SIRIOS RESOURCES INC.
TSX-V: SOI

Annual Financial Statements

As of June 30, 2017 and 2016

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Raymond Chabot Grant Thornton

Independent Auditor's Report

Raymond Chabot Grant Thornton LLP
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To the Shareholders of
Sirios Resources Inc.

We have audited the accompanying financial statements of Sirios Resources Inc., which comprise the statements of financial position as at June 30, 2017 and 2016 and the statements of comprehensive loss, the statements of changes in equity and the statements of cash flows for the years then ended, and a summary of significant accounting policies and other explanatory information.

Management's responsibility for the financial statements

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

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity’s preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity’s internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Sirios Resources Inc. as at June 30, 2017 and 2016 and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards (IFRS).

Raymond Chabot Grant Thornton LLP [1]

Val-d’Or
October 11, 2017

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[1] CPA auditor, CA public accountancy permit no. A109964

SIRIOS RESOURCES INC.

Statements of Financial Position

(in Canadian dollars)

	Notes	**June 30, 2017**	June 30, 2016
		$	$
ASSETS			
Current			
Cash and cash equivalents	6	2,258,776	4,835,803
Term deposits	6	1,500,000	300,000
Other receivables	7	189,518	21,639
Listed shares		44,882	89,764
Good and services tax receivables		137,919	102,375
Tax credits receivable		1,603,756	518,328
Prepaid expenses		17,346	20,545
		5,752,197	5,888,454
Non current			
Property and equipment	8	282,568	243,524
Exploration and evaluation assets	9	14,759,235	9,511,698
Investment accounted for using the equity method	11	624,789	510,545
Total assets		21,418,789	16,154,221
LIABILITIES			
Current			
Trade and other payables		381,935	419,804
Provision	12	183,679	315,919
Total liabilities		565,614	735,723
EQUITY			
Share capital	13	37,170,056	31,458,620
Contributed surplus		3,485,044	2,578,068
Deficit		(19,801,925)	(18,618,190)
Total equity		20,853,175	15,418,498
Total liabilities and equity		21,418,789	16,154,221

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

The financial statements were approved and authorized for issue by the Board of Directors on October 11, 2017.

(signed) Dominique Doucet
Dominique Doucet, President

(signed) Luc Cloutier
Luc Cloutier, Director

SIRIOS RESOURCES INC.

Statements of Comprehensive Loss

(in Canadian dollars)

	Notes	**Years ended June 30, 2017**	2016
		$	$
EXPENSES			
Salaries and employee benefit expenses	14.1	1,022,061	329,830
Investors and shareholders' relations		204,923	165,834
Professional fees		98,423	66,318
Consulting fees		90,611	229,500
Trustees and registration fees		42,542	37,791
Rent expenses		27,882	11,946
Office expenses		23,171	14,539
Amortization of property and equipment		15,495	4,125
Insurance		6,655	6,257
Bank charges		1,960	1,327
Income taxes of section XII.6		288	267
Write-off of provision for compensation		(132,240)	-
Project generation expenses		10,161	20,604
Write-off of exploration and evaluation assets	9	58,318	-
OPERATIONAL LOSS		1,470,250	888,338
OTHER REVENUES AND EXPENSES			
Finance costs	16	(45,301)	(3,253)
Finance income	16	38,900	68,197
Share of loss from equity-accounted investment		(72,439)	(75,361)
Adjustment of ownership in equity-accounted investment		186,683	95,834
		107,843	85,417
LOSS BEFORE INCOME TAX		(1,362,407)	(802,921)
Deferred income taxes	18	301,950	300,300
NET LOSS AND COMPREHENSIVE LOSS		(1,060,457)	(502,621)
NET LOSS PER SHARE - basic and diluted	17	(0.010)	(0.007)

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

SIRIOS RESOURCES INC.

Interim Statement of Changes in Equity (unaudited)

(in Canadian dollars)

	Notes	Share capital	Contributed Surplus	Deficit	Total Equity
		$	$	$	$
As of July 1st, 2015		23,184,622	2,495,900	(17,905,446)	7,775,076
Net loss and comprehensive loss		-	-	(502,621)	(502,621)
Share-based payments	14.2	-	88,800	-	88,800
Issuance costs of shares		-	-	(210,123)	(210,123)
Issuance of units and shares	13.1	7,370,934	60,968	-	7,431,902
Exercise of warrants	13.1	238,664	-	-	238,664
Exercise of options	13.1	164,400	(67,600)	-	96,800
Shares issued for the acquisition of mining rights	13.1	500,000	-	-	500,000
As of June 30, 2016		31,458,620	2,578,068	(18,618,190)	15,418,498
As of July 1st, 2016		31,458,620	2,578,068	(18,618,190)	15,418,498
Net loss and comprehensive loss		-	-	(1,060,457)	(1,060,457)
Share-based payments	14.2	-	1,011,000	-	1,011,000
Issuance costs of shares		-	-	(123,278)	(123,278)
Issuance of units and shares	13.1	1,826,260	52,154	-	1,878,414
Exercise of warrants	13.1	3,040,776	(55,778)	-	2,984,998
Exercise of options	13.1	274,400	(100,400)	-	174,000
Shares issued for the acquisition of mining rights	13.1	570,000	-	-	570,000
As of June 30, 2017		37,170,056	3,485,044	(19,801,925)	20,853,175

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

SIRIOS RESOURCES INC.

Statements of Cash Flows

(in Canadian dollars)

	Years ended June 30, 2017	2016
	$	$
OPERATING ACTIVITIES		
Net loss	(1,060,457)	(502,621)
Adjustments		
Share-based payments	708,727	69,903
Share-based payments included in project generation expenses	-	3,118
Write-off of provision for compensation	(132,240)	-
Amortization of property and equipment	15,495	4,125
Amortization of the fees related to the loan	-	3,030
Change in fair value of listed shares	44,882	(44,882)
Gain on settlement of an another receivable	-	(17,570)
Write-off of exploration and evaluation assets	58,318	-
Deferred income taxes	(301,950)	(300,300)
Share of loss from equity-accounted investment	72,439	75,361
Adjustment of ownership in equity-accounted investment	(186,683)	(95,834)
Changes in working capital items	(206,196)	(114,887)
Cash flows from operating activities	(987,665)	(920,557)
INVESTING ACTIVITIES		
Tax credits received	-	16,847
Additions to term deposits	(1,200,000)	(300,000)
Additions to property and equipment	(116,623)	(241,002)
Additions to exploration and evaluation assets	(5,488,823)	(2,057,955)
Disposal of exploration and evaluation assets	-	20,000
Investment in the equity-accounted investment	-	(25,000)
Cash flows from investing activities	(6,805,446)	(2,587,110)
FINANCING ACTIVITIES		
Issuance of units and shares	5,339,362	7,832,366
Reimbursement of a loan	-	(50,000)
Issuance costs of shares	(123,278)	(210,123)
Cash flows from financing activities	5,216,084	7,572,243
NET CHANGE IN CASH AND CASH EQUIVALENTS	(2,577,027)	4,064,576
CASH AND CASH EQUIVALENTS, BEGINNING OF THE YEAR	4,835,803	771,227
CASH AND CASH EQUIVALENTS, END OF THE YEAR	2,258,776	4,835,803

For additional information on cash flows, see Note 19.

	2017	2016
Cash operations		
Interests paid from operating activities	419	233
Interests received from operating activities	34,378	5,745

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

(in Canadian dollars)

1. NATURE OF OPERATIONS

Since its creation in 1994, Sirios Resources Inc.'s ("Sirios" or "the Company") goal is to discover world-class gold deposits in the James Bay region, in Quebec. Over the years, Sirios has developed extensive expertise in the exploration of this region.

2. COMPLIANCE WITH IFRS

The financial statements of the Company have been prepared in accordance with International Financial Reporting Standards ("IFRS") and on the basis of the going concern assumption, meaning the Company will be able to realize its assets and discharge its liabilities in the normal course of operations.

3. GENERAL INFORMATION

The Company is incorporated under the Canada Business Corporations Act. The address of the Company's registered office is 1000, St-Antoine West, Suite 410, Montreal, Quebec, Canada. The Company's shares are listed on the TSX Venture Exchange, under the symbol "SOI".

4. SUMMARY OF ACCOUNTING POLICIES

4.1 Overall

The significant accounting policies and measurement basis that have been applied in the preparation of the financial statements are summarized below.

4.2 Currency for operation presentation

The financial statements are presented in Canadian currency, which is also the operational currency of the Company.

4.3 Investment in associates

The associate, Khalkos Exploration Inc. ("Khalkos") is an entity over which the Company is able to exert significant influence but which is not a subsidiary. The investment in an associate is accounted for using the equity method and is initially recognized at cost plus transaction costs.

The carrying amount of the investment in an associate increased or decreased to recognize the Company's share of the profit or loss and other comprehensive income of the associate, adjusted where necessary to ensure consistency with the accounting policies of the Company.

If the Company's share of losses of associate equals or exceeds its interest in the associate, the Company discontinues recognizing its share of further losses. Additional losses are provided for, and a liability is recognized, only to the extent that the Company has incurred legal or constructive obligations or made payments on behalf of the associate.

4.4 Financial instruments

Recognition, initial measurement and derecognition

Financials assets and financial liabilities are recognized when the Company becomes a party to the contractual provisions of the financial instrument. Financial assets and financial liabilites are measured initially at fair value adjusted for transaction costs, except for those carried at fair value throught profit or loss, which are measured initially at fair value.

Financial assets are derecognized when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and all substantial risks and rewards are transferred. A financial liabilities is derecognized when it is extinguished, discharged, cancelled or when it expires.

4.4 Financial instruments (cont'd)

Financial assets and financial liabilities are measured subsequently as described below.

Classification and subsequent measurement of financial assets

For the purpose of subsequent measurement, financial assets are classified into the following categories upon initial recognition:

- Loans and receivables;
- Financial assets at fair value through profit or loss.

All financial assets, except for those at fair value through profit or loss, are subject to review for impairment at least at each reporting date. Financial assets are impaired when there is any objective evidence that a financial asset or a group of financial assets is impaired.

Objective evidence of impairment could include:
- significant financial difficulty of the issuer or counterparty;
- default or delinquency in interest of principal payments; or
- it is becoming probable that the borrower will enter bankruptcy of financial reorganization.

All income and expenses relating to financial assets that are recognized in profit or loss are presented within Finance costs or Finance income, if applicable.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial recognition, there are measured at amortized cost using the effective interest method, less provision for impairment. Discounting is omitted where the effect or discounting is immaterial. Cash and cash equivalents, term deposits and other receivables fall into this category of financial instruments.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include finanial assets that are either classified as held-for-trading or that meet certain conditions and are designated at fair value through profit or loss upon initial recognition. The listed shares are classified in this category if financial instruments.

Assets in this category are measured at fair value with gains or losses recognized in profit or loss. The fair values of financial assets in this category are determined by reference to active market transactions.

Classification and subsequent measurement of financial liabilities

The Company's financial liabilities include trade and other payables, except salaries payable.

Financial liabilities are measured subsequently at amortized cost using the effective interest method.

All interest-related charges are reported in profit or loss within Finance costs, if applicable.

4.5 Basic and diluted loss per share

Basic loss per share is calculated by dividing the loss attribuable to common equity holders of the Company by the weighted average number of common shares outstanding during the exercise. Diluted earnings per share is calculated by adjusting loss attribuable to common equity holders of the Company, and the weighted average number of common shares outstanding, for the effects of all dilutive potential common shares, which include options and warrants. Dilutive potential common shares shall be deemed to have been converted into common shares, at the average market price, at the beginning of the exercise, or, if after, at the date of issue of the potential common shares.

4.6 Cash and cash equivalents

Cash and cash equivalents comprise cash in bank and term deposits are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value.

4.7 Tax credits receivable

The Company is entitled to refundable tax credit on qualified exploration expenditures incurred and refundable credit on duties for losses under the Mining Tax Act. These tax credits are recognized as reduction of the exploration costs incurred based on estimates made by management. The Company records these tax credits when there is reasonable assurance with regards to collections and assessments and that the Company will comply with the conditions associated to them.

4.8 Exploration and evaluation expenditures and exploration and evaluation assets

Exploration and evaluation expenditures are costs incurred in the course of initial search of mineral resources before the technical feasibility and commercial viability of extracting a mineral resource is demonstrable. Costs incurred before the legal right to undertake exploration and evaluation activities are recognized in profit or loss when they are incurred.

Once the legal right to undertake exploration and evaluation activities has been obtained, all costs of acquiring mineral rights or opttions to acquire such rights (option agreement), expenses related to the exploration and evaluation of mining properties, less refundable tax credits related to these expenses, are capitalized as exploration and evaluation assets. Expenses related to exploration and evaluation include topographical, geological, geochemical and geophysical studies, exploration drilling, trenching, sampling and other costs related to the evaluation of the technical feasibility and commercial viability of extracting a mineral resource. The various costs are capitalized on a property-to-property basis pending determination of the technical feasibility and commercial viability of extracting a mineral resource. These assets are recognized as intangible assets and are carried at cost less any accumulated impairment losses. No depreciation expenses are recognized for these assets during the exploration and evaluation phase.

Whenever a mining property is considered no longer viable or is abandoned, the capitalized amounts are written down to their recoverable amounts (see note 4.9); the difference is then immediately recognized in profit or loss.

When technical feasibility and commercial viability of extracting a mineral resource are demonstrable, exploration and evaluation assets related to the mining property are transferred to property and equipment in Mining assets under construction. Before the reclassification, exploration and evaluation assets are tested for impairment (see Note 4.10) and any impairment loss is recognized in profit or loss before reclassification.

To date, neither the technical feasibility nor the commercial viability of extracting a mineral resource has been demonstrated.

Disposal of interest in connection with option agreement

On disposal of interest in connection with the option agreement, the Company does not recognize expenses related to the exploration and evaluation performed on the property by the acquirer. In addition, the cash or the shares consideration received directly from the acquirer is credited against the carrying amount of costs previously capitalized to the property, and the surplus is recognized as a gain on the disposal of exploration and evaluation assets in profit or loss.

4.9 Property and equipment

Property and equipment are held at cost less accumulated depreciation and accumulated impairment losses.

Cost includes all costs incurred initially to acquire or construct an item of property and equipment, costs directly attribuable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management and costs subsequently to add to or replace part thereof.

Upon the transfer of exploration and evaluation assets to property and equipment under Mining assets under construction, all subsequent expenditures on the construction, installation or completion of equipment and infrastructure facilities are capitalized within Mining assets under construction. When development stage is completed, all assets included in the Mining assets under construction category are then transferred to Mining assets.

Depreciation is recognized on a straight-line basis to write down the cost to its estimated residual value, with a constant charge over the useful life of the asset. The periods generally applicable are as follows:

	Useful life
Leasehold improvements	5 years
Vehicules	5 years
Exploration camp and equipment	3 years
Office furniture	5 years
Computer equipment	3 years

The depreciation expense for each period is recognized in profit or loss except for certain items of property and equipment related to exploration and evaluation activities where the depreciation expense is included in the carrying amount of an exploration and evaluation asset when it relates to a specific exploration and evaluation project.

The residual value, depreciation method and useful life of each asset are reviewed at least at each financial year-end.

The carrying amount of an item of property and equipment is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. The gain or loss arising from the derecognition of an item of property and equipment is included in profit or loss when the item is derecognized.

4.10 Impairment of exploration and evaluation assets and property and equipment

For the purposes of assessing impairment, assets are grouped at the lowest for which there are largely independent cash inflows (cash-generating units). As a result, some assets are tested individually for impairment and some are tested at a cash-generating level.

Whenever events or changes in circumstances indicate that the carrying amount may not be recoverable, an asset or cash generating unit is reviewed for impairment.

4.10 Impairment of exploration and evaluation assets and property and equipment (cont'd)

Impairment reviews for exploration and evaluation assets are carried out on a project-to-project basis, with each project representing a potential single cash generating unit. An impairment review is undertaken when indicators of impairment arise, but typically when one of the following circumstances apply:

- the right to explore the areas has expired or will expire in the near future with no expectation of renewal;
- no further exploration or evaluation expenditures in the area are planned or budgeted;
- no commercially viable deposits have been discovered, and the decision has been made to discontinue exploration in the area;
- sufficient work has been performed to indicate that the carrying amount of the expenditure carried as an asset will not be fully recovered.

Additionally, when technical feasibility and commercial viability of extracting a mineral resource are demonstrable, the exploration and evaluation assets of the related mining property are tested for impairment before these items are transferred to property and equipment.

An impairment loss is recognized in profit or loss for the amount by which the asset or cash-generating unit's carrying amount exceeds its recoverable amount. The recoverable amount of an asset or a cash-generating unit is the higher of its fair value less cost to sell and its value in use.

An impairment loss is reversed if the asset or cash-generating unit's recoverable amount exceeds its carrying amount.

4.11 Operating lease agreement

Leases in which a significant portion of the risks and rewards for ownership are retained by the lessor are classified as operating leases. Payments under an operating lease are recognized as an expense on a straight-line basis over the lease term. Related expenses, such as maintenance and insurance expenses, are charged as incurred.

4.12 Provisions

Provisions are recognized when present legal or constructive obligations as a result of a past event will probably lead to an outflow of economic resources from the Company and amounts can be estimated reliably. Timing or amount of the outflow may still be uncertain. Provisions are measured at the estimated expenditures required to settle the present obligation, based on the most reliable evidence available at the reporting date, including the risks and uncertainties associated with the present obligation. Provisions are discounted when the time value of money is significant.

The Company's operations are governed by government environment protection legislation. Environmental consequences are difficult to identify in terms of amounts, timetable and impact. As of the reporting date, management believes that the Company's operations are in compliance with current laws and regulations. Site restoration costs currently incurred are negligible. When the technical feasibility and commercial viability of extracting a mineral resource have been demonstrated, a restoration provision will be recognized in the cost of the mining property when there is constructive commitment that has resulted from past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and the amount of the obligation can be measured with sufficient reliability.

No liability is recognized if an outflow of economic resources as a result of present obligations is not probable. Such situations are disclosed as contingent liabilities unless the outflow of resources is remote.

All provisions are reviewed at each reporting date and adjusted to reflect the current best estimate.

4.13 Income taxes

Tax expense recognized in profit or loss comprises the sum of deferred tax and current tax not recognized in other comprehensive income or directly in equity.

Current income tax assets and/or liabilities comprise those obligations to, or claims from, fiscal authorities relating to the current or prior reporting periods, that are unpaid at the reporting date. Current tax is payable on taxable profit, which differs from profit or loss in the financial statements. Calculation of current tax is based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period.

However, since the Company is in exploration phase and has no taxable income, tax expense recognized in profit or loss is currently comprised only of deferred tax.

Deferred income taxes are calculated using the liability method on temporary differences between the carrying amounts of assets and liabilities and their tax bases. However, deferred tax is not provided on the initial recognition of goodwill, or on the initial recognition of an asset or liability unless the related transactions is a business combination or affects tax or accounting profit.

Deferred tax assets and liabilities are calculated, without discounting, at tax rates are expected to apply to their respective period or realization, provided they are enacted or substantively enacted by the end of the reporting period.

Deferred tax assets are recognized to the extent that it is probable that the underlying tax loss or deductoble temporary difference will be utilized against future taxable income. This is assessed based on the Company's forecast of future operating results, adjusted for significant non-taxable income and expenses and specific limits on the use of any unused tax loss or credit. Deferred tax liabilities are always provided for in full.

Deferred tax assets and liabilities are offset only when the Company has a right and intentions to set off current tax assets and liabilities from the same taxation authority.

Changes in deferred tax assets or liabilities are recognized as deferred income tax expense in profit or loss, or directly in equity, in which case the related deferred tax is also recognized in equity.

4.14 Equity

Share capital

Share capital represents the amount received on the issue of shares. If shares are issued when options and warrants are exercised, the share capital account also comprises the compensation costs previously recorded as contributed surplus. In addition, if shares were issued as consideration for the acquisition of mineral property or some other from of non-monetary assets, they are measured at their fair value according to the quoted price on the day of the conclusion of the agreement.

Unit placements

Proceeds from unit placements are allocated between shares and warrants issued using the residual method. Proceeds are first allocated to shares according to the quoted price of existing shares at the time of issuance and any residual in the proceeds is allocated to warrants.

4.14 Equity (cont'd)

Flow-through placements

Issuance of flow-through shares represents in substance an issue of common shares and the sale of the right to tax deductions to the investors. When the flow-through shares are issued, the sale of the right to tax deductions is deferred and presented as other liabilities in the statement of financial position. The proceeds received from flow-through placements are allocated between share capital and the liability using the residual method. Proceeds are first allocated to shares according to the quoted price of existing shares at the time of issuance and the residual proceeds are allocated to the other liabilities. The liability component recorded initially on the issuance of shares is reversed on renouncement of the right to tax deductions to the investors and when eligible expenses are incurred and recognized in profit or loss in reduction of deferred income tax expense. A deferred tax liability is also recognized for the taxable temporary difference that arises from the difference between the carrying amount aligible expenditures capitalized as an asset and its tax basis.

Other elements of equity

Contributed surplus includes charges related to share options and warrants not exercised. When share options and warrants are exercised, the related compensation cost is transferred to share capital.

Deficit includes all current and prior retained profits or losses and shares issue expenses net of underlying income tax benefit from these issuance costs.

4.15 Equity-settled share-based payments

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

All goods and services received in exchange for the grant of any share-based payments are measured at their fair values, unless that fair value cannot be estimated reliably. If the Company cannot estimate reliably the fair value of the goods or services received, the Company shall measure their value indirectly by reference to the fair value of the equity instruments granted. For the transactions with employees and others providing similar services, the Company measures the fair value of the services received by reference to the fair value of the equity instruments granted.

Equity-settled share-based payments (except warrants to brokers) are ultimately recognized as an expense in the profit or loss or capitalized as an exploration and evaluation asset, depending on the nature of the payment with a corresponding credit to contributed surplus in equity. Equity-settled share-based payments to brokers, in respect of an equity financing are recognized as issuance cost of the equity instruments with a corresponding credit to contributed surplus, 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. Any cumulative adjustment prior to vesting is recognized in the current period. No adjustment is made to any expense recognized in prior period if the number of share options ultimately exercised is different from that estimated on vesting.

4.16 Segmental reporting

The Company presents and discloses segmental information based on information that is regularly reviewed by the chief operating decision-maker, i.e. the President and the Board of Directors. The Company has determined that there was only one operating segment being the sector of exploration and evaluation of mineral resources.

4.17 Standards, amendments and interpretations to existing standards that are not yet effective and have not been adopted

At the date of authorization of these financial statements, certain new standards, amendments and interpretations to existing standards have been published but are not yet effective, and have not been adopted early by the Company.

Management anticipates that all of the pronouncements will be adopted on the Company's accounting policies for the first period beginning after the effective date of each pronouncement. Information on new standards, amendments and interpretations that are expected to be relevant to the Company's financial statements is provided below. Certain other new standards and interpretations have been issued but are not expected to have an impact on the Company's financial statements.

IFRS 9, Financial instruments

In July 2014, the IASB published IFRS 9 which replaces IAS 39, Financial Instruments: Recognition and Measurement. IFRS 9 introduces improvements which include a logical model for classification and measurement of financial assets, a single, forward-looking "expected loss" impairment model and a substantially-reformed approach to hedge accounting. IFRS 9 is effective for annual reporting periods beginning on or after January 1, 2018. The Company has yet to assess the impact of this new standard on its financial statements.

IFRS 16, Operating lease agreement

In January 2016, the IASB published IFRS 16, Leases ("IFRS 16") which will replace IAS 17, Lease ("IAS 17"). IFRS 16 eliminates the classification as an operating lease and requires lessees to recognize a right-of-use asset and a lease liability in the statement of financial position for all leases with exemptions permitted for short-term leases and leases of low value assets. In addition, IFRS 16 changes the definition of a lease; sets requirements on how to account for the asset and liability, including complexities such as non-lease elements, variable lease payments and option periods; changes the accounting for sale and leaseback arrangements; largely retains IAS 17's approach to lessor accounting; and introduces new disclosure requirements. IFRS 16 is effective for annual reporting periods beginning on or after January 1st, 2019 with early application permitted in certain circumstances. The Company has yet to assess the impact of this new standard on its financial statements.

5. JUDGMENTS, ESTIMATES AND ASSUMPTIONS

When preparing the financial statements, management undertakes a number of judgments, estimations and assumptions about recognition and measurement of assets, liabilities, income and expenses. The actual results are likely to differ from the judgments, estimations and assumptions made by management, and will seldom equal the estimated results. Information about the significant judgments, estimations and assumptions that have the most significant effect on the recognition and measurement of assets, liabilities, income and expenses are discussed below.

Significant management judgment

The following are significant management judgments in applying the accounting policies of the Company that have the most significant effect on the financial statements.

5. JUDGMENTS, ESTIMATES AND ASSUMPTIONS (cont'd)

Recognition of deferred income tax assets and measurement of income tax expense

Management continually evaluates the likelihood that its deferred tax assets could be realized. This requires management to assess whether it is probable that sufficient taxable income will exist in the future to utilize these losses within the carry-forward period. By its nature, this assessment requires significant judgment. To date, management has not recognized any deferred tax assets in excess of existing taxable temporary differences expected to reverse within the carry-forward period (see Note 4.13).

Estimation uncertainty

Information about estimates and assumptions that have the most significant effect on recognition and measurement of assets, liabilities, income and expenses are provided below. Actual results may be substantially different.

Impairment of exploration and evaluation assets

Determining if there are any facts and circumstances indicating impairment loss or reversal of impairment losses is a subjective process involving judgment and a number of estimates and assumptions in many cases (see Note 4.10).

When an indication of impairment loss or a reversal of an impairment loss exists, the recoverable amount of the individual asset or the cash-generating units must be estimated. If it is not possible to estimate the recoverable amount of an individual asset, the recoverable amount of the cash-generating unit to which the asset belongs must be determined.

In assessing impairment, the Company must make some estimates and assumptions regarding future circumstances, in particular whether an economically viable extraction operation can be established, the probability that the expenses will be recover from either exploitation or sale when the activities have not reached a stage that permits a reasonable assessment of the existence of reserves, the Company's capacity to obtain financial resources necessary to complete the evaluation and development and to renew permits. Estimates and assumptions may change if new information becomes available. If, after, expenditures is capitalized, information becomes available suggesting that the recovery of expenditure is unlikely, the amount capitalized is written off in profit or loss in the period when the new information becomes available.

See Note 9 for the exploration and evaluation assets impairment analysis.

For the exercise ended June 30, 2017, the Company wrote-off the Taïgor and Kukames properties. The total impairment recognized in profit or loss amounts to $58,318 ($0 on June 30, 2016). No reversal impairment losses has been recognized for the reporting periods.

There was no testing impairment required this year on the other properties, the Company has the capacity to keep these properties because it has sufficient funds to respect its short term obligation. Additionally, claims will not expire in the near future or are expected to be renewed, work was performed during the last three years and/or promising results were obtained on these properties.

Share-based payments

The estimation of share-based payment costs requires the selection of an appropriate valuation model and consideration as to the inputs necessary for the valuation model chosen. The Company has made estimates as to the volatility of its own shares, the probable life of share options and warrants granted and the time of exercise of the share options and warrants. The model used by the Company is the Black-Scholes valuation model. See Notes 13.2 and 14.2 for more information.

(in Canadian dollars)

5. JUDGMENTS, ESTIMATES AND ASSUMPTIONS (cont'd)

Tax credits

The calculation of the Company's refundable tax credit on qualified exploration expenditures incurred and refundable tax credit involves a degree of estimation and judgment in respect of certain items whose tax treatment cannot be finally determined until a notice of assessment has been issued by the relevant taxation authority and payment has been received. Differences arising between the actual results following final resolution of some of these items and the assumptions made could necessitate adjustments to the refundable tax credit and refundable tax credit, exploration and evaluation assets, and income tax expense in future periods. See Notes 4.7 for more information.

6. CASH AND CASH EQUIVALENTS AND TERM DEPOSITS

	June 30, 2017	June 30, 2016
	$	$
Cash	2,558,776	1,035,803
Term deposits, redeemable on a monthly basis and on demand	-	3,800,000
	2,558,776	4,835,803

Cash and cash equivalents include term deposits bears interests between 0.75% and 0.85%, maturing between June 2017 and April 2019.

Term deposits presented in the statement of financial position ($ 1,500,000 on June 30, 2017; $ 300,000 on June 30, 2016) are redeemable annually, bearing interest between 0.75% and 1.41% (between 1.65% and 1.69% on June 30, 2016), maturing between July 2017 and September 2019.

7. OTHER RECEIVABLES

	June 30, 2017	June 30, 2016
	$	$
Receivable from a partner	89,527	-
Advances to private company, 6%	67,991	-
Advances to associated company, 1.5%	32,000	15,360
Advances to officers, no interest	-	6,279
	189,518	21,639

8. PROPERTY AND EQUIPMENT

	Leasehold improvements	Vehicules	Exploration camp and equip.	Office furniture	Computer equipment	Total
	$	$	$	$	$	$
YEAR 2016-2017						
Gross carrying amount						
Balance on July 1, 2016	-	-	224,750	36,683	41,962	303,395
Additions	588	27,846	67,325	-	48,710	144,469
Balance on June 30, 2017	588	27,846	292,075	36,683	90,672	447,864

(in Canadian dollars)

Accumulated amortization						
Balance on July 1, 2016	-	-	-	35,971	23,900	59,871
Amortization	10	458	89,654	712	14,591	105,425
Balance on June 30, 2017	10	458	89,654	36,683	38,491	165,296
Carrying amount on June 30, 2017	578	27,388	202,421	-	52,181	282,568

	Exploration camp	Office furniture	Computer equipment	Total
	$	$	$	$
<u>**YEAR 2015-2016**</u>				
Gross carrying amount				
Balance on July 1, 2015	-	36,683	25,710	62,393
Additions	224,750	-	16,252	241,002
Balance on June 30, 2016	224,750	36,683	41,962	303,395
Accumulated amortization				
Balance on July 1, 2015	-	35,068	20,678	55,746
Amortization	-	903	3,222	4,125
Balance on June 30, 2016	-	35,971	23,900	59,871
Carrying amount on June 30, 2016	224,750	712	18,062	243,524

All amortization expenses are presented in Amortization of *Property and equipment* except for *Exploration camp, equipment and vehicules*, where the expense is presented in *Exploration and evaluation assets*.

9. EXPLORATION AND EVALUATION ASSETS

<u>**YEAR 2016-2017**</u>

Mining rights	June 30, 2016	Additions	Write-off	June 30, 2017
	$	$	$	$
(a) Aquilon	51,382	836,820	-	888,202
(b) Cheechoo	985,482	-	-	985,482
(c) Cheechoo-extension	1,408	1,633	-	3,041
(d) Kukames [(1)]	512	-	(512)	-
(e) Pontax	257,098	-	-	257,098
(f) Taïgor [(1)]	6,400	-	(6,400)	-
(g) 33F06	6,917	-	-	6,917
(h) Cheechoo-Eleonore Trend	-	38,086	-	38,086
	1,309,199	876,539	(6,912)	2,178,826

(in Canadian dollars)

9. EXPLORATION AND EVALUATION ASSETS (cont'd)

Exploration and evaluation expenses

	June 30, 2016	Additions	Write-off	Tax credit	June 30, 2017
	$	$	$	$	$
(a) Aquilon	1,287,103	-	-	-	1,287,103
(b) Cheechoo	4,212,568	5,374,473		1,038,722	8,548,319
(e) Pontax	2,622,821	4,977	-	-	2,627,798
(f) Taïgor (1)	50,318	1,088	(51,406)		
(g) 33F06	29,689	3,978	-	-	33,667
(h) Cheechoo-Eleonore Trend	-	130,228		46,706	83,522
	8,202,499	5,514,744	(51,406)	1,085,428	12,580,409
TOTAL	9,511,698	6,391,283	(58,318)	1,085,428	14,759,235

YEAR 2015-2016

Mining rights	June 30, 2015	Additions	Disposal	June 30, 2016
	$	$	$	$
(a) Aquilon	71,382	-	(20,000)	51,382
(b) Cheechoo	463,872	521,610	-	985,482
(c) Cheechoo-extension	1,408	-	-	1,408
(d) Kukames	512	-	-	512
(e) Pontax	252,206	4,892	-	257,098
(f) Taïgor	6,400	-	-	6,400
(g) 33F06	-	6,917	-	6,917
	795,780	533,419	(20,000)	1,309,199

Exploration and evaluation expenses

	June 30, 2015	Additions	Disposal	Tax credits	June 30, 2016
	$	$	$	$	$
(a) Aquilon	1,287,103	-	-	-	1,287,103
(b) Cheechoo	2,526,407	2,195,395	-	(509,234)	4,212,568
(e) Pontax	2,597,029	25,792	-	-	2,622,821
(f) Taïgor	5,069	45,249	-	-	50,318
(g) 33F06	-	29,689	-	-	29,689
	6,415,608	2,296,125	-	(509,234)	8,202,499
TOTAL	7,211,388	2,829,544	(20,000)	(509,234)	9,511,698

(in Canadian dollars)

9. EXPLORATION AND EVALUATION ASSETS (cont'd)

All write-off expenses are presented in *Write-off of exploration and evaluation assets* in profit or loss.

(1) During the exercise, management wrote-off the mining rights and exploration and evaluation expenses for the Taïgor and Kukames properties for the following reason: Abandonment of claims or non significant results following exploration fieldwork.

(a) Aquilon

This 104-claims gold property, owned at 100% by the Company since August 2016, is located near LA-1 hydro-electric complex in the James Bay area (Qc) and is fully owned by the Company.

During the exercise, the Company issued 1,000,000 common shares with a market value of $570,000 and paid $250,000 in cash to acquire the remaining 50% of the property.

Soquem Inc. retains a 1% NSR royalty, half of which is redeemable for $500,000.

(b) Cheechoo

The Cheechoo gold project consists of 145 claims owned at 100% by the Company. The property covers 7,400 acres in two distinct blocks adjoining the Eleonore gold deposit owned by Goldcorp Inc. It is located at approximately 13 km east of the discovery area of the Eleonore mine which is itself located 320 km north of Matagami (Qc).

On June 30, 2016, the property was owned in partnership with Golden Valley Mines Ltd. ("Golden Valley") (45% owned by the Company and 55% owned by Golden Valley). In order to acquire an additional 55% interest, the Company was required to issue or pay, on or before December 31, 2013, the lesser of 9.9% of its share capital or $ 1 million in cash or shares in Golden Valley within 3 years of its intention to acquire the remaining $ 5 million exploration interest and pay a payment of $500,000 (respected). On July 26, 2016, the Company formally acquired the residual 55% of the property. Golden Valley will retain a royalty on gold production ranging from 2.5% to 4% NSR, depending on the gold price and 4% NSR on the production of any other minerals.

(c) Cheechoo-extension

The project, owned at 100%, consists of 11 claims in the James Bay area (Qc). It is located about 15 km southwest of the Eleonore gold deposit owned by Goldcorp and is adjacent to the west block of the Cheechoo property.

(d) Kukames

During the exercise, the mining rights were written off.

(e) Pontax

The property, owned at 100% by the Company, consists of 77 claims, divided in two-continuous blocks of 69 and 8 claims. It is located in James Bay (Qc), approximately 350 km north of Matagami (Qc).

(f) Taïgor

During the exercise, the mining rights and the exploration and evaluation expenses were written off.

(g) 33F06

The property consists of 39 claims and covers 20 square-km in the James Bay area (Qc). It is located about 50 km southwest of Radisson (Qc) and about 20 km south of the LG-2 hydro-electric complex.

(h) Cheechoo-Eleonore Trend

The property is owned by a 50-50% joint venture with Sphinx Resources Ltd. ("Sphinx") and consists of 551 claims in the James Bay area (Qc). Sirios and Sphinx agreed to undertake at least $500,000 each in exploration expenditures over the next five years and to form a management committee with Sirios as the operator of the project.

A net smelter return royalty (NSR) of 2% is automatically provided in case of dilution of a party to a level of 10%, half of this royalty can be repurchased by the other party for $1M.

(in Canadian dollars)

10. LEASES

The Company's future minimum operating lease payments are as follows:

	Minimum lease payment due		
	Within 1 year	1 to 5 years	Total
	$	$	$
June 30, 2017	68,584	144,288	212,872
June 30, 2016	11,880	-	11,880

The Company leases its offices under a lease expiring June 30, 2020.

Lease payments recognized as an expense during the year amount to $27,882 ($11,946 on June 30, 2016). This amount consist of minimum lease payments.

11. INVESTMENT ACCOUNTED FOR USING THE EQUITY METHOD

On June 30, 2017, the Company holds a 14.54% (18.71% as at June 30, 2016) interest in the equity and voting rights of Khalkos, a mineral exploration and evaluation company in Quebec. Participation has been accounted for using the equity method since January 2012. The reporting date for Khalkos is February 28. Khalkos shares are listed on the TSX Venture Exchange under the symbol "KAS". The fair value of the investment as at June 30, 2017 is $ 822,391 ($ 1,038,807 as at June 30, 2016).

The aggregate amount of the associate company, for the same period, can be summarized as follows:

	June 30, 2017 [1]	June 30, 2016
	$	$
Current assets	693,936	329,013
Non current assets	2,907,701	1,476,683
Current liabilities	199,584	71,352
Net loss and other comprehensive income	(122,532)	(458,872)

The Company has not incurred any contingent liabilities or other commitments relating to its investment in this associate company.

A reconciliation of the above summarized financial information to the carrying amount of the interest set out below:

	June 30, 2017 [1]	June 30, 2016
	$	$
Total net assets	3,402,053	1,734,343
Contributed surplus not attached to common shareholders	(474,473)	(352,263)
	2,927,580	1,382,080
Proportion of ownership interests held	14.54%	18.71%
	425,574	258,615

(in Canadian dollars)

Permanent effects of the change in the Company's interest from the settlement of an another receivable by issuance of shares of Khalkos	(57,371)	(57,371)
	368,203	201,244
Capital gains balance	256,586	309,301
	624,789	510,545

(1) The Company used the latest available financial statement as of May 31, 2017.

Variation of the ownership

During the exercise ended June 30, 2017, Khalkos issued shares for the exercise of warrants, at the closing of private placements, in return for the redemption of royalties and to acquire mining rights. Those issuances decreased the Company's ownership from 18.71% to 14.54%.

During the exercise ended June 30, 2016, Khalkos issued shares to acquire mining rights, for the exercise of warrants, for the closing of private placement and for the settlement of accounts payables. Those issuances decreased the Company's ownership from 22.18% to 18.71%.

The Company received, during the exercise ended June 30, 2016, 445,052 shares of the share capital of Khalkos in settlement of an another receivable for a value of $48,956. This transaction resulted in a gain on settlement of an another receivable of $22,252, the Company's share of which consisted of $4,682 following the settlement, was recorded as a reduction of the investment accounted for using the equity method and the remaining $17,570 in net loss under financial income. Also, during the exercise, the Company participated in a private placement of Khalkos, receiving 192,308 shares, for a total amount of $25,000. A total amount of $86,133 corresponding to the capital gain resulting from this transaction is added to the cumulative capital gains of $435,967 created at the loss of control. The total amount of capital gains disposed on dilutions since the loss of control amounted to $265,514.

12. PROVISIONS

Provisions relate to various taxation claims. The Company is not eligible for any reimbursement by third parties in this regard. Usually, these claims are settled between three and eighteen months for initiation, depending on the procedures used for negotiating the claims. As the timing of settlement of these claims is to a large extent dependent on the pace of negotiations with various counterparties and governmental authorities, the Company cannot reliably estimate the amounts that will eventually be paid in settlement after more than twelve months from the reporting date. Therefore, the amount was classified as current.

During the exercise ended June 30, 2017, the Company reversed an amount of $132,240 following the expiry of the limitation period for one of the financings for which a provision for compensation had been recorded.

13. EQUITY

13.1 Share capital

The share capital of the Company consists of fully paid common and preferred shares.

Authorized

Unlimited number of common shares without par value, voting, participating, dividend as declared by the Board of Directors.

Unlimited preferred shares, issuable in one or several series, composed of the number of shares, rights, liens, conditions and restrictions as determined before issuance by resolutions of directors of the Company, without par value. The preferred shares, series A, are redeemable at the Company's option at their issuance price, non-voting and not entitled to dividends.

(in Canadian dollars)

	Number of shares June 30, 2017	Number of shares June 30, 2016
Common shares issued and fully paid at beginning of the exercise	101,311,810	57,374,238
Acquisition of mining rights (a) (b)	1,000,000	1,250,000
Exercise of options (a) (b) (c) (d) (e) (f) (g) (h) (i) (j) (k) (l)	1,062,143	690,000
Exercise of warrants (a) (b) (c) (d) (e) (f) (g) (h) (i) (j) (k) (l) (m) (n) (o) (p) (q) (r) (s) (t) (u) (v) (w) (x) (y) (z) (1) (2) (3) (4) (5) (6) (7) (8) (9)	11,718,882	2,251,143
Private placements (a) (c) (e) (f) (h) (j)	2,825,958	31,454,765
Flow-through private placements (b) (d) (g) (i) (k)	2,213,000	8,291,664
Common shares issued and fully paid at the end of the exercise	120,131,793	101,311,810
Preferred shares, Serie A	100,000	100,000

Acquisition of mining rights

(a) On May 20, 2016, the Company issued 1,250,000 common shares to Golden Valley to acquire the remaining 55% of the Cheechoo property. An amount of $500,000 was recorded in share capital and as an increase of exploration and evaluation assets.

(b) On August 4, 2016, the Company issued 1,000,000 common shares, with a market value of $570,000 to acquire the remaining 50% of the Aquilon property.

Exercise of options

(a) On April 11, 2016, 300,000 options were exercised at a price of $0.15. An amount of $45,000 was received and an amount of $33,000, representing the fair value of options at issuance was recorded as an increase in share capital.

(b) On April 18, 2016, 200,000 options were exercised at a price of $0.16. An amount of $32,000 was received and an amount of $22,000, representing the fair value of options at issuance was recorded as an increase in share capital.

(c) On April 25, 2016, 125,000 options were exercised at a price of $0.10 and 40,000 options at a price of $0.12. A total amount of $17,300 was received and total amount of $11,000, representing the fair value of options at issuance was recorded as an increase in share capital.

(d) On April 29, 2016, 25,000 options were exercised at a price of $0.10. An amount of $2,500 was received and an amount of $1,500, representing the fair value of options at issuance, was recorded as an increase in share capital.

(e) On August 8, 2016, 150,000 options were exercised at a price of $0.10. An amount of $15,000 was received and an amount of $9,000, representing the fair value of options at issuance, was recorded as an increase in share capital.

(f) On August 10, 2016, 75,000 options were exercised at a price of $0.10. An amount of $7,500 was received and an amount of $4,500, representing the fair value of options at issuance, was recorded as an increase in share capital.

(g) On August 12, 2016, 100,000 options were exercised at a price of $0.12. An amount of $12,000 was received and an amount of $9,000, representing the fair value of options at issuance, was recorded as an increase in share capital.

(h) On August 19, 2016, 75,000 options were exercised at a price of $0.10 and 21,429 options at a price of $0.70. A total amount of $22,500 was received and a total amount of $6,600, representing the fair value of options at issuance, was recorded as an increase in share capital.

13.1 Share capital (cont'd)

(i) On September 2, 2016, 225,000 options were exercised at a price of $0.24 and 35,714 options at a price of $0.70. A total amount of $79,000 was received and a total amount of $48,500, representing the fair value of options at issuance, was recorded as an increase in share capital.

(j) On October 12, 2016, 200,000 options were exercised at a price of $0.10. An amount of $20,000 was received and an amount of $12,000, representing the fair value of options at issuance, was recorded as an increase in share capital.

(k) On January 20, 2017, 80,000 options were exercised at a price of $0.10. An amount of $8,000 was received and an amount of $4,800, representing the fair value of options at issuance, was recorded as an increase in share capital.

(l) On April 24, 2017, 100,000 options were exercised at a price of $0.10. An amount of $10,000 was received and an amount of $6,000, representing the fair value of options at issuance, was recorded as an increase in share capital.

Exercise of warrants

(a) On July 20, 2015, 1,771,500 warrants were exercised at a price of $0.10 per share. An amount of $177,150 was received at the exercise of those warrants.

(b) On July 30, 2015, 357,143 warrants were exercised at a price of $0.10 per share. An amount of $35,714 was received at the exercise of those warrants.

(c) On April 28, 2016, 85,000 warrants were exercised at a price of $0.18 per share. An amount of $15,300 was received at the exercise of those warrants.

(d) On April 29, 2016, 37,500 warrants were exercised at a price of $0.28 per share. An amount of $10,500 was received at the exercise of those warrants.

(e) On August 9, 2016, 234,383 warrants were exercised at a price of $0.18 per share and 25,000 warrants at a price of $0.20 per share. A total amount of $47,188 was received at the exercise of those warrants. An amount of $4,688, representing the fair value of certain warrants, was recorded as an increase in share capital.

(f) On August 12, 2016, 45,000 warrants were exercised at a price of $0.28 per share. An amount of $12,600 was received at the exercise of those warrants.

(g) On August 18, 2016, 32,625 warrants were exercised at a price of $0.28 per share. An amount of $9,135 was received at the exercise of those warrants.

(h) On August 26, 2016, 75,000 warrants were exercised at a price of $0.28 per share. An amount of $21,000 was received at the exercise of those warrants.

(i) On September 2, 2016, 50,000 warrants were exercised at a price of $0.28 per share. An amount of $14,000 was received at the exercise of those warrants.

(j) On September 7, 2016, 87,500 warrants were exercised at a price of $0.28 per share. An amount of $24,500 was received at the exercise of those warrants.

(k) On September 12, 2016, 12,500 warrants were exercised at a price of $0.28 per share. An amount of $3,500 was received at the exercise of those warrants.

(l) On September 20, 2016, 16,250 warrants were exercised at a price of $0.28 per share. An amount of $4,550 was received at the exercise of those warrants.

13.1 Share capital (cont'd)

(m) On September 23, 2016, 12,500 warrants were exercised at a price of $0.28 per share. An amount of $3,500 was received at the exercise of those warrants.

(n) On September 29, 2016, 70,000 warrants were exercised at a price of $0.28 per share. An amount of $19,600 was received at the exercise of those warrants.

(o) On October 11, 2016, 12,500 warrants were exercised at a price of $0.28 per share. An amount of $3,500 was received at the exercise of those warrants.

(p) On November 30, 2016, 37,500 warrants were exercised at a price of $0.28 per share. An amount of $10,500 was received at the exercise of those warrants.

(q) On December 15, 2016, 625,000 warrants were exercised at a price of $0.18 per share, 768,515 warrants at the price of $0.28 per share and 192,500 warrants at the price of $0.20 per share. A total amount of $366,184 was received at the exercise of those warrants. An amount of $12,500, representing the fair value of certain warrants, was recorded as an increase in share capital.

(r) On December 20, 2016, 500,000 warrants were exercised at a price of $0.28 per share. An amount of $140,000 was received at the exercise of those warrants.

(s) On December 22, 2016, 125,000 warrants were exercised at a price of $0.28 per share. An amount of $35,000 was received at the exercise of those warrants.

(t) On January 9, 2017, 62,500 warrants were exercised at a price of $0.28 per share. An amount of $17,500 was received at the exercise of those warrants.

(u) On January 13, 2017, 8,333 warrants were exercised at a price of $0.18 per share. An amount of $1,500 was received at the exercise of those warrants. An amount of $167, representing the fair value of those warrants, was recorded as an increase in share capital.

(v) On January 20, 2017, 1,145,833 warrants were exercised at a price of $0.18 per share and 63,750 warrants at a price of $0.28 per share. A total amount of $224,100 was received at the exercise of those warrants. An amount of $22,917, representing the fair value of certain warrants, was recorded as an increase in share capital.

(w) On January 24, 2017, 41,666 warrants were exercised at a price of $0.18 per share. An amount of $7,500 was received at the exercise of those warrants. An amount of $833, representing the fair value of those warrants, was recorded as an increase in share capital.

(x) On February 6, 2017, 275,000 warrants were exercised at a price of $0.18 per share. An amount of $49,500 was received at the exercise of those warrants. An amount of $5,500, representing the fair value of those warrants, was recorded as an increase in share capital.

(y) On February 13, 2017, 8,500 warrants were exercised at a price of $0.18 per share. An amount of $1,530 was received at the exercise of those warrants. An amount of $170, representing the fair value of those warrants, was recorded as an increase in share capital.

(z) On February 16, 2017, 125,000 warrants were exercised at a price of $0.28 per share. An amount of $35,000 was received at the exercise of those warrants.

13.1 Share capital (cont'd)

(1) On February 21, 2017, 450,167 warrants were exercised at a price of $0.18 per share and 12,500 warrants at a price of $0.28 per share. A total amount of $84,530 was received at the exercise of those warrants. A total amount of $9,003, representing the fair value of certain warrants, was recorded as an increase in share capital.

(2) On February 28, 2017, 25,000 warrants were exercised at a price of $0.28 per share. An amount of $7,000 was received at the exercise of those warrants.

(3) On March 9, 2017, 125,000 warrants were exercised at a price of $0.28 per share. An amount of $35,000 was received at the exercise of those warrants.

(4) On March 14, 2017, 25,000 warrants were exercised at a price of $0.28 per share. An amount of $7,000 was received at the exercise of those warrants.

(5) On March 21, 2017, 50,000 warrants were exercised at a price of $0.28 per share. An amount of $14,000 was received at the exercise of those warrants.

(6) On March 29, 2017, 25,000 warrants were exercised at a price of $0.28 per share. An amount of $7,000 was received at the exercise of those warrants.

(7) On April 12, 2017, 812,500 warrants were exercised at a price of $0.28 per share. An amount of $227,500 was received at the exercise of those warrants.

(8) On April 18, 2017, 1,450,000 warrants were exercised at a price of $0.28 per share. An amount of $406,000 was received at the exercise of those warrants.

(9) On April 21, 2017, 4,091,360 warrants were exercised at a price of $0.28 per share. An amount of $1,145,581 was received at the exercise of those warrants.

Private placements and flow-through private placements

(a) On August 6, 2015, the Company completed the closing of a private placement for a total of $176,132. It was composed of 1,467,765 units. The unit, offered at $0.12, was composed of one common share and half a warrant. In total, 1,467,765 shares, as well as 733,883 warrants, were issued. Each warrant entitles its holder to subscribe for one common share at $0.18 per share for a period of eighteen months. An amount of $14,678, related to warrants, was recorded as an increase in contributed surplus.

(b) On August 6, 2015, the Company completed the closing of a flow-through private placement for a total of $80,000. It was composed of 533,333 flow-through shares at a price of $0.15 each. An amount of $58,667 was recorded in share capital and an amount of $21,333 was recorded as other liabilities in the statement of financial position.

Finder's fees of $6,000 were settled in cash.

Other liabilities represent the difference between the share price at the time of issuance and the share price in the subscription agreement. When eligible expenditures have been incurred and the Company has transferred its right to deductions to investors, the amount recognized in other liabilities will be reversed and recognized in profit or loss as a reduction of deferred income tax.

13.1 Share capital (cont'd)

(c) On September 17, 2015, the Company completed the closing of a private placement for a total $555,480. It was composed of 4,629,000 units. The unit, offered at $0.12, was composed of one common share and half a warrant. In total, 4,629,000 shares, as well as 2,314,500 warrants were issued. Each warrant entitled its holder to subscribe for one common share at $0.18 per share for a period of eighteen months. An amount of $46,290, related to warrants, was recorded as an increase in contributed surplus.

(d) On September 17, 2015, the Company completed the closing of a flow-through private placement for a total of $163,750. It was composed of 1,091,664 flow-through shares at a price of $0.15 each. An amount of $120,083 was recorded in share capital and an amount of $43,667 was recorded as other liabilities in the statement of financial position.

(e) On March 2, 2016, the Company completed the closing of a private placement for a total of $1,021,540. It was composed of 7,858,000 units. The unit, offered at $0.13, was composed of one common share and half a warrant. In total, 7,858,000 shares, as well as 3,929,000 warrants were issued. Each warrant entitled its holder to subscribe for one common share at $0.20 per share for a period of eighteen months. No amount, related to warrants, was recorded.

(f) On April 22, 2016, the Company completed the closing of a private placement for a total of $3,500,000. It was composed of 17,500,000 units. The unit, offered at $0.20, was composed of one common share and half a warrant. In total, 17,500,000 shares, as well as 8,750,000 warrants were issued. Each warrant entitled its holder to subscribe for one common share at $0.28 per share for a period of twelve months. No amount, related to warrants, was recorded.

(g) On April 22, 2016, the Company completed the closing of a flow-through private placement for a total of $2,000,000. It was composed of 6,666,667 flow-through shares at a price of $0.30 each. The full amount was recorded in share capital.

(h) On December 21, 2016, the Company completed the closing of a private placement for a total of $454,000. It was composed of 1,194,736 units. The unit, offered at $0.38, was composed of one common share and half a warrant. In total, 1,194,736 shares, as well as 597,368 warrants were issued. Each warrant entitled its holder to subscribe for one common share at $0.50 per share for a period of twelve months. An amount of $35,842, related to warrants, was recorded as an increase in contributed surplus.

(i) On December 21, 2016, the Company completed the closing of a flow-through private placement for a total of $356,500. It was composed of 713,000 flow-through shares at a price of $0.50 each. An amount of $249,550 was recorded in share capital and an amount of $106,950 was recorded as other liabilities in the statement of financial position.

(j) On December 22, 2016, the Company completed the closing of a private placement for a total of $619,864. It was composed of 1,631,222 units. The unit, offered at $0.38, was composed of one common share and half a warrant. In total, 1,631,222 shares, as well as 815,611 warrants were issued. Each warrant entitled its holder to subscribe for one common share at $0.50 per share for a period of twelve months. An amount of $16,312, related to warrants, was recorded as an increase in contributed surplus.

(k) On December 22, 2016, the Company completed the closing of a flow-through private placement for a total of $750,000. It was composed of 1,500,000 flow-through shares at a price of $0.50 each. An amount of $555,000 was recorded in share capital and an amount of $195,000 was recorded as other liabilities in the statement of financial position.

(in Canadian dollars)

13.2 Warrants

Outstanding warrants entitle their holders to subscribe to an equivalent number of ordinary shares, as follows:

	June 30, 2017		June 30, 2016	
	Number of warrants	Weighted average exercise price	Number of warrants	Weighted average exercise price
		$		$
Balance, beginning of the exercise	15,604,883	0.24	3,479,900	0.10
Issued	1,412,979	0.50	15,727,383	0.24
Exercised	(11,718,882)	(0.25)	(2,251,143)	(0.11)
Expired	(174,501)	(0.18)	(1,351,257)	(0.10)
Balance, end of the exercise	5,124,479	0.28	15,604,883	0.24

During the exercise ended June 30, 2017, 11,718,882 warrants were exercised (2,251,143 warrants on June 30, 2016). A total amount of $2,984,998 was recorded in share capital and an amount of $55,778 as a decrease in contributed surplus.

The number of outstanding warrants which could be exercised for an equivalent number of common shares is as follows:

	June 30, 2017		June 30, 2016	
Expiration date	Number of warrants	Exercise price	Number of warrants	Exercise price
		$		$
February 6, 2017	-	-	733,883	0.18
March 17, 2017	-	-	2,229,500	0.18
April 22, 2017	-	-	8,712,500	0.28
September 2, 2017	3,711,500	0.20	3,929,000	0.20
December 21, 2017	597,368	0.50	-	-
December 22, 2017	815,611	0.50	-	-
	5,124,479	0.28	15,604,883	0.24

14. EMPLOYEE REMUNERATION

14.1 Salaries and employee benefit expenses

Salaries and employee benefit expenses recognized are analyzed below:

	June 30,	
	2017	2016
	$	$
Salaries and benefits	1,009,274	504,837
Share-based payments	1,011,000	88,800
	2,020,274	593,637
Less: salaries and share-based payments capitalized in Exploration and evaluation assets or presented in Project generation expenses	(998,213)	(263,807)
Salaries and employee benefit expenses	1,022,061	329,830

(in Canadian dollars)

14.2 Share-based payments

The Company has a share-based payments plan for eligible directors, officers, employees, consultants and service suppliers of investors' relations. The most important terms of the plan are as follows:

i) the maximum number of shares that may be issued under the plan is limites to 10% of the issued shares at the time of the grant of the option, with a maximum of 12,013,179 on June 30, 2017 (maximum of 10,131,181 on June 30, 2016);

ii) the maximum number of shares that can be reserved for a beneficiary is limited to 5% of issued and outstanding shares;

iii) the maximum number of shares that can be reserved for a consultant during a 12-month period is limited to 2% of issued and outstanding shares;

iv) the maximum number of shares that can be reserved for a supplier of investors' relation services during any 12-month period is limited to 2% of issued and outstanding shares; moreover, the options granted may be exercised by steps over a period of 12 months after the grant, at the rate of 25% per quarter;

v) the options granted to directors, officers, employees and consultants may be exercised entirely at the date of the grant.

The options' term cannot exceed ten years. The option exercise price is established by the Board of Directors and may not be lower than the market price of the common shares at the time of the grant.

All share-based payments will be settled in equity. The Company has no legal or constructive obligation to repurchase or settle the options in cash.

The Company's share options are as follow for the period presented:

	June 30, 2017		June 30, 2016	
	Number of options	Weighted average exercise price	Number of options	Weighted average exercise price
		$		$
Outstanding, at the beginning of the exercise	5,736,429	0.16	5,075,000	0.19
Granted	2,500,000	0.51	1,480,000	0.10
Exercised	(1,062,143)	(0.16)	(690,000)	(0.14)
Expired or cancelled	(434,286)	(0.27)	(128,571)	(0.70)
Outstanding, at the end of the exercise	6,740,000	0.28	5,736,429	0.16

The weighted average share price at the date of exercise was $0.86 in 2017 ($0.36 in 2016).

On December 8, 2015, the Board of Directors of the Company has granted 1,480,000 options under its stock option incentive plan to employees, directors, officers and consultants, at an exercise price of $0.10. The options expire five (5) years from the date of grant.

On October 20, 2016, the Board of Directors of the Company has granted 300,000 options under its stock option incentive plan to a director, at an exercise price of $0.59. The options expire five (5) years from the date of grant.

(in Canadian dollars)

14.2 Share-based payments (cont'd)

On November 29, 2016, the Board of Directors of the Company has granted 2,200,000 options under its stock option incentive plan to employees, directors, officers and consultats, at an exercise price of $0.50. The options expire five (5) years from the date of grant.

The weighted average fair value of stock options granted is $0.40 each ($0.06 for the exercise ended June 30, 2016) and was estimated using the Black-Scholes model and based on the following weighted average assumptions:

	2017	2016
Average share price at the date of issuing	$0.51	$0.09
Expected interest average rate	0.66%	0.56%
Expected average life	5 years	5 years
Expected weighted volatility	112%	93%
Expected dividend yield	0%	0%
Average exercise price at the date of grant	$0.51	$0.11

The underlying expected volatility was determined by reference to historical date of the Company's share over the expected average life of the options. No special features inherent to the options granted were incorporated into measurement of fair value.

The table below summarizes the information related to outstanding share options:

	June 30, 2017		June 30, 2016	
Range of exercise price	Number of options	Weighted average remaining contractual life (years)	Number of options	Weighted average remaining contractual life (years)
From $0 to $0.35	4,240,000	1.98	5,565,000	3.15
From $0.36 to $0.70	2,500,000	4.40	171,429	0.96
	6,740,000		5,736,429	

In total, $1,011,000 of share-based payments (all of which related to equity-settled share-based payment transactions) was recorded ($708,727 in profit or loss as salaries and employee benefit expenses and $302,273 capitalized in exploration and evaluation assets) for the exercise ended June 30, 2017 ($88,800 in profit or loss, $73,021 as salaries and employee benefit expenses and $3,118 as project generation expenses and $15,779 capitalized in exploration and evaluation assets for the exercised ended June 30, 2016) and credited to contributed surplus.

(in Canadian dollars)

15. FAIR VALUE MEASUREMENT

15.1 Fair value measurement of financial instruments

Financial assets and liabilities measured at fair value in the statement of financial position are grouped into three levels of a fair value hierarchy. The three levels are defined based on the observability of significant inputs to the measurement, as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; and
- Level 3: unobservable inputs for the assets or liabilities.

The fair value of the listed shares have been estimated by reference of their quoted prices at the reporting date.

Listed shares, measured at fair value, in the statement of financial position on June 30, 2017 and 2016, are classified in Level 1.

16. FINANCE COSTS AND INCOME

Finance costs can be analyzed as follow for the reporting periods presented:

	June 30,	
	2017	2016
	$	$
Interests on trade accounts	(419)	(223)
Change in fair value of listed shares	(44,882)	-
Amortization of fees related to loan	-	(3,030)
	(45,301)	(3,253)

Finance income can be analyzed as follow for the reporting periods presented:

	June 30,	
	2017	2016
	$	$
Interests income from cash and cash equivalents	30,437	5,745
Interests income from other receivables	3,941	-
Management revenues	4,522	-
Gain on settlement of an another receivable	-	17,570
Change in fair value of listed shares	-	44,882
	38,900	68,197

17. LOSS PER SHARE

In calculating the diluted loss per share, dilutive potential common shares such as share options and warrants have not been included as they would have the effect of decreasing the loss per share. Decreasing the loss per share would be anti0dilutive. Details of share options and warrants issued that could potentially dilute earnings per share in the future are given in Notes 13.2 and 14.2.

Both the basic and diluted loss per share have been calculated using the net loss as a numerator, i.e. no adjustment to the net loss was necessary in 2017 and 2016.

(in Canadian dollars)

	June 30, 2017	June 30, 2016
Net loss	(1,060,457) $	(502,621) $
Weighted average number of shares	109,684,305	73,214,398
Basic and diluted loss per share	(0.100) $	(0.007) $

For transactions on common shares between the reporting date and the date of publication of the financial statements, see Note 24-Subsequent events.

18. INCOME TAXES

Relationship between expected tax expense and accounting profit or loss

The relationship between the expected tax expense based on the combined federal and provincial income tax rate in Canada and the reported tax expense in the statement of comprehensive income can be reconciled as follows:

	2017	2016
	$	$
Expected tax recovery calculated using the combined federal and provincial income tax rate in Canada, 26.90% in 2017 and 2016	(366,487)	(215,986)
Adjustments for the following items		
Tax effect of issuance of flow-through shares	716,057	315,717
Reversal of the other liabilities attribuable to issuance of flow-through shares	(301,950)	(300,300)
Temporary differences unrecognized	(470,404)	(103,063)
Share-based payments	190,648	19,643
Variation of non-deductible fair value (non-taxable)	6,037	(6,037)
Other non-deductible expenses	(75,851)	(10,274)
	(301,950)	(300,300)

Major components of tax expenses

	2017	2016
	$	$
Inception and reversal of temporary differences	(245,653)	(212,654)
Tax effect of issuance of flow-through shares	716,057	315,717
Reversal of the other liabilities attribuable to issuance of flow-through shares	(301,950)	(300,300)
Temporary difference unrecognized	(470,404)	(103,063)
	(301,950)	(300,300)

Deferred tax assets and liabilities and variation of recognized amounts during the exercise

The following differences between the carrying amounts and tax bases from timing differences, unused tax losses and unused tax credits give rise to the following recognized deferred income tax assets and liabilities, and the following unrecognized timing differences, unused tax losses and unused tax credits:

(in Canadian dollars)

	Balance on July 1st,. 2016	Recognized in profit or loss	Balance on June 30, 2017
	$	$	$
Amounts recognized			
Exploration and evaluation assets	(629,865)	(641,928)	(1,271,793)
Unused tax credits receivable	(56,985)	(58,955)	(115,940)
Property and equipment	-	28,676	28,676
Issuance costs of shares	-	41,089	41,089
Unused non-capital losses	686,850	631,118	1,317,968
Recognized deferred income tax assets and liabilities	-	-	-
Reversal of the other liabilities attribuable to issuance of flow-through shares		(301,950)	
Variation of deferred income tax in profit or loss		(301,950)	

	Balance on July 1st, 2015	Recognized in profit or loss	Balance on June 30, 2016
	$	$	$
Amounts recognized			
Exploration and evaluation assets	(367,141)	(262,724)	(629,865)
Unused tax credits receivable	-	(56,985)	(56,985)
Unused non-capital losses	367,141	319,709	686,850
Recognized deferred income tax assets and liabilities	-	-	-
Reversal of the other liabilities attribuable to issuance of flow-through shares		(300,300)	
Variation of deferred income tax in profit or loss		(300,300)	

	June 30, 2017		June 30, 2016	
	Federal	Provincial	Federal	Provincial
	$	$	$	$
Deductible temporary difference unrecognized				
Property and equipment	-	191,174	78,007	78,007
Listed shares	70,963	70,963	48,522	48,522
Issuance costs of shares	44,302	318,229	364,573	364,573
Investment accounted for using the equity method	372,933	372,933	430,055	430,055
Non-capital losses	-	3,010,514	1,410,006	4,393,893
	488,198	3,963,813	2,331,163	5,315,050

The Company has non-capital losses which are available to reduce income taxes in future periods, for which no deferred tax assets has been recorded in the statement of financial position, that can be carried over the following years:

(in Canadian dollars)

	Federal	Provincial
	$	$
2034	-	462,545
2035	-	668,070
2036	-	924,575
2037	-	955,324
	-	3,010,514

The Company has investment tax credits to receive for an amount of $255,969 ($255,969 in 2016) that are not recognized. Those credits can be applied to reduce federal income tax and expire between 2023 and 2034.

The Company has resource tax credit to received for an amount of $223,837 ($228,716 in 2016) that are not recognized. Those credits can be applied to reduce provincial income tax and expire between 2017 and 2018.

19. ADDITIONAL INFORMATION - CASH FLOWS

The change in working capital items are detailed as follows:

	2017	2016
	$	$
Other receivables	(167,879)	(56,669)
Good and services tax receivable	(35,544)	(86,537)
Prepaid expenses	3,199	(3,914)
Trade and other payables	(5,972)	32,233
	(206,196)	(114,887)

Non-monetary operations in the statement of financial position are as follows:

	2017	2016
	$	$
Tax credits receivable debited (credited) to exploration and evaluation assets	1,085,428	509,234
Trades related to exploration and evaluation assets	256,111	315,854
Trades related to property and equipment	27,846	-
Share-based payments included in exploration and evaluation assets	302,273	15,779
Shares issued for the acquisition of exploration and evaluation assets	570,000	500,000
Shares received for debt settlement	-	71,208
Gain on settlement of an another receivable recorded in decrease of the investment accounted for using the equity method	-	4,682
Amortization of property and equipment included in exploration and evaluation assets	89,930	-

20. RELATED PARTY TRANSACTIONS

The Company's related parties includes an associated company and its key management personnel. Unless otherwise stated, none of the transactions incorporate special terms and conditions and no guarantee was given or received. Outstanding balances are usually settled in cash. During the exercise, Sirios provided administrative services to an associated company, Khalkos, totaling $108,357 ($99,105 for the exercise ended June 30, 2016). These transactions occurred in the normal course of business and were measured at the exchange amount, which is the consideration established and agreed by the parties.

(in Canadian dollars)

20.1 Transactions with key management personnel

The remuneration of the Company's key management personnel and the president includes the following expenses:

	June 30,	
	2017	2016
	$	$
Salaries and benefits	228,447	237,301
Consulting fees	-	78,500
Share-based payments	621,000	64,504
Total remuneration	849,447	380,305

For the exercise ended June 30, 2017, an amount of $55,963 ($46,209 on June 30, 2016) of salaries and benefits was recorded as *Exploration and evaluation assets* .

21. CAPITAL MANAGEMENT POLICIES AND PROCEDURES

The Company's capital management objectives are:

- To ensure the Company's ability to continue as a going concern;
- To increase the value of the assets of the business; and
- To provide an adequate return to shareholders.

These objectives will be achieved by identifying the right exploration projects, adding value to these projects and ultimately taking them through to production or sale and cash flows, either with partners or by the Company's own means.

The Company monitors capital on the basis of the carrying amount of equity.

The Company is not exposed to any externally imposed capital requirements except when the Company issues flow-through shares for which an amount should be used for exploration work. See all details in Notes 13.1 and 23.

The Company finances its exploration and evaluation activities principally by raising additional capital either through private placements or public offerings. When financing conditions are not optimal, the Company may enter into option agreements or other solutions to continue its activities or may slow its activities until conditions improve.

22. FINANCIAL INSTRUMENT RISKS

The Company is exposed to various risks in relation to financial instruments. The main types of risks the Company is exposed to are credit and liquidity risk.

The Company focuses on actively securing short- to medium-term cash flows by minimizing the exposure to financial markets. The Company does not actively engage in the trading of financial instruments for speculative purposes.

The most significant financial risks to which the Company is exposed are described below.

22.1 Credit risk

Credit risk is the risk that another party to a financial instrument will cause a financial loss for the Company by failing to discharge an obligation.

(in Canadian dollars)

The maximum exposure to credit risk is limited to the carrying amount of financial assets at the reporting dates, as summarized below:

	June 30, 2017	June 30, 2016
	$	$
Cash and cash equivalents	2,258,776	4,835,803
Term deposits	1,500,000	300,000
Other receivables	189,518	21,639
	3,948,294	5,157,442

Other receivables are advances to an associate company, advances to private company and receivable from a partner (advances to an associate company and to officers in 2016), therefore, the exposure to credit risk for the Company's receivable is considered limited. The Company continuously monitors defaults of counterparties. No impairment loss has been recognized in the periods presented.

The Company's management considers that all the above financial assets that are not impaired or past due for each of the reporting date under review are good credit quality.

No allowances for credit losses was recognized on June 30, 2017 and 2016.

The credit risk for cash and cash equivalents and term deposits is considered negligible, since the counterparties are reputable banks with high quality external credit ratings.

22.2 Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset.

Liquidity risk management serves to maintain a sufficient amount of cash and to ensure that the Company has financing sources such as private and public investments for a sufficient amount.

During the exercise, the Company has financed its exploration and evaluation programs, its working capital requirements and acquisitions of mining properties through private and flow-through financings.

The following table shows the contractual maturities (including interest payments, if any) of financial liabilities of the Company:

	June 30, 2017	June 30, 2016
	$	$
Less than six months		
Trade and other payables	331,596	390,760

The Company considers expected cash flows from financial assets in assessing and managing liquidity risk in particular its cash and cash equivalent and tax credits receivable. Cash and cash equivalent and tax credits receivable exceed the current outflow requirements.

23. CONTINGENCIES AND COMMITMENTS

The Company is partially financed through the issuance of flow-through shares and, according to tax rules regarding this type of financing, the Company is engaged in realizing mining exploration work.

These tax rules also set deadlines for carrying out the exploration work, which must be performed no later than the earlier of the following dates:

- Two years following the flow-through placement;
- One year after the Company has renounced the tax deductions relating to the exploration work.

However, there is no guarantee that the Company's exploration expenses will qualify as Canadian exploration expenses, even if the Company is committed to taking all the cessary measures in the regard. Refusal of certain expenses by the tax authorities could have a negative tax impact for investors.

During the exercise ended June 30, 2017, the Company received an amount of $1,106,500 ($2,243,750 on June 30, 2016) from flow-through placement, for which the Company renounced the tax deductions on December 31, 2016. Management is required to fulfill commitments within the stipulated deadline of one year from the renounciation date.

The product of unspent funding related to flow-through financings totals $0 ($1,664,246 on June 30, 2016 to spend before December 31, 2017). According to the fiscal legislation imposed restrictions, the Company has to deducate these funds to the exploration of Canadian mining properties.

24. SUBSEQUENT EVENTS

As of October 11, 2017, the subsequent events are:

a) On August 2, 2017, the Company completed the closing of a flow-through private placement for a total of $5,000,000. It was composed of 11,111,111 flow-through shares at a price of $0.45 each. An amount of $4,500,000 was recorded in share capital and an amount of $500,000 was recorded as other liabilities in the statement of financial position.

In connection with this flow-through private placement, 666,666 warrants were issued to brokers. Each warrant entitles the holder to subscribe for one common share at $ 0.45 per share within eighteen months from the date of closing.

b) On September 1, 2017, 3,711,500 warrants were exercised at a price of $ 0.20 per share. An amount of $742,300 was received for the exercise of these warrants.

c) On September 6, 2017, 100,000 options were exercised at a price of $ 0.10. An amount of $10,000 was received for the exercise and an amount of $ 6,000, representing the fair value of the options at the time of issue, was recorded as an increase in share capital.

d) On September 11, 2017, 250,000 options were exercised at a price of $ 0.24. An amount of $60,000 was received for the exercise and an amount of $ 50,000 representing the fair value of the options at issue was charged to the increase in share capital.

e) On September 12, 2017, 100,000 options were exercised at a price of $ 0.12. An amount of $12,000 was received for the exercise and an amount of $ 8,000, representing the fair value of the options at the time of issue, was recorded as an increase in share capital.