

SOCIÉTÉ D'EXPLORATION MINIÈRE VIOR INC.

(An exploration company)

Balance Sheets

	March 31, 2006	June 30, 2005
	\$	\$
	(unaudited)	(audited)
ASSETS		
Current assets		
Cash and cash equivalents	323,550	--
Marketable investments (quoted value: \$26,213; \$237,876)	8,648	179,462
Other amounts receivable	185,537	192,808
	<u>517,735</u>	<u>372,270</u>
Exploration funds	132,602	190,574
Long-term investments	154,519	149,234
Mining properties	2,471,677	1,625,017
Property, plant and equipment (less accumulated depreciation of \$5,947; \$4,722 in 2005)	5,955	6,841
Intangible assets (at cost less accumulated amortization of \$4,530; \$1,991 in 2005)	8,745	11,284
	<u>3,291,233</u>	<u>2,355,220</u>
LIABILITIES		
Current liabilities		
Accounts payable and accrued liabilities		
Related companies	397	401
Others	420,600	170,103
	<u>420,997</u>	<u>170,504</u>
Future income tax liabilities	328,505	110,937
	<u>749,502</u>	<u>281,441</u>
SHAREHOLDERS' EQUITY		
Share capital	24,781,812	24,188,207
Warrants	156,349	128,132
Stock options	195,871	146,644
Contributed surplus	21,383	1,250
Deficit	(22,613,684)	(22,390,454)
	<u>2,541,731</u>	<u>2,073,779</u>
	<u>3,291,233</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) and nine (9) months ended March 31, 2006 and 2005 (unaudited)

	2006	2005	2006	2005
	\$	\$	\$	\$
	3 months	3 months	9 months	9 months
Revenue				
Interests	4,062	2,424	4,592	6,234
Royalties	15,000	16,124	41,051	22,124
	<u>19,062</u>	<u>18,548</u>	<u>45,643</u>	<u>28,358</u>
Expenses				
Salaries and fringe benefits	42,837	27,967	155,733	177,271
Professional and maintenance fees	20,358	5,201	45,278	29,312
Management fees	12,500	12,500	37,500	38,750
Rent and office expenses	25,345	29,218	75,753	72,105
Travelling	8,513	8,271	25,203	22,369
Interests and bank charges	207	65	550	393
Depreciation of property, plant and equipment	408	295	1,225	885
Amortization of intangible asset	846	497	2,539	1,493
General exploration costs	3,750	70	6,773	86
Gain (loss) and sale of marketable investments	--	24,991	(62,217)	(29,510)
	<u>114,764</u>	<u>109,075</u>	<u>288,337</u>	<u>313,154</u>
Loss for the period before income taxes and share in the significantly-influenced company's net earnings	(95,702)	(90,827)	(242,694)	(284,796)
Future income taxes	--	(171,719)	14,179	(131,584)
Loss before share in the significantly- influenced company's net earnings	(95,702)	(262,546)	(228,515)	(416,380)
Share in the significantly-influenced company's net earnings	115	2,250	5,285	6,182
Net loss for the period	<u>(95,587)</u>	<u>(260,296)</u>	<u>(223,230)</u>	<u>(410,198)</u>
Deficit - Beginning of period	<u>(22,518,097)</u>	<u>(20,675,439)</u>	<u>(22,390,454)</u>	<u>(20,525,537)</u>
Deficit - End of period	<u>(22,613,684)</u>	<u>(20,935,735)</u>	<u>(22,613,684)</u>	<u>(20,935,735)</u>
Basic and diluted net loss per share	<u>(0.002)</u>	<u>(0.005)</u>	<u>(0.004)</u>	<u>(0.008)</u>
Basic and diluted weighted average number of shares outstanding	<u>55,501,473</u>	<u>50,842,622</u>	<u>52,528,574</u>	<u>48,088,704</u>

SOCIÉTÉ D'EXPLORATION MINIÈRE VIOR INC.

(An exploration company)

Statements of Cash Flows

For the periods of three (3) and nine (9) months ended March 31 2006 and 2005 (unaudited)

	2006 \$	2005 \$	2006 \$	2005 \$
	3 months	3 months	9 months	9 months
Cash flows from operating activities				
Net loss for the period	(95,587)	(260,296)	(223,230)	(410,198)
Items not affecting cash and cash equivalents				
Depreciation of property, plant and equipment	408	295	1,225	885
Amortization of intangible asset	846	497	2,539	1,493
Future income taxes	--	171,719	(14,179)	131,584
Share in the significantly-influenced company net earnings	(115)	(2,249)	(5,285)	(6,182)
Gain on sale of marketable investments	--	24,991	(62,217)	(29,510)
Stock options	21,275	(694)	49,227	82,006
	<u>(73,173)</u>	<u>(65,737)</u>	<u>(251,920)</u>	<u>(229,922)</u>
Net change in non-cash working capital items				
Other amounts receivable	(23,169)	(33,401)	12,063	(49,009)
Accounts payable and accrued liabilities	(182,051)	(2,237)	(139,560)	(20,436)
	<u>(205,220)</u>	<u>(35,638)</u>	<u>(127,497)</u>	<u>(69,445)</u>
	<u>(278,393)</u>	<u>(101,375)</u>	<u>(379,417)</u>	<u>(299,367)</u>
Cash flows from financing activities				
Variation in exploration funds	571,798	247,692	(121,228)	(459,808)
Variation in share capital	75,672	(7,638)	825,352	749,876
Increase of warrants	(13,828)	--	48,350	128,132
	<u>633,642</u>	<u>240,054</u>	<u>752,474</u>	<u>418,200</u>
Cash flows from investing activities				
Variation of marketable investments	--	446	412,231	(127,905)
Purchase of mining properties	(209,220)	(52,710)	(461,399)	(91,497)
Purchase of property, plant and equipment	--	--	(339)	(5,603)
Purchase of intangible assets	--	--	--	(13,275)
	<u>(209,220)</u>	<u>(52,264)</u>	<u>(49,407)</u>	<u>(238,280)</u>
Increase (decrease) in cash and cash equivalents	146,029	86,415	323,550	(119,447)
Cash and cash equivalents- Beginning of period	177,521	143,967	--	349,829
Cash and cash equivalents - End of period	323,550	230,382	323,550	230,382
Additional information				
Interest cashed (net of interest paid)	3,915	2,610	4,424	5,718
Marketable investments transferred from exploration funds	--	--	(179,200)	--
Tax credit and mining rights receivable related to exploration costs applied against mining properties	--	12,468	4,792	12,468
Acquisition of mining properties included in accounts payable and accrued liabilities	390,053	--	390,053	--
Cancellation of warrants	--	--	20,133	--
Future income taxes applied against issue expenses	231,747	--	231,747	--

SOCIÉTÉ D'EXPLORATION MINIÈRE VIOR INC.

(An exploration company)

Notes to interim financial statements (unaudited)

1 Summary of significant accounting policies

The financial information as at March 31, 2006 and for the periods ended March 31, 2006 and 2005 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 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.

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.

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Notes to interim financial statements (unaudited)**2 Mining Properties**

	Undivided interest %	Balance as at July 1, 2005 \$	Costs incurred \$	Balance as at March 31, 2006 \$
Douay (205 claims in Douay Township)				
Mining property	100	15,932	960	16,892
Exploration costs		185,857	463,514	649,371
		<u>201,789</u>	<u>464,474</u>	<u>666,263</u>
Douay Ouest (9 claims in Douay Township)				
Mining property	100	492,043	--	492,043
Exploration costs		849,270	265,611	1,114,881
		<u>1,341,313</u>	<u>265,611</u>	<u>1,606,924</u>
Douay Est (178 claims in Douay Township)				
Mining property	100	1,513	--	1,513
Exploration costs		1,210	109	1,319
		<u>2,723</u>	<u>109</u>	<u>2,832</u>
Domergue (49 claims dans le canton Clairly)				
Mining property	50	1,768	111	1,879
Exploration costs		8,676	34,083	42,759
		<u>10,444</u>	<u>34,194</u>	<u>44,638</u>
Others				
Mining property	--	14,600	15,646	30,246
Exploration costs		54,148	71,418	125,566
		<u>68,748</u>	<u>87,064</u>	<u>155,812</u>
Credit on duties refundable for losses and refundable tax credit for resources		--	(4,792)	(4,792)
		<u>1,625,017</u>	<u>846,660</u>	<u>2,471,677</u>

SOCIÉTÉ D'EXPLORATION MINIÈRE VIOR INC.

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

For the periods of three (3) and nine (9) months ended March 31 2006 and 2005 (unaudited)

	2006	2005	2006	2005
	3 months	3 months	9 months	9 months
	\$	\$	\$	\$
Balance - Beginning of period	1,872,404	2,838,605	1,625,017	2,790,762
Expenses incurred during the periode				
Claims and permits	147	9,331	16,717	21,025
Géophysics	3,242	1,551	3,955	13,349
Drillings	425,782	146,667	508,236	146,667
Géology	42,020	59,659	79,935	80,797
Transport	6,221	8,870	10,726	10,523
Salaries	79,911	52,304	185,885	66,075
Accomodation	2,571	598	5,819	844
Analyse	39,379	1,970	40,179	1,970
	599,273	280,950	851,452	341,250
Credit on duties refundable for losses and refundable tax credit relating to resources	--	--	(4,792)	(12,457)
	599,273	280,950	846,660	328,793
Balance - End of period	2,471,677	3,119,555	2,471,677	3,119,555

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Notes to interim financial statements (unaudited)

3 Share Capital

Authorized

Unlimited number of common shares, without par value

55,749,621 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	2,094,333	0.25
Exercised	(333,333)	0.20
Matured or cancelled	(707,500)	0.30
Outstanding - end of period*	3,511,000	0.27

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

1,750,000 warrants at \$0.30 expire in November 2006*;

1,761,000 warrants at \$0.25 expire in December 2006*

*These warrants have been presented at their fair value of \$156,349, 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 March 31:

	Number	Weighted average exercise price \$
Outstanding - Beginning of the period	3,830,000	0.15
Granted	50,000	0.20
Cancelled	(50,000)	0.15
Outstanding - end of period	<u>3,830,000</u>	<u>0.15</u>
Exercisable - end of period	<u>3,730,000</u>	<u>0.15</u>

Exercise price	Options outstanding as at March 31, 2006	Weighted average remaining contractual life (years)	Options currently exercisable \$
\$0.15, \$0.16 and \$0.20	3,830,000	2.61	3,730,000

The compensation cost recognized in the statement of earnings under the items "Salaries and fringe benefits" and "Professional fees" during the year amounts to \$49,227, and the related credit has been included in Shareholders' Equity under the item "Stock options".

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Notes to interim financial statements (unaudited)

6 Subsequent event

On April 26, 2006, the Company has closed a flow-through private placement in the amount of \$260,250. The Company has issued 743,572 flow-through common shares at a price of \$0.35 per share and 371,786 share purchase warrants, each warrant entitling its holder to purchase one common share of the Company at a price of \$0.40 per share until October 26, 2007.

