LION ONE METALS LIMITED

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in Canadian Dollars)

FOR THE PERIOD ENDED DECEMBER 31, 2024

NOTICE OF NO AUDITOR REVIEW OF CONDENSED CONSOLIDATED 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 condensed consolidated interim financial statements, they must be accompanied by a notice indicating that an auditor has not reviewed the financial statements.

The accompanying unaudited condensed consolidated 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 Chartered Professional Accountants of Canada for a review of interim financial statements by an entity’s auditor.

LION ONE METALS LIMITED
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
(Expressed in Canadian Dollars)
(Unaudited)

	December 31 2024	June 30 2024
ASSETS		
Current		
Cash	$ 9,107,418	$ 6,731,873
Restricted cash (Note 4)	2,102,238	-
Receivables	6,393,868	6,966,281
Inventory (Note 6)	16,082,037	12,865,099
Prepaid expenses	1,421,711	626,245
	35,107,272	27,189,498
Non-current assets		
Right-of-use asset (Note 10)	368,010	424,626
Deposits (Note 5)	2,575,593	2,484,682
Other assets (Note 8)	445,427	445,427
Mineral property, plant and equipment (Note 5, 17)	162,510,082	150,333,840
Exploration and evaluation asset (Note 5, 17)	35,917,127	35,009,969
	$ 236,923,511	$ 215,888,042
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current		
Accounts payable and accrued liabilities (Note 9, 17)	$ 6,762,600	$ 6,594,561
Lease liability (Note 10, 17)	103,633	93,848
Loan facility (Note 7)	5,248,328	-
	12,114,561	6,688,409
Non-current liabilities		
Loan facility (Note 7)	39,192,504	37,634,301
Accrued interest – loan facility (Note 7)	5,076,774	4,829,092
Lease liability (Note 10, 17)	324,002	378,386
Reclamation and closure provision (Note 11)	1,166,004	1,132,300
	57,873,845	50,662,488
Shareholders' equity		
Share capital (Note 7, 16)	219,532,555	210,257,725
Reserves (Note 16)	44,151,037	41,359,397
Accumulated other comprehensive income	6,445,230	3,336,382
Deficit	(91,079,156)	(89,727,950)
	179,049,666	165,225,554
	$ 236,923,511	$ 215,888,042

Nature of operations (Note 1)

Approved and authorized by the Board on March 1, 2025:

"Walter H. Berukoff" Director *"Richard Meli"* Director

The accompanying notes are an integral part of these condensed interim consolidated financial statements

LION ONE METALS LIMITED

CONDENSED INTERIM CONSOLIDATED STATEMENTS OF LOSS AND COMPREHENSIVE LOSS
(Expressed in Canadian Dollars)
(Unaudited)

	Three months ended December 31, 2024	Three months ended December 31, 2023	Six months ended December 31, 2024	Six months ended December 31, 2023
Revenue (Note 12)	$ 18,025,876	$ 1,306,090	$ 28,494,328	$ 1,306,090
Cost of sales (Note 13)	(11,723,336)	(5,637,828)	(20,661,810)	(5,637,828)
Mine operating income	6,302,540	(4,331,738)	7,832,518	(4,331,738)
Expenses				
General and administrative (Note 14)	(1,276,306)	(1,095,721)	(2,365,541)	(1,950,868)
Depreciation (Note 10)	(28,309)	(28,309)	(56,617)	(56,617)
Share-based compensation	(117,742)	(940,533)	(378,459)	(1,100,654)
	(1,422,357)	(2,064,563)	(2,800,617)	(3,108,139)
Other income (expense)				
Foreign exchange gain (loss)	(3,005,092)	885,863	(2,221,375)	312,170
Interest and finance expense (Note 15)	(2,325,659)	(1,027,791)	(4,352,836)	(1,061,759)
Interest income	87,736	178,885	191,104	568,642
Loss for the period	$ (362,832)	$ (6,359,344)	$ (1,351,206)	$ (7,620,824)
Other comprehensive loss				
Foreign currency translation adjustment	(474,659)	2,870,206	3,108,848	2,134,802
Comprehensive income / (loss) for the period	$ (837,491)	$ (3,489,138)	$ 1,757,642	$ (5,486,022)
Basic and diluted loss per share	$ (0.00)	$ (0.03)	$ (0.01)	$ (0.04)
Weighted average number of common shares outstanding				
Basic and diluted	262,845,185	206,317,388	257,991,382	206,317,388

The accompanying notes are an integral part of these condensed interim consolidated financial statements

LION ONE METALS LIMITED
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS
(Expressed in Canadian Dollars)
FOR THE SIX MONTHS ENDED DECEMBER 31

		2024		2023
CASH FLOWS (USED IN) OPERATING ACTIVITIES				
Net loss for the period	$	(1,351,206)	$	(7,620,824)
Non-cash items:				
Foreign exchange loss (gain)		2,581,707		(312,170)
Depreciation		56,617		56,617
Cost depreciation (Note 13)		2,322,822		-
Interest and finance expense (Note 15)		840,331		1,061,759
Share-based payments		378,459		1,100,654
Changes in non-cash working capital items:				
Receivables		667,606		(1,563,319)
Prepaid expenses		(487,623)		154,823
Inventory		(6,093,165)		(5,849,724)
Accounts payable and accrued liabilities		106,933		1,142,984
		(977,519)		(11,829,200)
CASH FLOWS (USED IN) INVESTING ACTIVITIES				
Purchase of mineral property, plant and equipment		(9,116,857)		(25,648,011)
Exploration and evaluation asset expenditures		(869,385)		(2,245,017)
Short term investments		-		15,000,000
Deposits and other assets		(59,938)		252,810
		(10,046,180)		(12,640,218)
CASH FLOWS FROM FINANCING ACTIVITIES				
Cash proceeds from sale of shares – private placement		11,649,590		-
Share issuance costs on private placement		(1,304,537)		-
Proceeds from loan facility, net of debt issue costs		4,947,787		7,613,909
Cash proceeds on exercise of stock options		-		116,250
Payment of lease liability		(90,000)		(90,000)
		15,202,840		7,640,159
Effect of exchange rate changes on cash and cash equivalents		298,642		(115,367)
Change in cash during the period		4,477,783		(16,944,626)
Cash, beginning of the period		6,731,873		30,394,370
Cash, end of the period	$	11,209,656	$	13,449,744
Supplementary cash flow information:				
Cash	$	9,107,418	$	13,449,744
Restricted cash		2,102,238		-
Non-cash transactions:				
Depreciation expense capitalized to exploration and evaluation assets	$	297,992	$	369,285
Share-based payments expense capitalized to mineral property, plant and equipment, and exploration and evaluation assets		166,958		178,909
Depreciation included in inventory		(697,879)		(414,458)
Reclass from property, plant and equipment to inventory		-		(9,314,308)
Value of warrants issued in private placement		2,046,550		-
Share-based payments expense – share issuance costs		199,673		-
Shares issued for deferred debt cost		1,176,000		-
Capitalized interest and accretion expense – loan facility		-		1,741,004
Change in reclamation and closure provision		-		392,574
Accounts payable and accrued liabilities in mineral property assets		6,276,837		5,533,830

The accompanying notes are an integral part of these condensed interim consolidated financial statements

LION ONE METALS LIMITED
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
(Expressed in Canadian Dollars)
(Unaudited)

	Share Capital					
	Number	Amount	Reserves	Deficit	Accumulated Other Comprehensive Income (Loss)	Total
Balance, June 30, 2023	206,245,241	$ 199,378,457	$ 38,944,699	$ (62,391,212)	$ (880,683)	$ 175,051,261
Share-based payments – stock options	-	-	1,279,563	-	-	1,279,563
Exercise of stock options	155,000	164,424	(48,174)	-	-	116,250
Comprehensive loss for the period	-	-	-	(7,620,824)	2,134,802	(5,486,022)
Balance, December 31, 2023	206,400,241	$ 199,542,881	$ 40,176,088	$ (70,012,036)	$ 1,254,119	$ 170,961,052
Share-based payments – stock options	-	-	900,984	-	-	900,984
Private placement	24,150,000	12,075,000	-	-	-	12,075,000
Share issuance costs	-	(1,360,156)	282,325			(1,077,831)
Comprehensive loss for the period	-	-	-	(19,715,914)	2,082,263	(17,633,651)
Balance, June 30, 2024	230,550,241	$ 210,257,725	$ 41,359,397	$ (89,727,950)	$ 3,336,382	$ 165,225,554
Share-based payments – stock options	-	-	545,417	-	-	545,417
Private placement	31,485,379	11,649,590				11,649,590
Share issuance costs	-	(1,504,210)	199,673			(1,304,537)
Values of warrants issued in private placement	-	(2,046,550)	2,046,550	-	-	-
Deferred debt cost – shares issued	3,920,000	1,176,000	-	-	-	1,176,000
Comprehensive income for the period	-	-	-	(1,351,206)	3,108,848	1,757,642
Balance, December 31, 2024	265,955,620	$ 219,532,555	$ 44,151,037	$ (91,079,156)	$ 6,445,230	$ 179,049,666

The accompanying notes are an integral part of these condensed interim consolidated financial statements

1. NATURE OF OPERATIONS

Lion One Metals Limited ("Lion One" or the "Company") was incorporated on November 12, 1996 under the laws of the Province of British Columbia, Canada. The Company is in the business of mineral exploration and evaluation and is currently focused on the development of mineral resources in Fiji. The Company is listed for trading on the TSX Venture Exchange ("TSX-V") under the symbol LIO and on the Australian Securities Exchange ("ASX") under the symbol LLO. The Company's head office and principal address is 306 - 267 West Esplanade, North Vancouver, BC, Canada, V7M 1A5. The address of the Company's registered and records office is Suite 1700 – 1055 West Hastings Street, Vancouver, BC, V6E 2E9.

The Company's condensed interim consolidated financial statements are presented in Canadian dollars.

These condensed interim consolidated financial statements have been prepared in accordance with IFRS Accounting Standards ("IFRS") with the assumption that the Company will be able to realize its assets and discharge its liabilities in the normal course of business rather than through a process of forced liquidation. The Company has incurred losses from inception and has not advanced its properties to commercial production. The Company estimates that it has adequate financial resources for the next twelve months with working capital of $22,992,711. The Company's continuation as a going concern is dependent upon the successful results from its exploration activities and its ability to attain profitable operations and generate funds therefrom and/or raise equity capital or borrowings sufficient to meet current and future obligations.

There are many external factors that can adversely affect general workforces, economies and financial markets globally. It is not possible for the Company to predict the duration or magnitude of adverse results of such external factors and their effect on the Company's business or ability to raise funds.

The condensed interim consolidated financial statements do not include adjustments to amounts and classifications of assets and liabilities that might be necessary should the Company be unable to continue operations. Continued operations of the Company are dependent on the Company's ability to receive financial support, obtain necessary financings, and/or generate profitable operations in the future.

2. BASIS OF PREPARATION

Statement of Compliance

These condensed interim consolidated financial statements, including comparatives, have been prepared in accordance with International Accounting Standards ("IAS") 34 'Interim Financial Reporting' ("IAS 34") using accounting policies consistent with IFRS Accounting Standards as issued by the International Accounting Standards Board ("IASB"). As such, these interim financial statements do not contain all the disclosures required by IFRS for annual financial statements and should be read in conjunction with the Company's audited consolidated financial statements for the years ended June 30, 2024 and 2023 ("annual consolidated financial statements").

The condensed interim consolidated financial statements have been prepared on a historical cost basis except for certain financial assets measured at fair value. All dollar amounts presented are in Canadian dollars unless otherwise specified.

These condensed interim consolidated financial statements incorporate the financial statements of the Company and its wholly controlled subsidiaries. Control exists when the Company has the power, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefits from its activities. The condensed interim consolidated financial statements include the accounts of the Company and its direct wholly-owned subsidiaries. All significant intercompany transactions and balances have been eliminated.

2. BASIS OF PREPARATION (cont'd…)

Basis of Consolidation and Presentation

Use of Estimates

The preparation of these condensed interim consolidated financial statements requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported expenses during the period. Actual results could differ from these estimates.

Judgments

The functional currency of each of the subsidiaries and the Company were assessed to determine the economic substance of the currency in which each entity performed its operations. The functional currency of the Company is the Canadian dollar. The functional currencies of the Company's subsidiaries have been assessed as follows:

	Country of Incorporation	Effective Interest	Functional currency
American Eagle Resources Inc.	Canada	100%	Canadian Dollar
Laimes International Inc.	BVI	100%	Canadian Dollar
Auksas Inc.	BVI	100%	Canadian Dollar
Lion One Pte Limited	Fiji	100%	Fijian Dollar
Lion One Australia Pty Ltd.	Australia	100%	Australian Dollar
Piche Resources Pty Ltd.	Australia	100%	Australian Dollar

Estimates

Significant assumptions about the future and other sources of estimation uncertainty that management has made at the end of the reporting period, that could result in a material adjustment to the carrying amounts of assets and liabilities in the event that actual results differ from assumptions made, are as follows:

The carrying value and recoverability of exploration and evaluation assets and mineral property, plant and equipment requires management to make certain estimates, judgments and assumptions about its project. Management considers the economics of the project, including the latest resource prices and the long-term forecasts, and the overall economic viability of the project.

The determination of income tax is inherently complex and requires making certain estimates and assumptions about future events. While income tax filings are subject to audits and reassessments, the Company has adequately provided for all income tax obligations. However, changes in facts and circumstances as a result of income tax audits, reassessments, jurisprudence and any new legislation may result in an increase or decrease in the Company's provision for income taxes.

Share-based payments are subject to estimation of the value of the award at the date of grant using pricing models such as the Black-Scholes option valuation model. The option valuation model requires the input of highly subjective assumptions including the expected share price volatility. Where such valuations are applied, such as the time of a stock option grant or issuance of shares from trust, management provides detailed valuation assumptions.

Stockpiled mineralized materials, work-in-process, and finished goods are measured at the lower of weighted average cost or net realizable value ("NRV"). The assumptions used in the valuation of work-in process inventory include estimates of the amount of gold and silver in the mill circuits and assumptions of the gold and silver prices expected to be realized when the metals are recovered. If these estimates or assumptions prove to be inaccurate, the Company could be required to write-down the recorded value of its work-in-process inventory, which would reduce the Company's earnings.

3. MATERIAL ACCOUNTING POLICIES

The accounting policies and methods of computation applied by the Company in these condensed interim consolidated financial statements are the same as those applied in the Company's annual financial statements for the year ended June 30, 2024.

New accounting standards issued

Amendments to IAS 1, Presentation of Financial Statements
In January 2020, the International Accounting Standards Board ("IASB") issued "*Classification of Liabilities as Current or Non-current (Amendments to IAS 1)"*. The amendments clarify that the classification of liabilities as current or non-current should be based on rights that exist at the end of the reporting period. The amendments also clarify the definition of a settlement and provide situations that would be considered as a settlement of a liability. In October 2022, the IASB issued "*Non-current Liabilities with Covenants (Amendments to IAS 1)"*. These further amendments clarify how to address the effects on classification and disclosure of covenants that an entity is required to comply with on or before the reporting date and covenants that an entity must comply with only after the reporting date. The amendments are effective for reporting periods beginning on or after January 1, 2024. The Company has determined that there is no material impact on the condensed interim consolidated financial statements.

New accounting standards issued but not yet effective

IFRS 18 Presentation and Disclosure in Financial Statements
IFRS 18 Presentation and Disclosure in Financial Statements, which will replace IAS 1, Presentation of Financial Statements aims to improve how companies communicate in their financial statements, with a focus on information about financial performance in the statement of profit or loss, in particular additional defined subtotals, disclosures about management-defined performance measures and new principles for aggregation and disaggregation of information. IFRS 18 is accompanied by limited amendments to the requirements in IAS 7 Statement of Cash Flows. IFRS 18 is effective from January 1, 2027. Companies are permitted to apply IFRS 18 before that date. The Company is in the process of assessing if the new accounting standards will have a significant effect on the Company's consolidated financial statements.The Company will defer implementation until the effective date.

4. RESTRICTED CASH

The proceeds from the Tranche 3 financing facility drawn down in December 2024 are classified as restricted cash as the funds may only be used for interest payments on the Loan Facility (Note 7).

(Expressed in Canadian Dollars)

5. MINERAL PROPERTY, PLANT AND EQUIPMENT

	Property, plant and equipment	Construction in progress (CIP) Mill	Construction in progress (CIP) Mine	Mill	Mineral property	Exploration and evaluation assets	Total
Acquisition costs							
Balance, June 30, 2023	$ -	$ -	$ -	$ -	$ -	$ 21,915,063	$ 21,915,063
Transfer to mineral property	-	-	-	-	11,163,198	(11,163,198)	-
Balance, June 30, 2024 and December 31, 2024					11,163,198	10,751,865	21,915,063
Costs							
Balance, June 30, 2023	$ 36,282,250	-	-	-	-	$ 104,746,633	$ 141,028,883
Transfers to mineral property	-	20,670,883	10,375,320	-	55,594,767	(86,640,970)	-
Transfer to inventory	-	-	(172,639)	(4,126,224)	(5,429,903)	-	(9,728,766)
Additions for the year	5,328,593	11,545,886	12,641,377	-	5,702,857	6,351,861	41,570,574
Transfer from CIP	-	(29,905,460)	-	29,905,460	-	-	-
Capitalized finance cost	580,972	-	289,069	489,394	174,383	-	1,533,818
Foreign currency translation	581,568	(215,298)	954,893	882,968	(1,317,583)	(199,420)	687,128
Balance, June 30, 2024	42,773,383	2,096,011	24,088,020	27,151,598	54,724,521	24,258,104	175,091,637
Additions for the period	1,084,324	70,599	8,827,835	1,411,474	1,599,046	654,457	13,647,735
Reclass from Mill to PPE	1,208,568	(794,305)	-	(414,263)	-	-	-
Transfer from CIP Mill to Mill	-	(585,486)	-	585,486	-	-	-
Foreign currency translation	507,250	11,563	1,179,371	211,936	261,887	252,701	2,424,708
Balance, December 31, 2024	$ 45,573,525	$ 798,382	$ 34,095,226	$ 28,946,231	$ 56,585,454	$ 25,165,262	$ 191,164,080
Accumulated depreciation							
Balance, June 30, 2023	$ 4,791,258	$ -	$ -	$ -	$ -	$ -	$ 4,791,258
Additions for the period	4,353,849	-	17,918	2,313,326	4,586	-	6,689,679
Cumulative translation	181,954	-	-	-	-	-	181,954
Balance, June 30, 2024	9,327,061	-	17,918	2,313,326	4,586	-	11,662,891
Additions for the period	2,177,140	-	18,215	671,565	4,662	-	2,871,582
Cumulative translation	117,461	-	-	-	-	-	117,461
Balance, December 31, 2024	$ 11,621,662	$ -	$ 36,133	$ 2,984,891	$ 9,248	$ -	$ 14,651,934
Net book value							
As at June 30, 2024	$ 33,446,322	$ 2,096,011	$ 24,070,102	$ 24,838,272	$ 65,883,133	$ 35,009,969	$ 185,343,809
As at December 31, 2024	$ 33,951,863	$ 798,382	$ 34,059,093	$ 25,961,340	$ 67,739,404	$ 35,917,127	$ 198,427,209

(Expressed in Canadian Dollars)

5. MINERAL PROPERTY, PLANT AND EQUIPMENT (cont'd…)

Tuvatu Gold Project

The Company's primary asset is the Tuvatu Gold Project located near Nadi on the island of Viti Levu, Fiji.

In January 2015, the Mineral Resources Department ("MRD") of Fiji granted Special Mining Lease 62 ("SML 62") on the Tuvatu project to the Company. SML 62 is a designated area within the original boundaries of the Company's Special Prospecting Licenses ("SPL's") 1283 and 1296. SML 62 provides exclusive rights for the potential development, construction, and operation of mining, processing, and waste management infrastructure at Tuvatu. The terms of the mining lease provide for certain performance and reporting requirements. The SML has been granted for a term of ten years provided the Company complies with the terms of the lease. Extensions to the term can be applied subject to the terms of the lease and the Mining Act. In August 2022, SML 62 was extended for an additional 10 year term renewable to February 28, 2035. A performance and environmental bond of FJD$2,634,795 ($1,619,145) (June 30, 2024 - FJD $2,634,795 ($1,559,210) has been placed on deposit with the MRD. The SML is subject to annual lease payments of FJD$73,697 ($45,289).

The Fiji properties are subject to a perpetual production royalty of 0.5% to 1.5% of net smelter returns. This NSR is payable to Laimes Global Inc., a company controlled by Walter Berukoff, CEO and director of the Company. In addition, SML 62 is subject to a step royalty payable to the government of Fiji starting at 0% in 2023, 0.5% in 2024, 1.1% in 2025, 2% in 2026, 3% in 2027 and 5% then onwards.

Surface Lease Agreement

The Company holds a 21-year Surface Lease agreement with the iTaueki Land Trust Board ("TLTB") which governs the native land ownership rights in Fiji. The TLTB manages the lease agreements between native land owners and tenants. Under the terms of the Surface Lease, the Company must make a one-time payment of FJD$1,000,000 of which FJD$700,000 ($430,167) was paid upon acceptance of the Surface Lease agreement. In March 2019, the Company paid FJD$249,497 ($153,322) to the TLTB with FJD$50,503 ($31,035) remaining is due upon the first gold production from mining operations in Tuvatu. An additional lease payment of FJD$30,000 ($18,436) is payable per annum to the local communities for education and community development over the 21-year term of the Surface Lease agreement.

The application of the Company's accounting policy for mineral property development costs required judgement to determine when the Tuvatu Project Project's technical feasibility and commercial viability had been demonstrated. The Company considered the approval of the Company's Board of Directors to start the detailed engineering, procurement, and construction of the 500 tonne per day Tuvatu Project process plant, along with the substantial amount of work that had been completed on the 300 tonne per day pilot plant to date, and concluded that the technical feasibility and commercial viability had been achieved. Accordingly, effective September 30, 2023, the Company reclassified capitalized costs from exploration and evaluation assets to mineral property and tested for impairment. Concurrent with the development decision, the Company completed an impairment test of the Tuvatu Project which compared the carrying value to the recoverable amount. Based on the result of the impairment test, the Company concluded that there was no impairment.

Fiji Exploration Properties

The Company holds four exploration licenses (SPL's) for the Tuvatu properties as granted by the MRD. Under the terms of the SPL's, the Company is required to spend a minimum threshold of expenditures on each of the licenses.

SPL	Issued	Expiry Date	Bond (Fijian $)	Bond (Canadian $)	Expenditure Requirement (Fijian $)	Expenditure Requirement (Canadian $)
1283	Aug. 24, 2020	Aug. 23, 2025	158,180	97,205	1,400,000	860,334
1296	Aug. 24, 2020	Aug. 23, 2025	158,180	97,205	1,600,000	983,238
1465	Mar. 5, 2022	Mar. 4, 2025	67,979	41,775	679,789	417,747
1512	Dec. 11, 2024	Oct. 12, 2029	633,223	389,131	1,200,000	737,429

Deposits

As at December 31, 2024, the Company paid $291,062 other deposits in Fiji (June 30, 2024 - $228,278).

Bonds

The SPL's require the posting of bonds as security against future reclamation obligations. As at December 31, 2024, the Company has bonds of $2,244,461 (June 30, 2024 - $2,216,827) held with the MRD pursuant to SML62 and the SPL's and an environmental bond $40,070 (June 30, 2024 – $39,577) held with the Ministry of Environment. These are recorded as Deposits on the statements of financial position.

(Expressed in Canadian Dollars)

6. INVENTORY

The Company's inventory comprised of the following:

		December 31, 2024		June 30, 2024
Mineralized materials	$	1,844,159	$	789,824
Work-in-process		2,977,571		3,094,988
Finished goods		55,502		1,335,243
Materials and supplies		11,204,805		7,645,044
Total inventory	$	16,082,037	$	12,865,099

7. LONG TERM DEBT

Financing Facility

On January 19, 2023 the Company entered into a facility agreement with Nebari Gold Fund 1, LP, Nebari Natural Resources Credit Fund I, LP and Nebari Natural Resources Credit Fund II, LP (collectively, "Nebari"), with Nebari Collateral Agent, LLC as collateral agent and certain Lion One subsidiaries as guarantors, for a financing facility of up to US$37,000,000 (the "Financing Facility"). The Financing Facility consists of a US$35,000,000 senior secured first lien term loan (the "Loan Facility") and a US$2,000,000 ($2,687,800) equity investment ("the Equity Investment") in common shares of the Company.

The total amount of the Loan Facility was funded in three tranches, with the US$23,000,000 funded on February 9, 2023 ("Tranche 1"), US$6,000,000 funded on December 29, 2023 and US$2,000,000 funded on January 3, 2024 ("Tranche 2") net of 2% closing fee, US$4,000,000 funded on December 2, 2024 ("Tranche 3") net of 2% closing fee. Tranche 1 was subject to interest of 8% plus the three-month secured overnight financing rate, as administered by Federal Reserve Bank of New York ("SOFR"), with no scheduled principal repayments until maturity on August 8, 2026. Tranche 2 was subject to an 8% Original Issue Discount ("OID") and interest is 10% plus SOFR, with progressive amortization over 42 months from the funding date. Tranche 2 principal repayments are to be made in seven equal installments starting on December 31, 2025 to June 30, 2027. Tranche 3 was subject to an 8% OID and interest is 10% plus SOFR, with progressive amortization over 6 months from June 30, 2025. Tranche 3 principal repayments are in three equal installments starting on June 30, 2025, September 30, 2025 and December 31, 2025. As at October 2024, in Nebari's opinion under the market dispuption terms in the loan agreement, the Term SOFR rate does not accurately reflect the cost of funding the Loan, and 4.61% which was the SOFR rate as at September 30, 2024 better reflects the cost of funding and will be used to calculate the interest rate from October 1, 2024 to June 30, 2025.

On February 9, 2023, the Company received total proceeds of US$25,000,000 from its Financing Facility, which was comprised of US$23,000,000 ($30,452,000) from Tranche 1 and completion of the US$2,000,000 ($2,687,800) Equity Investment, with Nebari purchasing 3,125,348 common shares of the Company at a price of $0.86 per share. The Tranche 1 interest accrued from February 9, 2023 to June 30, 2024 was capitalized and added to the principal amount outstanding of the Loan Facility.

The Company received US$7,840,000 net of 2% closing fee for Tranche 2 which was comprised of US$6,000,000 ($7,935,600) received on December 29, 2023 and US$2,000,000 ($2,671,200) received on January 3, 2024. The Company recorded an OID fee of $944,000 to the principal. The interest with respect to Tranche 2 was be expensed and added to the principal amount outstanding of the Loan Facility from December 29, 2023 to September 30, 2024, with monthly interest payments beginning on September 30, 2024.

The Company received US$4,000,000 ($5,622,400) net of 2% closing fee from Tranche 3. The Company recorded an OID fee of $488,904 to the principal. The interest with respect to Tranche 3 will be expensed and with monthly interest payments beginning on December 31, 2024. The Company issued 3,920,000 common shares of the Company to Nebari, the common shares were valued at $1,176,000.

In September 2024, the Company entered into agreement to defer interest payments related to Tranche 1 and 2, due on September 30, 2024 to November 22, 2024. During the six month period ending December 31, 2024, the Company paid interest payments of $3,512,620 (December 31, 2023 - $nil) to Nebari for Tranche 1, 2 and 3. As at December 31, 2024, interest accrued was $5,076,774 (June 30, 2024- $4,829,092).

7. LONG TERM DEBT (cont'd…)

Following the first month in which the Tuvatu Project produces at least 2,000 ounces of gold, the Company shall pay to Nebari a royalty equal to 0.5% of the net smelter returns on the first 400,000 ounces (equivalent to 2,000 ounces) of gold produced and sold from the Tuvatu Project.

Debt Issue Costs

As part of the Tranche 1 loan facility with Nebari, the Company issued 15,333,087 warrants ("Tranche 1 Warrants") of the Company to Nebari, exercisable into common shares of the Company at a price of $1.49 for a period of 42 months from issuance (Note 12 (d)). The Tranche 1 Warrants are subject to an accelerator provision whereby the Company may accelerate the expiry date of up to 25% of the initial warrants in the event that the volume weighted average trading price of the common shares of the Company exceeds 100% over the strike price for a period of twenty consecutive days. The Company has the option to accelerate the expiry of further 25% portions of the warrants at four-month intervals, up to a maximum of 75% of the warrants issued.

The Tranche 1 Warrants were valued at $5,194,865 using the Black-Scholes option pricing model using the following assumptions: risk free interest rate 2.99%, expected life of 3.5 years, annualized volatility 75% and dividend rate at nil. The Company also incurred deferred debt costs for professional and legal fees of $850,804. Of the total debt issue costs incurred, the Company recorded $559,100 as transaction costs which are netted against Tranche 1 with the debt and amortized over the term of the Loan Facility on an effective interest basis, and $194,469 was recorded to as transaction costs for Tranche 2. The remainder of $97,235 was recorded as transaction costs for Tranche 3.

As part of Tranche 2, the Company amended the facility agreement to re-price the 15,333,087 Tranche 1 Warrants issued from CAD $1.49 to CAD$1.15 with expiry date extended from August 9, 2026 to February 9, 2027. The Company also incurred deferred debt cost for professional and legal fees of $186,132, a closing fee of $213,696 and an OID fee of $944,000. During the year ended June 30, 2024, the Company recorded $194,469 transaction costs which are netted with the debt and amortized over the term of Tranche 2 on an effective interest basis.

As part of Tranche 3, the Company amended the facility agreement to re-price the 15,333,087 Tranche 1 Warrants issued from CAD $1.15 to CAD$0.38 all other terms of the warrants remain the same. The Company issued 3,920,000 common shares of the Company to Nebari, the common shares were valued at $1,176,000. The Company also incurred deferred debt cost for professional and legal fees of $577,379, a closing fee of $112,448 and an OID fee of $488,904. During the period ended December 31, 2024, the Company recorded $97,235 transaction costs which are netted with the debt and amortized over the term of Tranche 3 on an effective interest basis.

During the period ended December 31, 2024, the Company recorded $775,341 (June 30, 2024 - $843,862) of accretion and $3,512,620 (June 30, 2024 - $4,060,549) to interest and finance expenses. Of this amount accrued interest of $Nil (June 30, 2024 - $1,512,938) and $Nil (June 30, 2024 - $51,765) of accretion was capitalized to mineral property, plant and equipment (Note 5).

All debts under the Loan Facility are guaranteed by the Company and its subsidiaries: American Eagle Resources, Inc., Laimes International Inc., Auksas Inc., and Lion One Pte Limited, and secured by the assets of the Company and pledges of the securities of the aforementioned Company's subsidiaries. The Loan Facility includes certain covenants that are calculated on last day of each calendar month. As at December 31, 2024, the Company was in compliance with all covenants.

(Expressed in Canadian Dollars)

7. LONG TERM DEBT (cont'd…)

Loan Facility	December 31, 2024	June 30, 2024
Balance, beginning of the period	$ 37,634,301	$ 25,349,166
Drawdown	6,223,752	11,550,800
Deferred debt costs incurred	(2,451,966)	(1,538,297)
Deferred debt costs amortized	775,341	895,627
Foreign exchange loss	2,259,404	1,377,005
Total debt, net of deferred debt costs	44,440,832	37,634,301
Loan facility (current)	5,248,328	-
Loan facility (long-term)	39,192,504	37,634,301
Non-current accrued interest	5,076,774	4,829,092
	$ 49,517,606	$ 42,463,393

Deferred Debt Cost	December 31, 2024	June 30, 2024
Balance, beginning of the period	$ (5,745,504)	$ (5,102,834)
Deferred debt costs incurred	(2,451,966)	(1,538,297)
Deferred debt costs amortized	775,341	895,627
Total deferred debt costs	$ (7,422,129)	$ (5,745,504)

8. OTHER ASSETS

Royalty Interest on Olary Creek - South Australia

On March 19, 2019, the Company entered into a sale agreement ("Agreement") to sell its 51% Olary Creek Tenement ("Olary") interest including a 47% interest in the iron ore and manganese rights on the Olary Creek Joint Venture in South Australia, which included a 25% interest free carried through the completion of a bankable feasibility study and the decision to mine, and an optional 22% participating interest, to Olary Magnetite Pty Ltd, a wholly owned subsidiary of Lodestone Mines Limited ("Lodestone") for the following proceeds:

- 1% FOB royalty on Iron Ore or manganese concentrates sold from Olary plus AUD$0.75 per tonne of Iron Ore or manganese concentrates or 2% FOB royalty on Iron Ore or manganese concentrates sold from Olary.

- Lodestone shall advance against the FOB royalty payable noted above:
  a. 10% of all funds raised by Lodestone until funding specifically designated as funding for a Bankable Feasibility Study ("BFS") has been raised;
  b. AUD$1,000,000 upon funding being raised by Lodestone specifically designated as funding for a Bankable Feasibility Study;
  c. AUD$3,000,000 upon a Decision to Mine being made; and
  d. AUD$3,000,000 upon 18 months after a Decision to Mine being made.

During the period ended June 30, 2024, the Company wrote down the carrying value of the Olary Creek property by $28,262, which was disclosed in other assets.

Mining Equipment Deposit

In July 2018, the Company paid an AUD$1,097,280 ($1,075,334) deposit to an Australian mining contractor towards the refurbishment and purchase of certain mining equipment. In May 2021, the Company requested the delivery of the mining equipment to Fiji and to date it has not been delivered. During the year ended June 30, 2021, the Company wrote down the deposit by $632,147 to its estimated carrying value. As at December 31, 2024, the estimated carrying value is $445,427 (June 30, 2024 - $445,427).

(Expressed in Canadian Dollars)

9. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

Accounts payable and accrued liabilities	December 31, 2024	June 30, 2024
Trade payables	$ 5,629,273	$ 4,914,768
Accrued liabilites	779,381	1,351,924
Payroll related liabilities	353,946	327,869
Balance, end of the period	$ 6,762,600	$ 6,594,561

10. RIGHT-OF-USE ASSET AND LEASE LIABILITY

On July 1, 2019, the Company recognized $581,499 for a right-of-use asset for the office space lease and $581,499 for the lease liability equal to the present value of office space lease payments over a 45-month period ending March 31, 2023, discounted by using the Company's estimated incremental borrowing rate at 8.0%.

On April 1, 2023, the Company recognized $566,168 for a right-of-use-asset for the office space lease and $566,168 for the lease liability equal to the present value of office space lease payments over a 60-month period ending March 31, 2028, discounted by using the Company's estimated incremental borrowing rate of 20.0%.

Right-of-use asset

	December 31, 2024	June 30, 2024
Opening balance	$ 424,626	$ 537,860
Depreciation	(56,617)	(133,234)
	$ 368,009	$ 424,626

Lease liability

	December 31, 2024	June 30, 2024
Opening balance	$ (472,234)	$ (549,197)
Payments	90,000	180,000
Accreted interest	(45,401)	(103,037)
	$ (427,635)	$ (472,234)
Lease liability (current)	(103,633)	(93,848)
Lease liability (non-current)	(324,002)	(378,386)
	$ (427,635)	$ (472,234)

The annual commitment over the term of the lease is as follows:

Less than one year	$180,000
One to two years	$180,000
Two to three years	$180,000
Three to four years	$45,000

(Expressed in Canadian Dollars)

11. RECLAMATION AND CLOSURE PROVISION

The Company has recorded a reclamation provision of $1,158,019 (June 30, 2024 - $1,132,300) for future reclamation costs associated with the Tuvatu pilot plant and gold mine project currently in construction in Fiji. The reclamation costs has been calculated to reflect the amount of expected future net cash outflows discounted to present value for the future reclamation of disturbances incurred as at December 31, 2024. The reclamation provision has been recorded using a discount rate of 3.9% and an inflation factor of approximately 5.1%. As at December 31, 2024, total undiscounted estimated reclamation costs are approximately $981,000 (June 30, 2024 - $981,000).

	December 31, 2024	June 30, 2024
Balance, beginning of the period	$ 1,132,300	$ 676,688
Increase in estimated cash flows resulting from current activities	-	397,487
Accretion	19,474	38,112
Effect of changes in foreign exchange rates	14,230	20,013
Balance, end of the period	$ 1,166,004	$ 1,132,300

12. REVENUE

The Company had revenue of $28,494,328 (2023 - $1,306,090) from sale of 7,870 (2023 – 479) gold ounces and 1,934 (2023 – 50) silver ounces to one customer.

A summary of revenue for the six month period ended December 31:

Revenue	2024	2023
Gold	$ 28,413,440	$ 1,304,477
Silver	80,888	1,613
Total revenue	$ 28,494,328	$ 1,306,090

13. COST OF SALES

A summary of cost of sales for the six month period ended December 31:

Cost of sales	2024	2023
Production costs	$ 17,071,205	$ 2,469,500
Depreciation	2,951,728	-
Refining and transportation costs	75,853	10,548
Royalties	563,024	19,104
	$ 20,661,810	$ 2,499,152
Inventory NRV adjustment	-	3,138,676
Total cost of sales	$ 20,661,810	$ 5,637,828

(Expressed in Canadian Dollars)

14. GENERAL AND ADMINISTRATIVE

A summary of general and administrative expenses for the six month period ended December 31:

General and administrative		2024		2023
Professional fees	$	675,639	$	557,746
Office expenses		536,418		441,274
Investor relations		292,771		358,729
Management fees		160,000		160,000
Shareholder communications and filings		194,340		158,696
Travel		86,884		132,281
Licenses, dues, and insurance		201,971		71,068
Consulting fees		209,518		59,574
Directors' fees		8,000		11,500
Total general and administrative expenses	$	2,365,541	$	1,950,868

15. INTEREST AND FINANCE EXPENSE

A summary of interest and finance expense for the six month period ended December 31:

Interest and finance		2024		2023
Accretion expense – Lease liability (Note 10)	$	45,401	$	53,425
Interest expense – Financing facility (Note 7)		3,512,620		828,272
Accretion expense – Deferred debt costs (Note 7)		775,341		161,047
Accretion expense - Reclamation and closure provision (Note 11)		19,474		19,015
Total interest and finance expense	$	4,352,836		$1,061,759

16. SHARE CAPITAL AND RESERVES

a) Authorized share capital

Unlimited number of common shares without par value.

b) Bought Deal Offering

On July 26, 2024, the Company completed a market public offering of 31,485,379 units, at price of $0.37 per unit for gross proceeds of $11,649,590 (the "Offering"). Each unit consists of a common share of the Company and one common share purchase warrant. Each common share purchase warrant, may be exercised to purchase a common share at a price of $0.50 until July 26, 2027. The Company recognized $2,046,550 residual value relating to the share purchase warrants from the offering.

In connection to the Offering, the Company incurred broker, filing and legal fees of $1,304,537 and recognized $199,673 of share issuance costs related to the issuance of 1,996,891 non-transferable compensation options ("CO") (Note 16(e)), each CO is exercisable to purchase a common share at a price of $0.37 until July 26, 2026. The fair value of the CO's of $199,673 was determined using the Black-Scholes option pricing model using the following assumptions: risk free interest rate 3.92%, expected life of 2 years, annualized volatility 64.99% and dividend rate at nil.

On December 12, 2024, in connection with the amended Loan Facility agreement, on receipt of Tranche 3 funds, the Company issued 3,920,000 common shares of the Company to Nebari, valued at $1,176,000 (Note 7).

(Expressed in Canadian Dollars)

16. SHARE CAPITAL AND RESERVES (cont'd…)

c) Stock options

The TSX-V accepted the Company's Stock Option Plan, which was approved by the Company's shareholders at the Annual General Meeting ("AGM") held on December 12, 2024. A rolling stock option plan has been implemented whereby a maximum of 10% of the issued shares will be reserved for issuance under the plan. Options can be granted for a term not to exceed ten years. Shareholder approval must also be obtained yearly at the Company's AGM and in addition, submitted for review and acceptance by the TSX-V each year.

Stock option transactions are summarized as follows:

	Number of Stock Options	Weighted Average Exercise Price
Balance, June 30, 2023	11,138,333	$ 1.19
Granted	7,130,000	1.00
Exercised	(155,000)	0.75
Forfeited and expired	(3,981,667)	0.94
Balance, June 30, 2024	14,131,666	1.17
Forfeited and expired	(816,667)	1.21
Balance, December 31, 2024	13,314,999	$ 1.17

The following stock options are outstanding and exercisable as at December 31, 2024:

	Number of Options Outstanding	Exercise price	Number of Options Exercisable	Expiry date
Stock Options	1,495,000	1.50	1,495,000	June 3, 2025
	2,945,000	1.25	2,945,000	June 2, 2026
	2,911,666	1.25	2,911,666	September 3, 2027
	5,463,333	1.00	3,686,673	December 13, 2028
	500,000	1.00	166,667	January 18, 2029
	13,314,999		11,205,006	

During the period ended December 31, 2024, the Company granted Nil (December 31, 2023 – 6,630,000) stock options. The weighted average fair value of options granted during the period was $Nil per share (December 31, 2023 - $0.43). Total share-based payments recognized for the period ended December 31, 2024 was $545,417 (December 31, 2023 - $1,279,563) for incentive options granted and vested. Share-based payments expense of $378,459 (December 31, 2023 - $1,100,654) was recognized in the condensed interim consolidated statement of loss and comprehensive loss with the balance of $83,064 (December 31,2023 – ($8,730)) capitalized to exploration and evaluation assets, $83,893 (December 31, 2023 - $187,639) was recognized in mineral property, plant and equipment, which relates to employees and consultants working on the Tuvatu property.

d) Warrants

The Warrants were issued from December 2022, May 2023, February 2024, and July 2024 private placements.

Warrant transactions are summarized as follows:

	Number of Warrants	Weighted Average Exercise Price	Expiry Date
Balance, June 30, 2023	38,682,087	$ 0.86	
Warrants issued – Note 16(b)	24,150,000	0.65	February 14, 2027
Balance, June 30, 2024	62,832,087	$ 0.78	
Warrants issued – Note 16(b)	31,485,379	0.50	July 26, 2027
Balance, December 31, 2024	94,317,466	$ 0.69	

(Expressed in Canadian Dollars)

16. SHARE CAPITAL AND RESERVES (cont'd…)

e) Compensation Options

The compensation options were issued from December 2022, May 2023, February 2024, and July 2024 private placements.

Compensation Options are summarized as follows:

	Number of Options		Weighted Average Exercise Price	Expiry Date
Balance, June 30, 2023	2,795,880	$	0.86	
Issued	1,449,000		0.65	February 14, 2027
Balance outstanding and exercisable, June 30, 2024	4,244,880	$	0.79	
Issued	1,996,891		0.37	July 26, 2026
Balance outstanding and exercisable, December 31, 2024	6,241,771	$	0.66	

17. RELATED PARTY TRANSACTIONS

Management Compensation

Key management personnel comprise of the: Chief Executive Officer, Chief Financial Officer, Chief Operating Officer, Senior Vice President Exploration and Vice President, Corporate Secretary of the Company, members of the Board of Directors and related companies. The remuneration of the key management personnel is as follows for the period ended December 31:

		2024		2023
Payments to key management personnel:				
Cash compensation expensed to management fees, professional fees, investor relations, directors fees and consulting fees	$	383,000	$	466,500
Cash compensation capitalized to mineral property, plant and equipment and exploration and evaluation assets		237,149		287,260
Share-based payments		167,169		395,175

During the period ended December 31, 2024, the Company paid $90,000 (2023 - $90,000) in rent to Cabrera Capital Corp. ("Cabrera"), a company controlled by Walter Berukoff, the CEO and director of the Company. As at December 31, 2024, the Company had a lease liability of $427,635 (June 30, 2024 – $472,234) due to Cabrera equal to the present value of office space lease payments over the term of the lease. As at December 31, 2024, the Company has a payable of $143,448 (June 30, 2024 – $127,737)

The Company had a management and corporate services agreement with Cabrera pursuant to which Cabrera provides a fully furnished and equipped business premises as well as management and administration services to the Company. With the exception of rent expense, Cabrera charges the Company on a cost-recovery basis. On April 1, 2023, the Cabrera management and corporate services agreement was renewed for an additional 5-year term.

During the period ended December 31, 2024, the Company paid $101,704 (2023 - $93,609) in rent to Lions Den (Fiji) Pte Limited, a company controlled by Walter Berukoff, the CEO and director of the Company, for short-term and long-term accommodations including utilities in Fiji, and as of December 31, 2024, has a receivable of $27,242 (June 30, 2024 – receivable $12,229).

During the period ended December 31, 2024, the Company paid $419,796 (2023 – $19,104) in royalty to Laimes Global, Inc, a company controlled by Walter Berukoff, the CEO and director of the Company. As at December 31, 2024, the Company has a payable of $182,179 (June 30, 2024 – $91,173).

(Expressed in Canadian Dollars)

17. RELATED PARTY TRANSACTIONS (cont'd…)

During the period ended December 31, 2024, the Company paid professional fees of $17,345 (2023 - $21,174) to a management services company owned by David McArthur, a director of the Company's subsidiary, Lion One Australia Pty Ltd. As at December 31, 2024, the Company had a payable of $892 (June 30, 2024 - $7,670).

During the period ended December 31, 2024, the Company paid professional fees of $40,000 (2023 - $120,000) to Richard Meli, a director of the Company, for consulting services.

18. SEGMENTED INFORMATION

The Company operates in one industry segment, the mineral exploration industry. Geographical segmented information of the Company's non-current assets and loss for the period is presented as follows:

December 31, 2024	Fiji	Corporate	Australia	Total
Exploration and evaluation assets	$ 35,917,127	$ -	$ -	$ 35,917,127
Mineral property, plant and equipment	162,510,082	-	-	162,510,082
Right-of-use asset	-	427,635	-	427,635
Deposits	2,575,593	-	-	2,575,593
Other assets	-	445,427	-	445,427
Gold and silver sale	28,494,328	-	-	28,494,328
Income (loss) for the period	7,783,452	(9,112,061)	(22,597)	(1,351,206)

June 30, 2024	Fiji	Corporate	Australia	Total
Exploration and evaluation assets	$ 35,009,969	$ -	$ -	$ 35,009,969
Mineral property, plant and equipment	150,333,840	-	-	150,333,840
Right-of-use asset	-	424,626	-	424,626
Deposits	2,484,682	-	-	2,484,682
Other assets	-	445,427	-	445,427
Gold and silver sale	14,751,486	-	-	14,751,486
Income (loss) for the year	(30,843,989)	3,680,793	(173,542)	(27,336,738)

19. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

Financial instruments

Cash, short term investments, receivables, deposits, accounts payable and accrued liabilities, lease liability, Loan Facility and accrued interest are carried at amortized cost. The Company considers the carrying amount of the current financial assets and liabilities measured at amortized cost to approximate their fair value due to the short-term nature of the financial instruments. The fair value of long-term liabilities are initially recorded at fair value and subsequently carried at amortized cost using rates comparable to market interest rates.

Fair value estimates of financial instruments are made at a specific point in time, based on relevant information about financial markets and specific financial instruments. As these estimates are subjective in nature, involving uncertainties and matters of significant judgment, they cannot be determined with precision. Changes in assumptions can significantly affect estimated fair values.

19. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (cont'd…)

Financial risk factors

Credit risk

Credit risk is the risk of potential loss to the Company if the counterparty to a financial instrument fails to meet its contractual obligations. The Company's credit risk is primarily attributable to its liquid financial assets including cash, cash equivalents, short-term investments and receivables. The Company limits exposure to credit risk on liquid financial assets through maintaining its cash, cash equivalents, short-term investments with high-credit quality financial institutions.

Receivables mainly consist of Goods and Services Tax ("GST") receivable from the Government of Canada, GST receivable from the Government of Australia, and Value Added Tax ("VAT") receivable from the Government of Fiji. The Company has not had issues with respect to collectability of these amounts and believes that the credit risk concentration with respect to receivables is minimal.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its obligations associated with its financial liabilities. The Company will raise funds for future use from equity financings and other methods as contemplated by management to satisfy its capital requirements and will continue to depend heavily upon these financing activities. All of the Company's current financial liabilities have contractual maturities of 30 days or due on demand and are subject to normal trade terms. As at December 31, 2024, the Company had a working capital of $22,992,711.

Market risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign exchange rates, and commodity and equity prices. The Company does not have a practice of trading derivatives.

a) Interest rate risk

The Company has cash balances, investment-grade short-term deposit certificates issued by its banking institution and long-term debt under the loan facility. The Company periodically monitors the investments it makes and is satisfied with the credit ratings of its banks. Advances under the loan facility will bear interest at the 3 month SOFR +8% for Tranche 1 and +10% for Tranche 2/3. The Company manages this risk by monitoring fluctuations in SOFR and in the event 3-month SOFR is in excess of 5%, the Company has the option to pay that portion of the interest attributable to Term SOFR that exceeds 5% by issuing shares of the Company subject to the approval of the TSX-V.

b) Foreign currency risk

The Company's revenue is generated in US dollars and has Fijian mine operations expenditures that are conducted in Fijian dollars, US dollars, Canadian dollars and Australian dollars. A portion of the Company's financial assets (liabilities) and other assets are denominated in US dollars and Australian dollars. As such, the Company is exposed to foreign currency risk in fluctuations. The Company manages this risk by entering into short term forward exchange contracts with durations of one to two months on a intermittent basis to minimize foreign exchange fluctuations.

As at December 31, 2024, the Company's net foreign denominated financial assets (liabilities) are as follows:

	Foreign currency	Canadian dollar equivalent
Australian Dollar	(293,333)	(261,506)
Fijian Dollar	6,364,127	3,910,910
USD Dollar	(35,869,942)	(51,613,259)

(Expressed in Canadian Dollars)

19. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (cont'd…)

Financial risk factors (cont'd…)

The sensitivity of the Company's comprehensive loss due to changes in the carrying values of monetary assets and liabilities denominated in foreign currencies is as follows.

Increase / decrease in foreign exchange rate		December 31, 2024		June 30, 2024
+ 5%	$	2,399,554	$	2,072,231
- 5%		(2,399,554)		(2,072,231)

c) Price risk

The Company is exposed to price risk with respect to commodity and equity prices. The Company closely monitors commodity prices to determine the appropriate strategic action to be taken by the Company. The Company manages this risk by entering into short term gold forward contracts with durations of one to two months on a intermittent basis to minimize gold price fluctuations.

20. CAPITAL MANAGEMENT

The Company's capital management policy has the objective of maintaining a strong, but flexible capital structure that optimizes the cost of capital, creditor and market confidence while sustaining the future development of the business.

The Company manages its capital structure and makes adjustments to it in the light of changes in economic conditions. The Company's capital structure includes shareholders' equity of $179,049,666 (June 30, 2024 - $165,225,554). In order to maintain or adjust the capital structure, the Company may from time-to-time issue shares, seek debt financing and adjust its capital spending to manage current and working capital requirements. There were no changes to the Company's approach to capital management during the period ended December 31, 2024.

21. SUBSEQUENT EVENTS

Market public offering

On February 14, 2025, the Company closed a market public offering, offering of 31,798,761 units at a price of $0.34 per unit for gross proceeds of $10,811,579. Each unit consists of a common share of the Company and one common share purchase warrant. Each common share purchase warrant may be exercised to purchase a common share purchase at a price of $0.41 for a period of 36 months following the closing date of the offering.

In connection with the offering, 2,000,375 compensation warrants were issued to the underwriters. Each compensation warrantis exercisable to purchase one common share at a price of $0.34 for a period of 36 months following the closing date of the offering. The Company paid $681,026 of cash finders' fees in relation to the offering.