada | | 1,229,522 | 72,500 | (50,000) | (34,837) | 1,217,185 |
| **Nevada, USA** | | | | | | |
| Tonya | 100 | | | | | |
| Acquisition costs | | 162,661 | 55,612 | - | - | 218,273 |
| Exploration costs | | 102,109 | 6,057 | - | - | 108,166 |
| Subtotal – USA | | 264,770 | 61,669 | - | - | 326,439 |
| **Summary** | | | | | | |
| Acquisition costs | | 436,717 | 90,674 | (33,236) | - | 494,155 |
| Exploration costs | | 1,057,575 | 43,495 | (16,764) | (34,837) | 1,049,469 |
| **Total** | | 1,494,292 | 134,169 | (50,000) | (34,837) | 1,543,624 |

### 7.1 Belleterre

The Corporation staked claims in the Belleterre area that significantly increased its Project size following the agreements described below.

#### 7.1.1 Option agreement – Les Mines J.A.G. Ltd. (“JAG”)

Under the option agreement signed on January 27, 2021, JAG has granted the option to the Corporation to acquire 100% of the rights and interests in their Belleterre Project which may be exercised by the Corporation following cash payments and the issuance of common shares on or before the dates indicated below:

| Payment Date | Amount | | Work Commitment |
|---|---|---|---|
| On the execution of the Agreement | Cash (completed) | $15,000 | $300,000 |
| Jun 1, 2021 | Cash (completed) | $60,000 | |
| March 31, 2022 | - | | |
| Jun 1, 2022 | Cash | $50,000 | $1,700,000 |
| December 31, 2022 | Cash | $50,000 | |
| Jun 1, 2023 | Cash | $50,000 | |
| December 31, 2023 | Cash | $75,000 | |
| March 31, 2024 | - | | |
| Jun 31, 2025 | Cash and/or Share Issuance | $2,000,000 | - |
| **Total:** | **$2,300,000** | | **$2,000,000** |

The Corporation may accelerate the exercise of the option by making the required cash payments and share issuances earlier than the timeframes indicated above. The number of shares to be issued to JAG pursuant to the option Agreement will be determined by dividing the dollar amount of shares to be issued at any point in time by the 10-day volume weighted average closing price of the shares on the day before such issuance of such shares, subject to the policies of the Exchange. Concurrently with the exercise of the full 100% option, the Corporation has agreed to grant to JAG a 10% NPI (Net Profit Interest) royalty with respect to production from the project, with the royalty to be payable subject to the terms and conditions in the option agreement. Exercise of the option agreement is subject to receipt of all applicable regulatory approvals and consents.

The Corporation will be the operator of the project and will be responsible for carrying out all operations during the term of the option. Closing of the transactions contemplated under the option agreement is subject to the typical customary conditions, including receipt of all regulatory approvals.

As at June 30, 2021, the Corporation completed $32,511 of exploration work.

#### 7.1.2 Option agreement – 9293-0122 Québec Inc.

On February 3, 2021, the Corporation signed a purchase option agreement with 9293-0122 Québec Inc., who owns 9 claims and 2 mining concessions, including the site of the former Belleterre Mine. The Corporation can earn a 100% interest in the 11 mining titles by making the following cash payments and issuance of Corporation shares:

| Payment Date | Amount | |
|---|---|---|
| November 6, 2020 | Cash deposit (completed) | $10,000 |
| At the signing of the option agreement | Cash (completed) | $120,000 |
| March 20, 2021 or shortly after | Cash (completed) | $120,000 |
| Transfer of claims in trust | Cash and/or share Issuance | $600,000 |
| Transfer of claims in trust | Cash | $250,000 |
| 12 months after the fifth Payment | Cash and/or Share Issuance | $500,000 |
| 18 months after the fifth Payment | Cash and/or Share Issuance | $500,000 |
| **Total:** | | **$2,100,000** |

The Corporation will determine, at its sole discretion, the terms of payment, either in cash or in shares or a combination of both. The deemed price of issued shares shall be equal to the 10-day volume weighted average price of Vior Shares on the Exchange at the time of issuance.

**7.1.3 Other acquisition agreements**

On January 13, 2021, the Corporation signed an agreement to acquire from Sphinx Resources Ltd. a block of claims a payment of $10,000 and the issue of 100,000 shares of the Corporation (valued at $21,000). A 1% net smelter return (“NSR”) royalty is granted to the vendor and may be repurchased for $1M.

On January 31, 2021, the Corporation signed an agreement to acquire from a syndicate of two independent prospectors a 100% interest in a group claims in return for a payment of $10,000 and the issuance of 90,000 Corporation shares (valued at $18,450). A 1% NSR royalty is granted to the vendors and may be repurchased for $1M.

On January 28, 2021, the Corporation signed an agreement with Exploration Sagidor inc. to acquire a group of claims in consideration for a payment of $20,000 and the issuance of 250,000 shares of the Corporation (valued at $51,250). A 1% NSR royalty is granted to the vendor and may be repurchased for $1M.

On January 28, 2021, the Corporation signed an agreement with a syndicate of two independent prospectors to acquire a 100% interest in a group of claims for a payment of $10,000 and the issue of 250,000 shares of the Corporation (valued at $51,250). A 1% NSR royalty is granted to the vendors and may be repurchased for $1M.

On January 18, 2021, the Corporation signed an agreement with Globex Mining Enterprises Inc. to acquire a 100% interest in a bloc of claims in consideration for the issuance of 150,000 shares of the Corporation (valued at $32,250). A 2% gross metal royalty (“GMR”) is granted to the vendor, half of which may be repurchased for $1M.

On February 22, 2021, the Corporation signed an agreement with a prospector to acquire a 100% interest in 4 claims for a payment of $1,000 and the issuance of 20,000 shares of the Corporation (valued at $4,100). A 1% NSR royalty is granted to the vendors and may be repurchased for $250,000.

On June 2, 2021, the Corporation signed an agreement with a prospector to acquire 100% interest in 1 claim for a payment of $1,000.

### 7.2 Belmont

The Belmont property was acquired as part of a transaction on the Skyfall property described in note 7.8.

### 7.3 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, 2021, Iluka spent $515,208 on exploration work and had fulfilled all of its obligation to acquired a 51% interest. However, the Corporation has yet to receive notice from Iluka that the 51% interest option has been exercised.

### 7.4 Foothills

On March 9, 2016 (and as amended on August 25, 2016, November 3, 2016, June 21, 2018 and October 31, 2019), 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, 2020. 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 acquisition cost of the claims.

As at June 30, 2021, Iluka spent $3,271,075 on exploration work and has completed the commitments to acquire a 51% option interest as well as an additional 39% option interest. However, the Corporation has yet to receive notice from Iluka to exercise these interests.

### 7.5 Ligneris

On June 26, 2019 (amended on August 13, 2020), the Corporation entered into an earn-in agreement with Ethos that would have allowed Ethos to earn up to a 70% interest in the Ligneris gold project. Ethos could earn a 51% interest in the Ligneris project by fulfilling $3,000,000 in exploration work ($2,223,619 was completed) and by issuing 1,000,000 Ethos shares (425,000 were issued and valued at $110,750)

On April 27, 2021, the Corporation concluded a termination and release agreement with Ethos whereby Ethos has accepted to renounce to all of its rights under the earn-in agreement. As consideration for the renunciation, the Corporation has agreed to issue to Ethos, 1,000,000 units of the Corporation. Each unit is comprised of one share and one warrant of the Corporation. Each warrant shall entitle Ethos to acquire one share at a price of $0.30 per share for a period of 36 months. In addition to any statutory hold period, Ethos agrees that the securities issued and comprising the units will also be subject to a voluntary hold period of 12 months from the date of issuance of the units. The 1,000,000 shares issued were valued at $215,000 and the estimated fair value of the 1,000,000 warrants issued was $68,000 or $0.068 per warrant issued. The fair value of the warrants was estimated using the Black Scholes valuation model with no expected dividend yield, 51.2% expected volatility, 0.5% risk-free interest rate and 3 years expected life.

### 7.6 Mirabelli

On September 21, 2020, the Corporation signed an agreement with Éric Desaulniers (director of the Corporation) and Antoine Cloutier, whereby the Corporation had the option to acquire the Mirabelli property, located 300 km north of Matagami, by paying $50,000 ($20,000 completed) and completing $225,000 exploration work ($71,847$ completed). On September 9, 2021, the Corporation terminated the agreement and wrote off the property as of June 30, 2021 for $66,605.

### 7.7 Mosseau

On March 20, 2017, the Corporation entered into an acquisition agreement with Ressources Tectonic Inc. (“Tectonic”), 3421856 Canada Inc. and Alphonse Beaudoin on the Mosseau property, located east of Lebel-sur-Quévillon, Québec. As per the agreement (amended on June 20, 2018, June 20, 2019 and June 8, 2020), the Corporation had the option, until July 3, 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 |
| | $ | $ | Number | $ |
| 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 July 3, 2020 (completed July 2, 2020) | 80,000 | - | - | - |
| | **215,000** | **135,000** | **65,000** | **65,000** |

As of June 30, 2019, the Corporation completed its final payment to 3421856 Canada Inc. and Alphonse Beaudoin, thereby completing the acquisition of the six claims. The Corporation extended its option on the nine remaining claims held by Tectonic until July 3, 2020 and completed the acquisition of these nine claims prior to the extension deadline. Tectonic will retain a 2% NSR royalty, half of which can be bought back for $1,500,000. A 2% NSR royalty was also granted to the syndicate of prospectors, half of which can be bought back for $1,000,000. As of July 2, 2020, the Corporation had fulfilled all of its commitments and now holds a 100% interest in the Mosseau property.

### 7.8 Skyfall

On June 19, 2020, the Corporation signed an agreement with Ingrid Martin CPA inc. (“IMCPA”) (a company controlled by Ingrid Martin, officer of the Corporation) whereby the Corporation acquired 215 claims located 150 km east of Lebel-sur-Quévillon for $25,000. IMCPA had acquired these claims from a third party for that same amount of $25,000 a few days before.

On July 10, 2020, the Corporation signed an agreement with Globex Mining Enterprises Inc. whereby the Corporation acquired 12 claims contiguous to the Skyfall property for $5,000 and a 2% NSR royalty, of which half can be repurchased by the Corporation for $1M.

On August 18, 2020, the Corporation signed an agreement with Mark Fekete and Marty Huber whereby the Corporation acquired 35 claims contiguous to the Skyfall property for $3,300 and 100,000 shares of the Corporation (valued at $14,500). These claims are subject to a 2% NSR royalty from a previous agreement.

On December 2, 2020, the Corporation acquired from a private company, 100% interest in 103 new claims divided into 6 distinct blocks in return for a cash payment of $30,000 and the issuance of 300,000 shares of the Corporation (valued at $42,000). A 2% NSR royalty is granted to the seller, half of which may be repurchased for $1M. Following this transaction, the Corporation transferred a group of 40 claims divided into 2 claims blocks to what is now referred to as the Belmont property, located approximately 20 km northeast of Windfall.

On January 24, 2021, the Corporation acquired, from North American Exploration Inc. and a prospector, 100% interest in a block of claims in exchange for a cash payment of $7,500 and the issuance of 150,000 shares of the Corporation (valued at $27,000). A 2% NSR royalty has been granted to the vendor, half of which may be repurchased for $1M.

On March 5, 2021, the Corporation acquired 3 claims from a prospector for $1,500 and a 1% NSR royalty of which half can be repurchased by the Corporation for $1M.

### 7.9 Tonya

On July 28, 2017 (amended on September 30, 2019, July 6, 2020 and July 21, 2021), 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 favour of Gold Range, of which two tranches of 1% may be bought back for the sum of US$1M each. Vior USA must pay in advance royalty amounts as follows: US$10,000 on the effective date of the agreement, as well as on the first and second anniversaries, US$15,000 on the third anniversary (payable in two installments) and US$25,000 on the fifth anniversary. For the subsequent years and until production, an additional amount of US$10,000 will be added on each new anniversary. When production starts, the 3 % NSR royalty will be paid, nevertheless Gold Range will not be receive the royalty until the advance royalty paid by Vior USA is depleted. Vior USA must complete US$100,000 in exploration work on the property before July 28, 2022. As at June 30, 2021, a total of US$45,000 has been paid to Gold Range, which constitutes the Corporation’s obligation to date.
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 signing 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 of $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, 2021, US$69,500 had been paid to Michiels Family Associates, Inc. and Whitred Holdings, LLC.

## 8. LOAN

On April 22, 2020, the Corporation received a $40,000 from the Canada Emergency Business Account ("CEBA") program. This interest-free loan is used to finance operating costs which was offered by the Canadian Government through the Corporation's bank in the context of the Covid-19 pandemic outbreak. Repayment of the loan balance on or before December 31, 2022 will result in a loan forgiveness of $10,000. As at January 1st, 2023, the Corporation will have the option to extend the repayment of the capital for 3 years, and will benefit from an interest rate of 5%. The loan was initially recorded at a fair value of $20,160, considering the grant, the interest-free loan and the reimbursement on December 22, 2020. An effective rate of 15% was used, taking into account the rate that the Corporation would have obtained for a similar loan. The residual value of $19,840 has been recorded as a deferred government grant in the statement of financial position and will be recognized in the statement of comprehensive income (loss) at the same time as the underlying salary expense. An amortization of $8,730 ($11,110 during fiscal 2020) has been recognized in the statement of comprehensive income.

On April 21, 2021, the Corporation received another $20,000 from the CEBA program under the same conditions. Repayment of the loan balance on or before December 31, 2022 will result in a loan forgiveness of $10,000. The loan was initially recorded at a fair value of $7,704, considering the grant, the interest-free loan and the reimbursement on December 22, 2020. An effective rate of 15% was used, taking into account the rate that the Corporation would have obtained for a similar loan. The residual value of $12,296 has been recorded as a deferred government grant in the statement of financial position and was entirely recognized during fiscal 2021 in the statement of comprehensive income at the same time as the underlying salary expense.

| | **Years ended June 30,** | |
|---|---|---|
| | **2021** | **2020** |
| | **$** | **$** |
| Balance – Beginning of year | 20,667 | - |
| Loan received | 20,000 | 40,000 |
| Value allocated to the government grant | (12,296) | (19,840) |
| Accretion on loan | 3,614 | 507 |
| **Balance – End of year** | **31,985** | **20,667** |

## 9. SHARE CAPITAL

### 9.1 Authorized

The Corporation's authorized share capital consists of an unlimited number of common shares, voting and participating, without par value.

### 9.2 Private placement completed on July 23, 2020

On July 23, 2020, the Corporation closed a private placement totaling 13,500,000 units at a price of $0.10 per unit, for total gross proceeds of $1,350,000. Each unit consists of one share and one-half common share purchase warrant. Each whole warrant entitles the holder to acquire one share at a price of $0.15 per share for a period of 24 months ending July 23, 2022.

From the total compensation received from the units, $138,673 was allocated to warrants and $1,211,327 to common shares, according to a pro rata allocation of the estimated fair value of each of the two components. The estimated fair value of the warrants was determined using the Black-Scholes pricing model based on the following assumptions: no expected dividend yield, an expected volatility of 69.5%, a risk-free interest rate of 0.24% and an expected life of the warrants of 2 years.

In connection with the private placement, the Corporation paid finders' fees totaling $28,000 to arm's length third parties of the Corporation. Insiders (including related parties) participated for $75,200 in the private placement.

Share issue expenses, including the finders' fees totalled $62,650 of which $56,215 was allocated to capital stock and $6,435 to warrants.

**9.3 Private placement completed on March 22, 2021 and March 30, 2021**

In March 2021, the Corporation closed a private placement totaling 12,000,000 units at a price of $0.20 per unit, for total gross proceeds of $2,400,000. Osisko Mining Inc. ("Osisko") subscribed for a total of $985,000.

Each unit consists of one share and one-half common share purchase warrant. Each whole warrant entitles the holder to acquire one share at a price of $0.30 per share for a period of 24 months ending March 22, 2023 and 30, 2023 respectively. The warrants forming part of the units shall be subject to an accelerated expiry date clause whereby, at any time following the expiry of the four-months and one day hold period, should the trading price of the Common Shares at the close of the market on the Exchange be equal to or exceed $0.30 for the warrants issued on March 22, 2021 and $0.45 for the warrants issued on March 30, 2021, for 10 consecutive trading days.
In connection with the Osisko investment, the parties entered into an investor rights agreement pursuant to which Osisko was granted certain rights for as long as Osisko holds common shares equal to at least 5% of the issued and outstanding common shares of the Corporation (on a non-diluted basis), as follows:

- The right of Osisko to participate in any future equity financings to be conducted by the Corporation as to allow Osisko to maintain its equity interest at such time in the capital of the Corporation, subject to a maximum equity interest of 19.9%;
- A right of first refusal on the purchase of the Skyfall and Ligneris projects for a period of 24 months following the closing of the Osisko Investment, subject to pre-existing third-party rights on such projects;
- Commencing from the second anniversary following the closing of the Osisko Investment and continuing for as long as Osisko maintains a minimum of 5% equity interest in the Corporation, it will be entitled to designate one Osisko nominee for appointment to the Corporation's Board of Directors; and
- Furthermore, following the closing of the Osisko Investment, the Corporation will form a technical advisory committee relating to the advancement of exploration on the Skyfall and Ligneris projects. The committee will be comprised of at least two individuals appointed by Osisko and its role is to be consultative only.

From the total compensation received from the units, $59,027 has been allocated to warrants and $2,340,973 to common shares, according to a pro rata allocation of the estimated fair value of each of the two components. The estimated fair value of the warrants was determined using the Black-Scholes pricing model based on the following assumptions, considering the acceleration clause of March 30 2021: no expected dividend yield, an expected volatility of 62.8%, a risk-free interest rate of 0.25% and an expected life of the warrants of 2 years. No value was attributed to the March 22, 2021 warrants since the acceleration price is equal to the exercise price.

In connection with the private placement, the Corporation paid finders' fees totaling $11,100 to arm's length third parties of the Corporation. Insiders (also related parties) participated for $171,000 in the private placement.

Share issue expenses, including the finders' fees totalled $87,449 of which $84,766 was allocated to capital stock and $2,683 to warrants.

## 10. WARRANTS

The following table presents warrants activity:

| | Years ended June 30, | | | |
|---|---|---|---|---|
| | 2021 | | 2020 | |
| | Number of warrants | Weighted average exercise price | Number of warrants | Weighted average exercise price |
| | | $ | | $ |
| Outstanding - Beginning of the year | 4,250,000 | 0.14 | 4,250,000 | 0.14 |
| Issued on private placements | 12,750,000 | 0.21 | - | - |
| Issued to acquire mining properties | 1,000,000 | 0.30 | | |
| Exercised | (375,000) | 0.15 | | |
| Expired | (2,750,000) | - | - | - |
| Outstanding - End of the year | **14,875,000** | **0.22** | **4,250,000** | **0.14** |

Outstanding warrants:

| Number of warrants | Exercise price | Expiry date |
|---|---|---|
| | $ | |
| 6,375,000 | 0.15 | July 23, 2022 |
| 1,500,000 | 0.12 | December 8, 2022 |
| 2,200,000 | 0.30 | March 22, 2023 – acceleration clause 10 days at $0,30 |
| 3,800,000 | 0.30 | March 30, 2023 – acceleration clause 10 days at $0,45 |
| 1,000,000 | 0.30 | June 14, 2024 |
| **14,875,000** | | |

## 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 August 3, 2020, the Board of Directors approved an increase to 5,775,900 in the number of common shares reserved for issuance under the Corporation's fixed number stock option plan 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 as otherwise determined by the Board of Directors.

The following table presents stock option activities:

| | Years ended June 30, 2021 | | 2020 | |
|---|---|---|---|---|
| | Number | Weighted average exercise price | Number | Weighted average exercise price |
| | | $ | | $ |
| Outstanding and exercisable - Beginning of the year | 3,690,000 | 0.13 | 3,540,000 | 0.13 |
| Granted | 1,929,000 | 0.16 | 150,000 | 0.11 |
| Exercised | (400,000) | 0.10 | - | - |
| Expired | (240,000) | 0.50 | - | - |
| **Outstanding - End of the year** | **4,979,000** | **0.12** | **3,690,000** | **0.13** |
| Exercisable - End of the year | 3,619,666 | 0.11 | 3,690,000 | 0.13 |

The following table summarizes information about stock options outstanding and exercisable :

| Number of stock options outstanding | Number of stock options exercisable | Exercise price | Expiry date |
|---|---|---|---|
| | | $ | |
| 150,000 | 150,000 | 0.135 | January 4, 2023 |
| 475,000 | 475,000 | 0.10 | May 15, 2024 |
| 150,000 | 150,000 | 0.11 | July 7, 2024 |
| 1,290,000 | 430,000 | 0.13 | September 2025 |
| 194,000 | 64,666 | 0.17 | February 5, 2026 |
| 120,000 | - | 0.22 | April 14, 2026 |
| 325,000 | 75,000 | 0.22 | May 19, 2026 |
| 100,000 | 100,000 | 0.10 | June 20, 2027 |
| 1,325,000 | 1,325,000 | 0.10 | October 10, 2027 |
| 850,000 | 850,000 | 0.10 | October 30, 2027 |
| **4,979,000** | **3,619,666** | | |

On July 8, 2019, the Corporation granted to an officer 150,000 stock options exercisable at $0.11 per share, valid for 5 years. The options were granted at an exercise price greater than the closing market value of the shares the previous day of the grant. The estimated fair value of these stock options was $12,300 or $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.

On September 25, 2020, the Corporation granted to directors, officers, employees and consultants 1,290,000 stock options exercisable at $0.13 per share, valid for 5 years and vesting as to 1/3 of the number on the date of grant, 1/3 on the first anniversary of grant and the final 1/3 on the second anniversary of grant. Those options were granted at an exercise price equal to the closing market price of the shares the previous day of the grant. The estimated fair value of these stock options was $118,680 or $0.092 per stock option. The fair value of the options granted was estimated using the Black Scholes valuation model with no expected dividend yield, 93.5% expected volatility, 0.3% risk-free interest rate and 5 years options expected life.

On February 5, 2021, the Corporation granted to consultants 194,000 stock options exercisable at $0.17 per share, valid for 5 years and vesting as to 1/3 of the number on the date of grant, 1/3 on the first anniversary of grant and the final 1/3 on the second anniversary of grant. The options were granted at an exercise price equal to the closing market price of the shares the previous day of the grant. The estimated fair value of these stock options was $20,370 or $0.105 per stock option. The fair value of the options granted was estimated using the Black Scholes valuation model with no expected dividend yield, 77.0% expected volatility, 0.5% risk-free interest rate and 5 years options expected life.

On April 14, 2021, the Corporation granted to an investor relations consultant 120,000 stock options exercisable at $0.22 per share, valid for 5 years and vesting 25% every quarter. The options were granted at an exercise price equal to the closing market price of the shares the previous day of the grant. The estimated fair value of these stock options was $16,200 or $0.135 per stock option. The fair value of the options granted was estimated using the Black Scholes valuation model with no expected dividend yield, 75.9% expected volatility, 0.9% risk-free interest rate and 5 years options expected life.

On May 19, 2021, the Corporation granted to an employee, an officer and an investors relations consultant 325,000 stock options exercisable at $0.22 per share, valid for 5 years and vesting 25% every quarter. The options were granted at an exercise price higher than to the closing market price of the shares the previous day of the grant. The estimated fair value of these stock options was $38,350 or $0.118 per stock option. The fair value of the options granted was estimated using the Black Scholes valuation model with no expected dividend yield, 69.4% expected volatility, 1.0% risk-free interest rate and 5 years options expected life.

The expected life was estimated by benchmarking grant conditions and 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.

## 12. EMPLOYEE COMPENSATION

### 12.1 Salaries

| | Years ended June 30, | |
|---|---|---|
| | **2021** | **2020** |
| | **$** | **$** |
| Salaries and bonuses | 562,470 | 399,801 |
| Director fees | 4,500 | 3,900 |
| Benefits | 34,221 | 19,918 |
| Government grant1) | (182,115) | (39,807) |
| | 419,076 | 383,812 |
| Capitalized in mining properties, invoiced to partners or expensed as search for mineral properties | (219,504) | (232,380) |
| **Salaries disclosed on the statement of comprehensive income** | **199,572** | **151,432** |

1) The Corporation recorded $161,089 ($28,697 during fiscal 2020) of Canada Emergency Wage Subsidy (“CEWS”) and $21,026 ($11,110 in fiscal 2020) in relation to the CEBA (note 9).

### 12.2 Compensation to key management

Key management includes the Directors, President and CEO, Executive Vice-President, Vice-President Exploration and CFO. Key management compensation and benefits include salaries, bonuses, fees and share-based payments. Compensation awarded to key management included:

| | Years ended June 30, | |
|---|---|---|
| | **2021** | **2020** |
| | **$** | **$** |
| *Short-term benefits* | | |
| Salaries, bonuses and directors fees | 398 979 | 274,733 |
| Professional fees | 84,825 | 69,938 |
| Professional fees recorded in share issue expenses | 19 575 | - |
| *Long-term benefits* | | |
| Share-based compensation | 65 739 | 12,300 |
| **Total compensation of key management** | **569 118** | **356,971** |

The Corporation entered into employment or consulting agreements with members of senior management that, among other things, provided that in the event of a termination without cause a compensation equivalent to between 4 to 24 months of salary (or professional fees) will be paid and between 12 to 24 months in the event of a change of control.

### 12.3 Related party transactions

*In the normal course of operations:*

- A company controlled by an officer charged accounting fees totaling $136,386 ($ 101,208 in the year ended June 30, 2020) of which $19,575 is recorded in share issue expenses and $31,986 ($ 31,270 in the year ended June 30, 2020) is related to her staff; and
- As at June 30, 2021, the balance due to the related parties amounted to $5,888 ($5,240 as at June 30, 2020).

## 13. DEFERRED TAX

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 | |
|---|---|---|
| | **2021** | **2020** |
| | **$** | **$** |
| Income (loss) before deferred tax | 464,989 | 298,755 |
| Combined federal and provincial income tax rate of 26.50% (26.65% in 2020) | (123,222) | (79,319) |
| Share issue expenses with no impact on earnings | 39,776 | - |
| Non-taxable revenues | 170,191 | 82,683 |
| Non-deductible expenses | (30,112) | (4,419) |
| Difference between current and future tax rates | - | - |
| Change in unrecognized deferred tax assets | (73,713) | 810 |
| Other | 17,079 | 245 |
| Deferred tax provision | - | - |

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

*Recognized deferred tax assets and liabilities:*

| | As at June 30 2021 | As at June 30 2020 |
|---|---|---|
| | $ | $ |
| Deferred tax assets | | |
| Non-capital losses | 330,515 | 115,482 |
| | 330,515 | 115,482 |
| Deferred tax liabilities | | |
| Listed shares | 252,874 | 85,996 |
| Mining properties | 75,517 | 26,677 |
| Others | 2,124 | 2,809 |
| | 330,515 | 115,482 |
| Presented in the consolidated statement of financial position as follows: | | |
| Deferred tax assets | - | - |
| Deferred tax liabilities | - | - |

*Unrecognized deferred tax assets:*

| | As at June 30 2021 $ | As at June 30 2020 $ |
|---|---|---|
| Non-capital losses | 1,012,924 | 941,243 |
| Property, plant and equipment and intangible assets | 39,359 | 38,241 |
| Share issue expenses | 34,773 | 10,567 |
| Mining properties | 127,779 | 147,758 |
| Others | 12,740 | 16,053 |
| | 1,227,575 | 1,153,862 |

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, 2021, the Corporation has non-capital losses of $5,102,429 at the federal level and $5,026,738 at the provincial level ($4,018,596 at the federal level and $3,947,266 at the provincial level as at June 30, 2020) available to reduce taxable income in future years. These losses expire at various dates between 2029 and 2041.

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 June 30, 2019 | 15,687 | - | 15,687 |
| Charged to the statement of comprehensive income (loss) | 99,795 | - | 99,795 |
| As at June 30, 2020 | 115,482 | - | 115,482 |
| Charged to the statement of comprehensive income (loss) | 215 033 | - | 215 033 |
| As at June 30, 2021 | 330 515 | - | 330 515 |

*Deferred tax liabilities*

| | Listed shares | Mining properties | Total |
|---|---|---|---|
| | $ | $ | $ |
| As at June 30, 2019 | - | 15,687 | 15,687 |
| Credited to the statement of comprehensive income (loss) | 88,805 | 10 990 | 99,795 |
| As at June 30, 2020 | 88,805 | 26 677 | 115,482 |
| Credited to the statement of comprehensive income (loss) | 166,193 | 48,840 | 215,033 |
| As at June 30, 2021 | 254,998 | 75,517 | 330,515 |

Deferred tax assets and liabilities in the amount of $330,515 will be realized after more than 12 months. As at June 30, 2021, 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 |

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.

## 14. EARNINGS PER SHARE

| | Years ended June 30, 2021 | 2020 |
|---|---|---|
| | $ | $ |
| Net earnings | 464,989 | 298,755 |
| Basic weighted average number of outstanding shares[1)] | 60,962,952 | 44,259,267 |
| Dilutive effect of stock options | 4,534,000 | 3,150,000 |
| Dilutive effect of warrants | 7,875,000 | - |
| Diluted weighted average number of common shares | 73,371,952 | 47,409,267 |
| Net earnings (loss) per share | | |
| Basic | 0.008 | 0.007 |
| Diluted net loss per share | 0.006 | 0.006 |

1) For the year ended June 30, 2021, 445 000 (540,000 for the year 2020) outstanding stock options and 7,000,000 (4,250,000 for the year 2020) outstanding warrants were excluded from the calculation of diluted earnings per share as their effect was anti-dilutive.

## 15. CAPITAL MANAGEMENT

The Corporation considers the items included in equity for an amount of $8,536,573 ($3,719,943 as at June 30, 2020) 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, 2021, 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, 2021. The Corporation is not subject to externally imposed capital requirements.

## 16. FINANCIAL INSTRUMENTS AND FAIR VALUE MEASUREMENT

### 16.1 Financial instruments

As at June 30, 2021 and 2020, the Corporation's assets at fair value through profit or loss consist of shares listed on the Exchange and shares in a private company. Financial assets and liabilities at amortized cost are financial instruments whose carrying value approximates their fair value due to their short-term maturity or the effective rate equivalent to the market rate.

### 16.2 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, 2021 and 2020, classified using the fair value hierarchy described above:

| | As at June 30, 2021 | | As at June 30, 2020 | |
|---|---|---|---|---|
| | Level 1 | Level 3 | Level 1 | Level 3 |
| | $ | $ | $ | $ |
| **Financial assets at Fair value through profit and loss** | | | | |
| Listed shares | 2,645,075 | - | 25,000 | - |
| Shares in a private company | - | - | - | 1,274,875 |

Ridgeline completed its IPO in August 2020 and therefore Ridgeline's shares transferred from the value hierarchy level 3 to level 1.

### 16.3 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.

**16.4 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 equivalents, investments, accounts receivable and listed shares. 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 accounts receivable consist of interest, amounts receivable from a partner and government grant. 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 accounts receivable is remote, as the Corporation signed agreements with major mining companies and that the credit risk related to amounts receivable from a partner is nil, these partners having already paid those amounts. Likewise, all the government grant receivable as at June 30, 2021 were received. The credit risk related to cash and cash equivalent and investments 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.

**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, 2021, the Corporation had a cash and cash equivalents and investments balances of $2,449,922 ($938,000 at June 30, 2020) to settle current liabilities of $478,091 ($109,426 as at June 30, 2020). All of the Corporation's current 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, 2021, a 1% increase or decrease in interest rates on interest-bearing bank balances and investments would result in an estimated impact of $23,618 (impact of $4,374 for the fiscal 2020) on the statements of comprehensive income (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 market 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 listed shares are recognized in the statement of comprehensive income (loss). A variation of 10% in the quoted market prices as well as in the estimated value of listed shares as at June 30, 2021, would have had an impact of $264,508 ($2,500 for the year ended June 30, 2020).

## 17. ADDITIONAL INFORMATION ON CONSOLIDATED STATEMENTS OF CASH FLOWS

Items not impacting cash and cash equivalents:

| | Years ended June 30, | |
|---|---|---|
| | **2021** | **2020** |
| | **$** | **$** |
| *Related to investing activities:* | | |
| Tax credit and mining rights receivable applied against mining properties | 425,010 | 34,837 |
| Additions to mining properties and exploration expenditures included in accounts payable and accrued liabilities | 294,354 | 6,021 |
| Acquisition of mining assets by issuing shares | 544,800 | |
| Listed shares received for option payment | 60,750 | |
| Stock-based compensation included in mining assets | 23,474 | 50,000 |

## 18. 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, 2021** | **As at June 30, 2020** |
|---|---|---|
| | $ | $ |
| **Canada** | | |
| Acquisition costs | 1,380,696 | 275,882 |
| Exploration costs | 1,501,052 | 941,303 |
| Total | 2,879,748 | 1,217,185 |
| **United States** | | |
| Acquisition costs | 296,268 | 218,273 |
| Exploration costs | 159,574 | 108,166 |
| Total | 455,842 | 326,439 |

The mining property located in United States is held by the Corporation's subsidiary Vior USA. All costs incurred in the subsidiary, except for the incorporation cost, are capitalized in the mining property.

## 19. SUBSEQUENT EVENTS

### 19.1 Mining properties

**a) Belleterre**

On August 24, 2021, the Corporation entered into an option agreement with Osisko for their Blondeau-Guillet gold property in the Belleterre region of Abitibi-Témiscamingue. The Corporation has the right until the third anniversary of this option to acquire a 51% undivided interest in the property (the “First Option”) by:

a) issuing common shares to Osisko for a value totaling $225,000 in accordance with the following schedule:
   - i) $75,000 on or before the first anniversary of this agreement, which shall be a firm commitment by the Corporation;
   - ii) $75,000 on or before the second anniversary of this agreement; and
   - iii) $75,000 on or before the third anniversary of this agreement;

b) incurring work commitments totalling at least $1,250,000 as follows:
   - i) a minimum of $250,000 on or before the first anniversary of this agreement; and
   - ii) and a further $1,000,000 on or before the third anniversary of this agreement.

Subject to the prior exercise of the First Option, the Corporation shall have the right to acquire an additional 24% undivided interest in the property (the “Second Option”) by incurring additional work commitments totalling at least $1,750,000 over a three-year period.

Upon satisfaction of the option, the Corporation and Osisko will form an industry standard joint venture agreement on the property with Vior acting as the operator of the Joint Venture to continue on operations with respect to the property.

If either party’s joint venture interest is reduced to 10% or less, that party’s joint venture interest shall be automatically converted to a 1% NSR royalty and the joint venture shall be automatically terminated.

**b) Mosseau et Domergue**

On August 31, 2021, the Corporation signed a letter of intent with SOQUEM Inc. (“SOQUEM”). The letter of intent consists of an exchange of mining interests, whereby, the Corporation will transfer its 42.3% interest in the Domergue properties (SOQUEM 57.7% - the Corporation 42.3%) in exchange for SOQUEM’s transferred interest in its Verneuil properties (100% - SOQUEM). There will be no cash or share payment exchange considerations, however, SOQUEM and the Corporation have agreed to grant to each other a 0.5% NSR royalty on their respective assets, of which, each 0.5% NSR granted may be repurchased for the sum of a $250,000 cash payment. A definitive agreement for this arrangement is expected to be executed on or before October 31, 2021.

### 19.2 Stock options grant

On August 24, 2021, the Corporation granted to an investor relations consultant 150,000 stock options exercisable at $0.20 per share, valid for 5 years and vesting 25% every quarter. 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 $16,050 which is $0.107 per stock option. The fair value of the options granted was estimated using the Black Scholes valuation model with no expected dividend yield, 64.0% expected volatility, 0.9% risk-free interest rate and 5 years options expected life.

### 19.3 Lease – Belleterre

On July 1, 2021, the Corporation signed a lease for 2 years, that includes three one-year renewal options with similar terms and conditions. The annual lease is $57,000.