

SOCIÉTÉ D'EXPLORATION MINIÈRE VIOR INC.

(An exploration company)

Balance Sheets

	September 30, 2005	June 30, 2005
	\$	\$
	(unaudited)	(audited)
ASSETS		
Current assets		
Cash and cash equivalents	--	--
Marketable investments (quoted value: \$146,455; \$237,876)	104,978	179,462
Other amounts receivable	160,121	192,808
	<u>265,099</u>	<u>372,270</u>
Exploration funds	100,997	190,574
Long-term investments	153,700	149,234
Mining properties	1,722,951	1,625,017
Property, plant and equipment (less accumulated depreciation of \$5,131; \$4,722 in 2005)	6,771	6,841
Intangible assets (at cost less accumulated amortization of \$2,838; \$1,991 in 2005)	10,437	11,284
	<u>2,259,955</u>	<u>2,355,220</u>
LIABILITIES		
Current liabilities		
Accounts payable and accrued liabilities		
Related companies	76	401
Others	126,803	170,103
	<u>126,879</u>	<u>170,504</u>
Future income tax liabilities	100,927	110,937
	<u>227,806</u>	<u>281,441</u>
SHAREHOLDERS' EQUITY		
Share capital	24,188,207	24,188,207
Warrants	128,132	128,132
Stock options	161,271	146,644
Contributed surplus	1,250	1,250
Deficit	(22,446,711)	(22,390,454)
	<u>2,032,149</u>	<u>2,073,779</u>
	<u>2,259,955</u>	<u>2,355,220</u>

SOCIÉTÉ D'EXPLORATION MINIÈRE VIOR INC.

(An exploration company)

Statements of Earnings and Deficit

For the periods of three (3) months ended September 30, 2005 and 2004 (unaudited)

	2005	2004
	\$	\$
	3 months	3 months
Revenue		
Interests	369	1,634
Royalties	14,051	--
	<u>14,420</u>	<u>1,634</u>
Expenses		
Salaries and fringe benefits	72,083	113,876
Professional and maintenance fees	8,303	8,088
Management fees	12,500	13,750
Rent and office expenses	20,912	21,234
Travelling	6,465	6,144
Interests and bank charges	231	103
Depreciation of property, plant and equipment	408	359
Amortization of intangible asset	847	--
General exploration costs	2,002	16
Gain and sale of marketable investments	(38,597)	(54,501)
	<u>85,154</u>	<u>109,069</u>
Loss for the period before income taxes and share in the significantly-influenced company's net earnings (net loss)	(70,734)	(107,435)
Future income taxes	10,010	(11,000)
Loss before share in the significantly- influenced company's net earnings (net loss)	(60,724)	(118,435)
Share in the significantly-influenced company's net earnings (net loss)	4,467	(53)
Net loss for the period	<u>(56,257)</u>	<u>(118,488)</u>
Deficit - Beginning of period	<u>(22,390,454)</u>	<u>(20,525,537)</u>
Deficit - End of period	<u>(22,446,712)</u>	<u>(20,644,025)</u>
Basic and diluted net loss per share	<u>(0.001)</u>	<u>(0.003)</u>
Basic and diluted weighted average number of shares outstanding	<u>50,842,622</u>	<u>46,862,622</u>

SOCIÉTÉ D'EXPLORATION MINIÈRE VIOR INC.

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Statements of Cash Flows

For the periods of three (3) months ended September 30, 2005 and 2004 (unaudited)

	2005 \$ 3 months	2004 \$ 3 months
Cash flows from operating activities		
Net loss for the period	(56,257)	(18,488)
Items not affecting cash and cash equivalents		
Depreciation of property, plant and equipment	408	359
Amortization of intangible asset	847	--
Future income taxes	(10,010)	11,000
Share in the significantly-influenced company (net earnings) net loss	(4,466)	53
Gain on sale of marketable investments	(38,597)	(54,501)
Stock options	14,627	82,700
	<u>(93,448)</u>	<u>(78,877)</u>
Net change in non-cash working capital items		
Other amounts receivable	32,687	2,189
Accounts payable and accrued liabilities	(43,625)	148
	<u>(10,938)</u>	<u>2,337</u>
	<u>(104,386)</u>	<u>(76,540)</u>
Cash flows from financing activities		
Variation in exploration funds	74,718	--
	<u>74,718</u>	<u>--</u>
Cash flows from investing activities		
Variation of marketable investments	127,940	77,095
Purchase of mining properties	(97,934)	(18,009)
Purchase of property, plant and equipment	(338)	(7,042)
	<u>29,668</u>	<u>52,044</u>
Increase (decrease) in cash and cash equivalents	--	(24,496)
Cash and cash equivalents- Beginning of period	--	349,829
Cash and cash equivalents - End of period	<u>--</u>	<u>325,333</u>
Additional information		
Interest cashed (net of interest paid)	(222)	(1,634)
Marketable investments transferred from exploration funds	(14,859)	--
Tax credit and mining rights receivable related to exploration costs applied against mining properties	--	(137)

SOCIÉTÉ D'EXPLORATION MINIÈRE VIOR INC.

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Notes to interim financial statements (unaudited)

1 Summary of significant accounting policies

The financial information as at September 30, 2005 and for the periods ended September 30, 2005 and 2004 is unaudited. However, in the opinion of management, all adjustments necessary to present fairly the results of these periods have been included. The adjustments made were of a normal recurring nature. Interim results may not necessarily be indicative of results anticipated for the year.

These interim financial statements are prepared in accordance with generally accepted accounting principles in Canada and use the same accounting policies and methods used in the preparation of the company's most recent annual financial statements. All disclosures required for annual financial statements have not been included in these financial statements. These interim financial statements should be read in conjunction with the company's most recent annual financial statements.

New accounting standards

In July 2003, the Canadian Institute of Chartered Accountants ("CICA") issued Sections 1100 and 1400, "Generally Accepted Accounting Principles" and "General Standards of Financial Statement Presentation". These new sections define generally accepted accounting principles ("GAAP"), establish the relative authority of various types of CICA Accounting Standards Board pronouncements and clarify the role of industry practice in setting GAAP. The adoption of these new standards by the company, on June 1, 2004, had no impact on the financial statements.

In September 2003, the CICA amended Section 3870, "Stock-Based Compensation and Other Stock-Based Payments", which is effective for fiscal years beginning on or after January 1, 2004. These amendments require that compensation costs arising from all types of stock-based payments granted to directors, executives, employees and non-employees, including stock options, be accounted for in the financial statements using the fair value-based method. The company has implemented these amendments prospectively since June 1, 2003. For the year ended May 31, 2003 the company was required to provide pro-forma disclosures relating to the loss and loss per share as if stock-based compensation costs had been recognized in the financial statements for options granted using the fair value-based method.

In March 2004, the Emerging Issues Committee ("EIC") of the CICA issued EIC-146, "Flow-through Shares". This abstract deals with the date of recognition, by the issuer of flow-through shares, of the future income tax liabilities arising from the renouncement of tax deductions and the accounting method used to record the credit when previously unrecognized future income tax assets are recorded as a result of recognizing the above-mentioned future income tax liabilities.

In January 2005, the CICA issued four new accounting standards relating to financial instruments: Section 3855, "Financial Instruments — Recognition and Measurement", Section 3865, "Hedges", Section 1530, "Comprehensive Income", and Section 3251, "Equity".

Section 3855 expands on Section 3860, "Financial Instruments — Disclosure and Presentation", by prescribing when a financial instrument is to be recognized on the balance sheet and at what amount. It also specifies how financial instrument gains and losses are to be presented in the financial statements.

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Section 3865 provides alternative treatments to Section 3855 for entities which choose to designate qualifying transaction as hedges for accounting purposes. It replaces and expands on Accounting Guideline 13, "Hedging Relationships", and the hedging guidance in Section 1650, "Foreign Currency Translation", by specifying how hedge accounting is applied and what disclosures are necessary when it is applied.

Section 1530, "Comprehensive Income", introduces a new requirement to temporarily present certain gains and losses outside net income.

Accordingly, Section 3250, "Surplus" has been revised to become Section 3251, "Equity".

Sections 1530, 3251, 3855 and 3865 apply to years beginning on or after October 1, 2006. The company will adopt these new standards on July 1, 2007, and has not yet determined their impact on its financial statements.

2 Mining Properties

	Undivided interest %	Balance as at July 1, 2005 \$	Costs incurred \$	Balance as at September 30, 2005 \$
Douay (205 claims in Douay Township)				
Mining property	100	15,932	--	15,932
Exploration costs		185,857	8,450	194,307
		<u>201,789</u>	<u>8,450</u>	<u>210,239</u>
Douay Ouest (9 claims in Douay Township)				
Mining property	100	492,043	--	492,043
Exploration costs		849,270	46,661	895,931
		<u>1,341,313</u>	<u>46,661</u>	<u>1,387,974</u>
Douay Est (178 claims in Douay Township)				
Mining property	100	1,513	--	1,513
Exploration costs		1,210	23	1,233
		<u>2,723</u>	<u>23</u>	<u>2,746</u>
Domergue (49 claims dans le canton Clairiy)				
Mining property	50	1,768	60	1,828
Exploration costs		8,676	3,113	11,789
		<u>10,444</u>	<u>3,173</u>	<u>13,617</u>
Others				
Mining property	--	14,600	603	15,203
Exploration costs		54,148	39,024	93,172
		<u>68,748</u>	<u>39,627</u>	<u>108,375</u>
Credit on duties refundable for losses and refundable tax credit for resources		--	--	--
		<u>1,625,017</u>	<u>97,934</u>	<u>1,722,951</u>

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Notes to interim financial statements (unaudited)**Statements of deferred exploration expenses**

For the periods of three (3) months ended September 30, 2005 and 2004 (unaudited)

	2005	2004
	3 months	3 months
	\$	\$
Balance - Beginning of period	1,625,017	2,790,762
Expenses incurred during the periode		
Claims and permits	662	8,667
Géophysics	713	--
Drillings	3,322	--
Géology	31,462	9,134
Transport	2,541	29
Salaries	57,446	179
Accomodation	1,788	--
	97,934	18,009
Credit on duties refundable for losses and refundable tax credit relating to resources	--	(137)
	97,934	17,872
Balance - End of period	1,722,951	2,808,634

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Notes to interim financial statements (unaudited)

3 Share Capital

Authorized

Unlimited number of common shares, without par value

50,842,622 shares issued and fully paid *

*425,000 shares are held in escrow and cannot be released without the consent of regulatory authorities.

4 Warrants

	Number	Weighted average exercise price \$
Outstanding - beginning of period	2,457,500	0.28
Granted	--	--
Exercised	--	--
Matured or cancelled	--	--
Outstanding - end of period*	2,457,500	0.28

The following table summarize the expiry date of the outstanding warrants:

707,500 warrants at \$0.30 expire in December 2005;

1,750,000 warrants at \$0.25 until November 2005 and at 0.30\$ until November 2006.*

*These warrants have been presented at their fair value of \$128,132, which was determined using the Black-Scholes option valuation model.

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Notes to interim financial statements (unaudited)**5 Stock Option Plan**

The company established a stock option plan as described in note 7 of the audited annual financial statements. The following tables present the stock option activity since July 1, 2005 and summarize information about fixed stock options outstanding and exercisable as at September 30:

	Number	Weighted average exercise price \$
Outstanding - Beginning of the period	3,830,000	0.15
Granted	--	--
Cancelled	(50,000)	0.15
Outstanding - end of period	3,780,000	0.15
Exercisable - end of period	3,380,000	0.15

Exercise price	Options outstanding as at September 30, 2005	Weighted average remaining contractual life (years)	Options currently exercisable \$
\$0.15 and \$0.16	3,780,000	3.14	3,380,000

The compensation cost recognized in the statement of earnings under the item "Salaries and fringe benefits" during the year amounts to \$14,627, and the related credit has been included in Shareholders'Equity under the item "Stock options".

6 Subsequent events

In November 2005, the company signed an agreement to acquire 100% interest in the Lac Edouard in consideration of a cash payment of \$22,000 and the issuance of 350,000 shares of S.E.M. Vior Inc. on or before the second anniversary of the signature of the agreement. This agreement is subject to the approval of the TSX venture.

