



**Financial Statements of
Brionor Resources Inc.**

**For the three and nine months ended
May 31, 2014 and May 31, 2013**
(Expressed in Canadian Dollars)

RESPONSIBILITY FOR FINANCIAL STATEMENTS

The accompanying unaudited interim financial statements for Brionor Resources Inc. (the "Company") have been prepared by management in accordance with International Financial Reporting Standards consistently applied ("IFRS"). These financial statements have been prepared on a historical cost basis with the exception of financial instruments classified as fair value through profit and loss. In addition, these financial statements have been prepared using the accrual basis of accounting except for cash flow information. Accordingly, a precise determination of many assets and liabilities is dependent upon future events. Therefore, estimates and approximations have been made using careful judgment. Recognizing that the Company is responsible for both the integrity and objectivity of the financial statements, management is satisfied that these financial statements have been fairly presented.

NOTICE OF NO AUDITOR REVIEW OF REVIEW OF INTERIM FINANCIAL STATEMENTS

Under National Instrument 51-102, Part 4, subsection 4.3(3)(a), if an auditor has not performed a review of the unaudited condensed interim financial statements they must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor.

The accompanying unaudited condensed interim financial statements of the Company have been prepared by and are the responsibility of the Company's management.

The Company's independent auditor has not performed a review of these financial statements in accordance with standards established by the Canadian Institute of Chartered Accountants for a review of interim financial statements by an entity's auditor.

Brionor Resources Inc.

Condensed Interim Statements of Financial Position

(Canadian dollars)

As at	May 31 2014 \$	August 31 2013 \$
ASSETS		
Current		
Cash	252	2,423
Government taxes recoverable (note 4)	404	37,465
Prepaid expenses	1,393	37,465
	2,049	39,888
Non-current		
Investment in private company (note 5)	-	40,000
Exploration and evaluation assets (note 6)	1,601,270	1,564,500
	1,603,319	1,644,388
LIABILITIES		
Current		
Trade and other payables (note 11)	198,427	153,407
Due to related parties (note 8)	49,414	7,500
	247,841	160,907
SHAREHOLDERS' EQUITY		
Share capital, warrants and share based payments (note 7)	4,757,890	4,757,890
Deficit	(3,402,412)	(3,274,409)
	1,355,478	1,483,481
	1,603,319	1,644,388

*The accompanying notes are an integral part of these financial statements.
Nature of operations and going concern (notes 1 and 2)*

Approved on behalf of the board:

(signed) "Lew Lawrick"

Director

(signed) "Brian Gavin"

Director

Brionor Resources Inc.

Condensed Interim Statements of Loss and Comprehensive Loss

(Canadian dollars)

	For the three months ended		For the nine months ended	
	May 31	May 31	May 31	May 31
	2014	2013	2014	2013
			\$	\$
Expenses				
Write down of exploration and evaluation assets (note 7)	-	-	-	3,340
Write down of investment in private company (note 5)	-	-	40,000	-
Professional fees	7,706	50,436	55,429	187,041
Management fees (note 8)	-	16,000	-	68,000
General and administrative	9,192	17,831	34,341	55,926
Share based payments (note 8)	-	2,934	-	19,248
Other income	-	-	(1,767)	-
Loss and comprehensive loss for the period	16,898	87,201	128,003	333,555
Loss and comprehensive loss per share basic and diluted	0.00	0.00	0.00	0.00
Weighted average number of shares outstanding basic and diluted	35,812,465	35,812,465	35,812,465	35,812,465

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

Brionor Resources Inc.

Condensed Interim Statements of Cash Flows

(Canadian dollars)

	For the nine months ended	
	May 31	May 31
	2014	2013
	\$	\$
Operating activities		
Comprehensive loss for the period	(128,003)	(333,555)
Adjustment for non-cash items:		
Share based payments	-	19,248
Write down of exploration and evaluation assets		3,340
Write down of investment in private company	40,000	-
Net change in non-cash working capital balances related to operating activities:		
Government taxes recoverable	37,061	51,108
Prepaid expenses	(1,393)	(55,800)
Due from related party	41,914	-
Trade and other payables	45,020	75,051
Net cash used in operating activities	34,599	(240,608)
Investing activities		
Additions to exploration and evaluation assets	(36,770)	(3,340)
Net cash used in investing activities	(36,770)	(3,340)
Net decrease in cash	(2,171)	(243,948)
Cash, beginning of the period	2,423	246,662
Cash, end of the period	252	2,714

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

Brionor Resources Inc.

Condensed Interim Statements of Changes in Shareholders' Equity

(Canadian dollars)

	Share capital		Warrants	Share based payments	Share capital, warrants and share based payments	Deficit	Total
	#	\$	\$	\$	\$	\$	\$
Balance, August 31, 2012	35,812,465	4,561,706	5,250	171,556	4,738,512	(2,956,887)	1,781,625
Share based payments	-	-	-	19,248	19,248	-	19,248
Net loss for the period	-	-	-	-	-	(333,555)	(333,555)
Balance, May 31, 2013	35,812,465	4,561,706	5,250	190,804	4,757,760	(3,290,442)	1,467,318
Share based payments	-	-	-	5,380	5,380	-	5,380
Value of expired warrants transferred to deficit	-	-	(5,250)	-	(5,250)	5,250	-
Net income for the period	-	-	-	-	-	10,783	10,783
Balance, August 31, 2013	35,812,465	4,561,706	-	196,184	4,757,890	(3,274,409)	1,483,481
Net loss for the period	-	-	-	-	-	(128,003)	(128,003)
Balance, May 31, 2014	35,812,465	4,561,706	-	196,184	4,757,890	(3,402,412)	1,355,478

The accompanying notes are an integral part of these financial statements

Brionor Resources Inc.

Notes to the condensed interim financial statements

For the three and nine months ended May 31, 2014 and May 31, 2013

1. Nature of operations

Brionor Resources Inc. (“Brionor” or the “Company”) is incorporated under the *Canada Business Corporations Act*, and is involved in the acquisition, exploration and development of mining properties in Canada and potentially Argentina (see note 7). Substantially all of the Company’s efforts are devoted to financing and developing these properties. There has been no determination whether the Company’s interests in mineral exploration properties contain mineral reserves, which are economically recoverable. Its stock is listed on the TSX Venture Exchange under the symbol BNR. The address of the Company and its registered office is located at 800 Place Victoria, Bureau 3700, Montréal, Québec H4Z 1E9. Its operating office is located at 150 York Street, Suite 410, Toronto, Ontario, M5H 3S5.

2. Going concern

These condensed interim financial statements have been prepared on the basis of accounting principles applicable to a going concern, which assumes the Company will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of operations. Accordingly, it does not give effect to adjustments, if any that would be necessary should the Company be unable to continue as a going concern and, therefore, be required to realize its assets and liquidate its liabilities in other than in the normal course of business and at amounts that may differ from those shown in these financial statements.

For the nine months ended May 31, 2014, the Company incurred a net loss of \$128,003 (for the nine months ended May 31, 2013 - \$333,555), had received cash from operations of \$35,599 (for the nine months ended May 31, 2013 – used cash from operations of \$240,608), and as at May 31, 2014, had an accumulated deficit of \$3,402,412 (August 31, 2013 - \$3,274,409) and a working capital deficit of \$245,792 (August 31, 2013 – a deficit of \$121,019).

The business of exploring for minerals involves a high degree of risk and there can be no assurance that current exploration programs will result in profitable mining operations. The recoverability of the carrying value of exploration and evaluation assets and the Company’s continued existence is dependent upon the preservation of its interest in the underlying properties, the discovery of economically recoverable reserves and the achievement of profitable operations; and the ability of the Company to raise alternative financing; or alternatively upon the Company’s ability to dispose of its interests on an advantageous basis. Changes in future conditions could require material write-downs of the carrying values.

3. Basis of preparation

Statement of compliance

The Company’s condensed interim financial statements, including comparatives, have been prepared in accordance with and using accounting policies in full compliance with the International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”) applicable to the preparation of interim financial statements, including International Accounting Standards (“IAS”) 34, Interim Financial Reporting. The condensed interim financial statements do not include all financial risk management information and disclosures as required in the audited annual financial statements. The condensed interim financial statements should be read in conjunction with the audited annual financial statements for the year ended August 31, 2013, which have been prepared in accordance with IFRS as issued by the IASB. The accounting policies and methods of computation remain the same as presented in the audited consolidated financial statements for the year ended August 31, 2013.

There are no new IFRS and/or International Financial Reporting Interpretations Committee (“IFRIC”) pronouncements that are effective for the first time for this interim period that would be expected to have a material effect on the Company.

Brionor Resources Inc.

Notes to the condensed interim financial statements

For the three and nine months ended May 31, 2014 and May 31, 2013

4. Government taxes recoverable

	May 31 2014 \$	August 31 2013 \$
HST Recoverable	72	24,760
QST Recoverable	332	12,705
	404	37,465

5. Investment in private company

	May 31 2014 \$	August 31 2013 \$
250,000 common shares of Catlee Resources Inc. ("Catlee") (see note 7 – Noyell property)	-	40,000

The Company designated its investment in Catlee as available-for-sale. It is not carried at fair-value as a reliable market price in an active market is unavailable. Accordingly, it is carried at its fair-value on recognition and is subject to a regular impairment assessment. On April 5, 2014 the Agreement (see note 6 below) was terminated and the Company's investment in Catlee has been written off. During both the fiscal year ends in 2014 and 2013 two of Brionor's directors had significant voting influence over Catlee.

6. Exploration and evaluation assets and assets held for sale

The Company holds interests in the following mining properties, all of which are located in Quebec and all fall under the category of intangible assets:

Properties	Interest %	Balance as at August 31 2013 \$	Option of mining property \$	Expenditures \$	Write down \$	Transfer from "Held for Sale" \$	Balance as at May 31 2014 \$
Argentina							
Meridiano							
Covadonga							
El Monte							
and							
Gertudis	100	115,167	36,710	-	-	-	151,937
Quebec							
Verneuil	50	1,630	-	-	-	-	1,630
Noyell	100	352	-	-	-	-	352
Pitt Gold	100	1,443,887	-	-	-	-	1,443,887
Matchi-							
Manitou	29	3,464	-	-	-	-	3,464
		1,564,500	37,710	-	-	-	1,601,270

Brionor Resources Inc.

Notes to the condensed interim financial statements

For the three and nine months ended May 31, 2014 and May 31, 2013

Properties	Interest %	Balance as at August 31 2012 \$	Option of mining property \$	Expenditures \$	Write down \$	Transfer from "Held for Sale" \$	Balance as at August 31 2013 \$
Argentina							
Meridiano							
Covadonga							
El Monte and Gertudis	100	-	115,167	-	-	-	115,167
Quebec							
Verneuil	50	1,630	-	-	-	-	1,630
Noyell	100	352	-	-	-	-	352
Pitt Gold	100	-	-	3,340	(3,340)	1,443,887	1,443,887
Matchi-Manitou	29	3,464	-	-	-	-	3,464
		5,446	115,167	3,340	(3,340)	1,443,887	1,564,500

Verneuil

The Company holds a 50% interest in 34 claims located approximately 15 km to the east of Lebel-sur-Quevillon, district of Abitibi. A 2% net smelter return royalty on future production is attached to the property.

Noyell

The Company holds a 100% interest in 110 claims located approximately 25 km south of Matagami, along the Douay-Cameron Corridor adjacent to the Vezza deposit, district of Abitibi. A 3% net smelter return royalty on future production is attached to the property.

On February 24, 2011, the Company entered into an option agreement (the "Agreement") with Catlee whereby Catlee can acquire a 100% interest in the Noyell property, by paying \$325,000 in cash, by issuing 100,000 common shares and incurring exploration expenses of \$1,000,000.

On February 17, 2012, the Company amended the Agreement to revise the terms extending the initial five year term one additional year, accepting an additional 150,000 common shares of Catlee deliverable by February 24, 2012. On February 22, 2013, the Company agreed to an additional amendment to the option agreement to re-revise the terms of the outstanding commitments by extending the remaining five year term one additional year, in consideration for adding an additional cash payment of \$25,000 to the last year as summarized below:

	Cash payments \$	Exploration expenses \$
On or before February 24, 2014	25,000	100,000
On or before February 24, 2015	35,000	-
On or before February 24, 2016	50,000	200,000
On or before February 24, 2017	100,000	-
On or before February 24, 2018	125,000	700,000
	335,000	1,000,000

On March 6, 2014, the Company sent a notice of default to Catlee under the terms of the Agreement, providing a 30 day period for Catlee to remedy its obligations. On April 5, 2014 the default had not been remedied and the Agreement terminated.

Brionor Resources Inc.

Notes to the condensed interim financial statements

For the three and nine months ended May 31, 2014 and May 31, 2013

Pitt Gold

The Company holds a 100% interest in 24 mining claims located approximately 35 km north of Rouyn-Noranda, district of Abitibi. A 4% net smelter return royalty on future production is attached to the property.

On May 16, 2012, the Company announced an agreement (the "Agreement") to sell its interest in the Pitt Gold Project to Xmet Inc. ("Xmet") (the "Transaction"). Xmet will issue to the Company 20,626,960 common shares subject to several conditions. The parties determined a final transaction purchase price of \$1,443,887. This valuation was determined based on the issuance of 20,626,960 Xmet common shares with a fair value share price of \$0.07 per common share.

On September 27, 2012, the Company and Xmet amended the Agreement to extend the closing date to no later than December 17, 2012 and the addition of a contingent upward price adjustment. On April 30, 2013 the Company and Xmet agreed not to proceed with the transaction.

Based on the sale, the Company during the year ended August 31, 2012, wrote down the carrying value of the Pitt Gold property by \$1,943,767 to its estimate fair value of \$1,443,887. Further, the asset was reclassified in the statement of financial position and presented as a "held for sale" asset. Based on the cancellation of the agreement, the asset has been reclassified as exploration and evaluation assets.

Matchi-Manitou

The Company holds a 29% interest in 34 claims located in Tavernier and Pershing townships, district of Abitibi. A 1% net smelter return royalty on future production is attached to the property. In accordance with this joint venture agreement on a 29/71% basis, each partner has to contribute its share, failing which; its interest would be diluted.

Pending property acquisition

Meridiano, Covadonga, El Monte and Gertudis

On February 20, 2013, the Company entered into a letter agreement (the "Letter Agreement") with Atala Resources Inc. ("Atala"), a private Ontario mining exploration company holding mining rights in Argentina, and the shareholders of Atala (the "Atala Shareholders") whereby Brionor proposes to acquire (the "Acquisition") all of the issued and outstanding shares of Atala (each an "Atala Share") for an aggregate purchase price of \$300,000 (the "Purchase Price") payable by the issuance of common shares of Brionor (each a "Brionor Share") at a deemed price of \$0.05 per Brionor Share. Under the Letter Agreement, each Atala Shareholder shall receive 0.4655373 of a Brionor Share for each Atala Share held, for a total of 6,000,000 Brionor Shares. Included in exploration and evaluation assets is an amount of \$73,900 related to payments to Atala to cover the acquisition costs of the Meridiano, Covadonga, El Monte and Gertudis properties, all located in Argentina.

On November 15, 2013, the Letter Agreement was amended to extend the closing date to February 28, 2014 and in addition the aggregate purchase price was increased to \$600,000 and the number of shares of Brionor to be issued was increased to 12,000,000. On March 17, 2014 the Letter Agreement was amended further to extend the closing date to April 30, 2014, which was further extended to December 31, 2014.

In June 2013 Atala's president was appointed to Brionor's Board of Directors.

7. Shareholders' equity

Authorized share capital

The Company is authorized to issue an unlimited number of common shares.

Brionor Resources Inc.

Notes to the condensed interim financial statements

For the three and nine months ended May 31, 2014 and May 31, 2013

Share based payments

The Company adopted a fixed stock option plan (the "Plan") whereby the Board of Directors may grant to employees, officers, directors, management consultants and external consultants of the Company or of its subsidiary thereof, options to acquire common shares in such numbers, for such terms and at such exercise prices as may be determined by the Board. The exercise price of each option may not be lower than the market price of the common shares at the time of the grant of the options.

On November 12, 2012 the shareholders of the Company approved the conversion of the plan from a 10% fixed Plan to a 10% rolling Plan, where by the maximum number of common shares that may be reserved for issuance under it shall not exceed 10% of the then outstanding common shares at the time of grant.

	Options #	Weighted average exercise price \$
Outstanding, August 31, 2012	2,200,000	0.13
Granted	200,000	0.10
Forfeited	(100,000)	0.10
Outstanding, August 31, 2013	2,300,000	0.13
Forfeited	(300,000)	0.13
Outstanding, May 31, 2014	2,000,000	0.13
Options exercisable at May 31, 2014	2,000,000	0.13

A summary of the outstanding stock options is presented below:

Date of grant	Remaining life	Number of options #	Exercise price \$
February 24, 2010	0.74 years	1,150,000	0.15
April 18, 2012	2.89 years	650,000	0.10
June 24, 2013	4.08 years	200,000	0.10
		2,000,000	

The following table sets out the details of the valuation of stock option grants during the nine months ended May 31, 2014 and the year ended August 31, 2013:

Date of grant	Number	Risk free interest rate	Expected dividend yield	Expected volatility	Expected life
June 24, 2013	200,000	1.85%	Nil	168%	5 years

8. Related party transactions and key management compensation

The Company defines its key management as the Chairman of the Board, Chief Executive Officer and Chief Financial Officer. For the nine months ended May 31, 2014, key management compensation included solely of share based payments valued at \$nil (for the nine months ended May 31, 2014 - \$5,840).

Brionor Resources Inc.

Notes to the condensed interim financial statements

For the three and nine months ended May 31, 2014 and May 31, 2013

The following table summarizes information on related party transactions:

For the nine months ended May 31	2013	2012
	\$	\$
Management and professional fees	-	24,000
Professional and consulting fees	17,000	20,000
	17,000	44,000

During the nine months ended May 31, 2014, management fees of \$nil (nine months ended May 31, 2013 - \$36,000) were paid to VLL Investments Inc. ("VVL")(controlled by Lewis Lawrick) and \$nil (nine months ended May 31, 2013 - \$32,000) were paid to Gestion Somiray Inc. (controlled by Robert Ayotte). These expenses were recorded to operations as "management fees."

During the nine months ended May 31, 2014, accounting fees of \$17,000 (nine months ended May 31, 2013 - \$5,000) were invoiced by FarrReach Consulting Inc. (controlled by Errol Farr, CFO) and \$nil (nine months ended May 31, 2013 - \$15,000) were invoice by Raven Hill Partners Inc. ("Raven Hill") (controlled by Lewis Lawrick). These expenses were recorded to operations as "professional and consulting fees."

The related party transactions noted above were in the normal course of operations.

At May 31, 2014, included in trade and other payables was \$38,419 due to related parties (August 31, 2013 - \$15,899). Amounts due to related parties incurred in the normal course are subject to the Company's standard trade payable payment terms of 30 days. The due to related parties amount consists of loans that are unsecured, non-interest bearing, due on demand and payable; all companies controlled by a director and officer of Brionor.

9. Financial instrument risk management

a) Fair value of financial instruments

The carrying value of cash, trade and other payables and due to related party approximates fair value due to the short-term nature of these financial instruments.

The Company's financial instruments consist of the following:

Financial assets:

Cash
Investment in private company

Classification:

FVTPL
Available-for-sale

Financial liabilities:

Trade and other payables
Due to related party

Classification:

Other financial liabilities
Other financial liabilities

As of May 31, 2014, except for cash, none of the Company's financial instruments are recorded at fair value in the statement of financial position. Cash is classified as level 1 fair value.

b) Risk management

Credit risk

The Company is exposed to credit risk with respect to its cash. To minimize this risk, cash has been placed with major Canadian financial institutions.

Brionor Resources Inc.

Notes to the condensed interim financial statements

For the three and nine months ended May 31, 2014 and May 31, 2013

Liquidity risk

Company ensures that there is sufficient capital in order to meet annual business requirements, after taking into account administrative, property holding and exploration budgets, against cash. As at May 31, 2014, the Company has \$252 in cash to settle current liabilities of \$247,841. As the Company does not have operating cash flow, the Company has and will continue to rely primarily on equity financing to meet its capital requirements.

10. Capital risk management

The Company's objective when managing capital is to raise sufficient funds to execute its exploration plan and to meet its ongoing administrative costs. At May 31, 2014, the Company's capital consists of equity, which is comprised of share capital, share based payments and deficit, in the amount of \$1,355,478 (August 31, 2013 - \$1,483,481).

The properties in which the Company currently has an interest are in the exploration stage; as such, the Company is dependent on external financing to fund its activities. In order to carry out the planned exploration and pay for administrative costs, the Company will spend its existing working capital and raise additional amounts as needed.

The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business. The Company does not have any externally imposed capital requirements or covenants.

11. Trade and other payables

As at	May 31 2014 \$	August 31 2013 \$
Trade payables	166,427	126,407
Accruals	32,000	27,000
	198,427	153,407

The standard maturity terms of the Company's trade and other payables are 30 – 60 days.