



**Financial Statements of  
Brionor Resources Inc.**

**For the three and nine months ended  
May 31, 2015 and May 31, 2014**  
(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.

## Unaudited Condensed Interim Statements of Financial Position

(Canadian dollars)

As at	May 31 2015 \$	August 31 2014 \$
<b>ASSETS</b>		
<b>Current</b>		
Cash	90	85,158
Government taxes recoverable (note 3)	12,443	3,834
	<b>12,533</b>	88,992
<b>Non-current</b>		
Exploration and evaluation assets (note 5)	772,364	724,537
	<b>784,897</b>	813,529
<b>LIABILITIES</b>		
<b>Current</b>		
Trade and other payables (note 10)	184,202	159,770
Due to related parties (note 7)	35,225	-
	<b>219,427</b>	159,770
<b>SHAREHOLDERS' EQUITY</b>		
Share capital, warrants and share based payments (note 6)	4,817,726	4,990,318
Deficit	(4,252,256)	(4,336,559)
	<b>565,470</b>	653,759
	<b>784,897</b>	813,529

*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) "Robert Ayotte"  
Director

# Brionor Resources Inc.

## Unaudited 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
	2015	2014	2015	2014
	\$	\$	\$	\$
<b>Expenses</b>				
Professional fees (note 7)	4,404	9,192	20,648	47,723
Write down of investment in private company (less recovery)	(2,873)	-	(2,873)	40,000
General and administrative	2,500	7,706	70,514	25,149
<b>Loss and comprehensive loss for the period</b>	<b>4,031</b>	<b>16,898</b>	<b>88,289</b>	<b>111,105</b>
<b>Loss and comprehensive loss per share basic and diluted</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
<b>Weighted average number of shares outstanding basic and diluted</b>	<b>48,312,465</b>	<b>35,812,465</b>	<b>48,312,465</b>	<b>35,812,465</b>

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

# Brionor Resources Inc.

## Unaudited Condensed Interim Statements of Cash Flows

(Canadian dollars)

	For the nine months ended	
	May 31	May 31
	2015	2014
	\$	\$
<b>Operating activities</b>		
Net loss for the period	(88,289)	(128,003)
Adjustment for non-cash items:		
Write down of investment in private company	-	40,000
Net change in non-cash working capital balances related to operating activities:		
Government taxes recoverable	(5,304)	37,061
Prepaid expenses and deposits	-	(1,393)
Due from related party	35,225	41,914
Trade and other payables	24,432	45,020
Net cash used in operating activities	(37,241)	34,599
<b>Investing activities</b>		
Additions to exploration and evaluation assets	(47,827)	(36,770)
Net cash used in investing activities	(47,827)	(36,770)
<b>Net increase (decrease) in cash</b>	<b>(85,068)</b>	<b>(2,171)</b>
Cash, beginning of the period	85,158	2,423
<b>Cash, end of the period</b>	<b>90</b>	<b>252</b>

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

# Brionor Resources Inc.

## Unaudited Condensed Interim Statements of Changes in Equity

(Canadian dollars)

	Share capital		Share based payments	Share capital, warrants and share based payments	Deficit	Total
	#	\$	\$	\$	\$	\$
<b>Balance, August 31, 2013</b>	<b>35,812,465</b>	<b>4,561,706</b>	<b>196,184</b>	<b>4,757,890</b>	<b>(3,247,409)</b>	<b>1,483,481</b>
Net loss for the period	-	-	-	-	(128,003)	(128,003)
<b>Balance, May 31, 2014</b>	<b>35,812,465</b>	<b>4,561,706</b>	<b>196,184</b>	<b>4,757,890</b>	<b>(3,402,412)</b>	<b>1,355,478</b>
Issuance of common shares	12,500,000	250,000	-	250,000	-	250,000
Share issue expenses	-	(17,572)	-	(17,572)	-	(17,572)
Net loss for the period	-	-	-	-	(934,147)	(934,147)
<b>Balance, August 31, 2014</b>	<b>48,312,465</b>	<b>4,794,134</b>	<b>196,184</b>	<b>4,990,318</b>	<b>(4,336,559)</b>	<b>653,759</b>
Expiry of options	-	-	(172,592)	(172,592)	172,592	-
Net loss for the period	-	-	-	-	(88,289)	(88,289)
<b>Balance, May 31, 2015</b>	<b>48,312,465</b>	<b>4,794,134</b>	<b>48,220</b>	<b>4,817,726</b>	<b>(4,252,256)</b>	<b>565,470</b>

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

# Brionor Resources Inc.

Notes to the unaudited condensed interim financial statements

For the three and nine months ended May 31, 2015 and May 31, 2014

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## 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.

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 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, 2015, the Company incurred a net loss of \$88,289 (for the nine months ended May 31, 2014 - \$128,003), had used cash from operations of \$37,241 (for the nine months ended May 31, 2014 - received \$34,599), and as at May 31, 2015, had an accumulated deficit of \$4,252,256 (August 31, 2014 - \$4,336,559) and a working capital deficit of \$206,894 (August 31, 2014 - a deficit of \$70,778).

To date there has been no determination whether the Company's interests in mineral exploration properties contain mineral reserves, which are economically recoverable. 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, 2014, 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, 2014.

## Brionor Resources Inc.

Notes to the unaudited condensed interim financial statements

For the three and nine months ended May 31, 2015 and May 31, 2014

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.

### 4. Government taxes recoverable

	May 31 2015 \$	August 31 2014 \$
HST Recoverable	9,762	3,524
QST Recoverable	2,681	310
	<b>12,443</b>	<b>3,834</b>

### 5. Exploration and evaluation assets

The Company holds interests in the following exploration properties, all of which fall under the category of intangible assets:

Properties	Interest %	Balance as at August 31 2014 \$	Option of mining property \$	Expenditures \$	Write down \$	Balance as at May 31 2015 \$
<b>Argentina</b>						
Meridiano Covadonga El Monte and Gertudis	0	205,091	47,550	-	-	252,641
<b>Quebec</b>						
Verneuil	50	1,630	-	-	-	1,630
Noyell	100	352	-	-	-	352
Pitt Gold	100	514,000	-	-	-	514,000
Matchi-Manitou	29	3,464	-	277	-	3,741
		<b>724,537</b>	<b>47,550</b>	<b>277</b>	-	<b>772,364</b>

Properties	Interest %	Balance as at August 31 2013 \$	Option of mining property \$	Expenditures \$	Write down \$	Balance as at August 31 2014 \$
<b>Argentina</b>						
Meridiano Covadonga El Monte and Gertudis	0	115,167	89,924	-	-	205,091
<b>Quebec</b>						
Verneuil	50	1,630	-	-	-	1,630
Noyell	100	352	-	-	-	352
Pitt Gold	100	1,443,887	-	-	929,887	514,000
Matchi-Manitou	29	3,464	-	-	-	3,464
		<b>1,564,500</b>	<b>89,924</b>	-	<b>929,887</b>	<b>724,537</b>



## **Brionor Resources Inc.**

Notes to the unaudited condensed interim financial statements

For the three and nine months ended May 31, 2015 and May 31, 2014

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### **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.

### **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.

During the fourth quarter of 2014, management determined the recoverable of the Pitt Gold property exceeded its carrying value. Accordingly an impairment charge of \$929,887 was recognized to write-down the property to its estimated recoverable amount. The recoverable amount was determined using comparable market transactions.

### **Matchi-Manitou**

The Company holds a 29% interest in 29 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 which holds 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 \$205,092 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 and to August 31, 2015.

## **6. Shareholders' equity**

### **Authorized share capital**

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

On August 15, 2014, the Company completed a non-brokered private placement of 12,500,000 common shares at \$0.02 per common share for proceeds of \$250,000.

## Brionor Resources Inc.

Notes to the unaudited condensed interim financial statements  
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### 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. The options are vested at the date of the grant unless additional restrictions on the vesting of the options are imposed by the Board of Directors except for the consultants working in investor relations, whose options are vested in quarterly installments over a twelve-month period from grant. The option period is a period of time fixed by the Board of Directors but cannot exceed 5 years.

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, whereby 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. At May 31, 2015, the Company had 2,831,247 options available for issuance under the Plan.

	Options #	Weighted average exercise price \$
<b>Outstanding, August 31, 2013</b>	<b>2,300,000</b>	<b>0.13</b>
Forfeited	(300,000)	0.13
<b>Outstanding, August 31, 2014</b>	<b>2,000,000</b>	<b>0.13</b>
Expired	(1,350,000)	0.14
<b>Balance, May 31, 2015</b>	<b>650,000</b>	<b>0.10</b>
<b>Options exercisable at May 31, 2015</b>	<b>650,000</b>	<b>0.10</b>

A summary of the outstanding stock options is presented below:

Date of grant	Remaining life	Number of options #	Exercise price \$
April 18, 2012	1.89 years	650,000	0.10
		<b>650,000</b>	

### 7. Key management compensation and related party transactions

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, 2015, key management compensation included management and professional fees of \$nil (for the nine months ended May 31, 2014 – \$3,000) and share based payments valued at \$nil (for the nine months ended May 31, 2014 -\$nil).

The following table summarizes information on related party transactions:

For the nine months ended May 31	2015	2014
	\$	\$
Professional fees	-	17,000
	-	17,000

During the nine months ended May 31, 2015, a loan was provided by Thorsen-Fordyce Merchant Capital Inc. (controlled by Lewis Lawrick) for the amount of \$35,225. The loan is non-interest bearing, unsecured and without fixed repayment terms.

## Brionor Resources Inc.

Notes to the unaudited condensed interim financial statements  
For the three and nine months ended May 31, 2015 and May 31, 2014

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### 8. 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:

<b>Financial assets:</b>	<b>Classification:</b>
Cash	FVTPL
Investment in private company	Available-for-sale
<b>Financial liabilities:</b>	<b>Classification:</b>
Trade and other payables	Other financial liabilities
Due to related party	Other financial liabilities

As of May 31, 2015, 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

Credit risk is the risk of loss associated with a counter-party's inability to fulfill its payment obligations. 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.

##### Liquidity risk

Liquidity risk is the risk that the Company cannot meet a demand for cash or fund its obligations as they come due. The 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, 2015, the Company has \$90 in cash to settle current liabilities of \$219,427. 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.

### 9. 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, 2015, the Company's capital consists of equity, which is comprised of share capital, share based payments and deficit, in the amount of \$565,470 (August 31, 2014 - \$653,759).

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.

## Brionor Resources Inc.

Notes to the unaudited condensed interim financial statements

For the three and nine months ended May 31, 2015 and May 31, 2014

### 10. Trade and other payables

As at	May 31 2015 \$	August 31 2014 \$
Trade payables	123,353	101,921
Accruals	60,849	57,849
	<b>183,202</b>	<b>159,770</b>

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

### 11. Subsequent event

On July 27, 2015, the Company and Wealth Minerals Limited. ("Wealth"), announced that it has executed a definitive agreement to grant Wealth an exclusive option (the "Option") to acquire up to 100% interest in the Noyell Property (the "Property" or "Noyell") through issuance of the Wealth's common shares valued at \$850,000 over four years. Wealth may earn up to a 100% interest in three option stages through issuance of common shares valued at \$850,000 over four years. The Option does not require any cash payments and there are no exploration work commitments.

If Wealth exercises the first option and acquires the initial 49% interest but thereafter elects not to exercise the second option for 26%, then the Option will terminate and Brionor will have an option (the "Re-Purchase Option") to acquire Wealth's 49% interest through the issuance of Brionor common shares valued at \$75,000 (50% of the value paid by Wealth to exercise the first option). If Brionor does not exercise the Re-Purchase Option, Wealth and Brionor will be deemed to have formed a 49:51 joint venture.

If Wealth exercises both the first and second options and thereby acquires an aggregate 75% interest but does not exercise the third option to acquire the balance of Brionor's interest, then the Option will terminate and Wealth and Brionor will be deemed to have been formed a 75:25 joint venture.

#### Acquisition Terms

		Common shares \$	Ownership %
Phase 1	TSX-V Acceptance	50,000	
	One Year Anniversary	50,000	
	Two Year Anniversary	50,000	49
Phase 2	Three Year Anniversary	200,000	26
Phase 3	Four Year Anniversary	500,000	25
		<b>850,000</b>	<b>100</b>