LION ONE METALS LIMITED

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in Canadian Dollars)

FOR THE PERIOD ENDED DECEMBER 31, 2023

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

	December 31 2023	June 30 2023
ASSETS		
Current		
Cash and cash equivalents	$ 13,449,744	$ 30,394,370
Short term investment (Note 4)	-	15,000,000
Receivables	5,378,858	3,741,179
Inventory (Note 6)	6,397,918	-
Prepaid expenses	589,501	1,296,152
	25,816,021	50,431,701
Non-current assets		
Right-of-use asset (Note 10)	481,243	537,860
Deposits (Note 5)	2,420,412	2,395,957
Other assets (Note 8)	474,001	473,408
Mineral property, plant and equipment (Note 5, 17)	166,097,457	30,998,185
Exploration and evaluation asset (Note 5, 17)	21,194,872	123,279,784
	$ 216,484,006	$ 208,116,895
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current		
Accounts payable and accrued liabilities (Note 9, 17)	$ 6,746,234	$ 4,930,660
Lease liability (Note 10, 17)	84,987	76,963
	6,831,221	5,007,623
Non-current liabilities		
Loan facility (Note 7)	33,143,687	25,349,166
Accrued interest – loan facility (Note 7)	4,019,926	1,559,923
Lease liability (Note 10, 17)	427,635	472,234
Reclamation and closure provision (Note 11)	1,100,485	676,688
	45,522,954	33,065,634
Shareholders' equity		
Share capital (Note 7, 16)	199,542,881	199,378,457
Reserves (Note 16)	40,176,088	38,944,699
Accumulated other comprehensive income (loss)	1,254,119	(880,683)
Deficit	(70,012,036)	(62,391,212)
	170,961,052	175,051,261
	$ 216,484,006	$ 208,116,895

Nature of operations (Note 1)
Subsequent events (Note 21)

Approved and authorized by the Board on February 14, 2024:

"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, 2023	Three months ended December 31, 2022	Six months ended December 31, 2023	Six months ended December 31, 2022
Revenue (Note 12)	$ 1,306,090	$ -	$ 1,306,090	$ -
Cost of sales (Note 13)	(5,637,828)	-	(5,637,828)	-
Mine operating loss	(4,331,738)	-	(4,331,738)	-
Expenses				
General and administrative (Note 14)	(1,095,721)	(748,355)	(1,950,868)	(1,470,798)
Depreciation (Note 10)	(28,309)	(38,766)	(56,617)	(77,533)
Share-based compensation	(940,533)	(226,134)	(1,100,654)	(1,024,028))
	(2,064,563)	(1,013,255)	(3,108,139)	(2,572,359)
Other income (expense)				
Foreign exchange gain	885,863	12,095	312,170	165,065
Interest and finance expense (Note 15)	(1,027,791)	(1,470)	(1,061,759)	(3,799)
Interest income	178,885	219,863	568,642	389,512
Loss for the period	$ (6,359,344)	$ (782,767)	$ (7,620,824)	$ (2,021,581)
Other comprehensive loss				
Foreign currency translation adjustment	2,870,206	2,032,724	2,134,802	3,883,610
Comprehensive income (loss) for the period	$ (3,489,138)	$ 1,249,957	$ (5,486,022)	$ 1,862,029
Basic and diluted loss per share	$ (0.03)	$ (0.00)	$ (0.04)	$ (0.01)
Weighted average number of common shares outstanding				
Basic and diluted	206,317,388	173,769,893	206,317,388	173,769,893

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

		2023		2022
CASH FLOWS (USED IN) OPERATING ACTIVITIES				
Net loss for the period	$	(7,620,824)	$	(2,021,581)
Non-cash items:				
Foreign exchange (gain)		(312,170)		(165,065)
Depreciation		56,617		77,533
Interest and finance expense (Note 15)		1,061,759		3,799
Share-based payments		1,100,654		1,024,028
Changes in non-cash working capital items:				
Receivables		(1,563,319)		(1,431,787)
Prepaid expenses		154,823		(553,620)
Inventory		(5,849,724)		-
Accounts payable and accrued liabilities		1,142,984		53,621
		(11,829,200)		(3,013,072)
CASH FLOWS (USED IN) INVESTING ACTIVITIES				
Purchase of mineral property, plant and equipment		(25,648,011)		(3,884,010)
Exploration and evaluation asset expenditures		(2,245,017)		(14,833,749)
Short term investments		15,000,000		10,000,000
Deposits and other assets		252,810		(6,901,079)
		(12,640,218)		(15,618,838)
CASH FLOWS FROM FINANCING ACTIVITIES				
Cash proceeds from sale of shares – private placement		-		13,357,960
Share issuance costs on private placement		-		(1,207,584)
Proceeds from loan facility, net of debt issue costs		7,613,909		-
Cash proceeds on exercise of stock options		116,250		-
Payment of lease liability		(90,000)		(90,000)
		7,640,159		12,060,376
Effect of exchange rate changes on cash and cash equivalents		(115,367)		150,317
Change in cash and cash equivalents during the period		(16,944,626)		(6,421,217)
Cash and cash equivalents, beginning of the period		30,394,370		25,749,771
Cash and cash equivalents, end of the period	$	13,449,744	$	19,328,554

Supplementary cash flow information:				
Cash and cash equivalents consist of:				
Cash	$	13,449,744	$	11,328,554
Cash equivalents (redeemable short-term deposit certificates)		-		8,000,000
Non-cash transactions:				
Depreciation expense capitalized to exploration and evaluation assets	$	369,285	$	869,974
Share-based payments expense capitalized to mineral property, plant and equipment, and exploration and evaluation assets		178,909		675,137
Depreciation included in inventory		(414,458)		
Reclass from property, plant and equipment to inventory		(9,314,308)		
Share-based payments expense – share issuance costs		-		427,932
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		5,533,830		1,491,337

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, 2022	156,421,893	$ 164,315,701	$ 26,477,648	$ (59,481,661)	$ (1,261,609)	$ 130,050,079
Share-based payments – stock options	-	-	1,699,165	-	-	1,699,165
Private placement	17,348,000	13,357,960	-	-	-	13,357,960
Share issuance costs	-	(1,635,516)	427,932	-	-	(1,207,584)
Comprehensive loss for the period	-	-	-	(2,021,581)	3,883,610	1,862,029
Balance, December 31, 2022	173,769,893	$ 176,038,145	$ 28,604,745	$ (61,503,242)	$ 2,622,001	$ 145,761,649
Share-based payments – stock options	-	-	816,906	-	-	816,906
Private placement	32,475,348	29,689,800	-	-	-	29,689,800
Share issuance costs	-	(2,533,988)	512,682			(2,021,306)
Warrants issued as debt issue costs			5,194,866	-	-	5,194,866
Value of warrants issued in private placement	-	(3,815,500)	3,815,500	-	-	-
Comprehensive loss for the period	-	-	-	(887,970)	(3,502,684)	(4,390,654)
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

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 International Financial Reporting 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 $18,984,800. On February 14, 2024, the Company closed a market public offering (*Note 21(c)*), for gross proceeds of $12,075,000 and paid $724,500 of cash finders fees in relation to the Offering. 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. Examples include, but are not limited to, the COVID-19 global pandemic and political conflict in other regions. 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 issued by the International Accounting Standards Board ("IASB") and Interpretations of the International Financial Reporting Interpretations Committee ("IFRIC"). 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, 2023.

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

During the six months ended December 31, 2023, the Company expanded its material accounting policy on mineral property in development phase and mineral property in production phase as follows:

Mineral property - development phase
Once the technical feasibility and commercial viability of an exploration property has been determined, it is then considered to be a mine under development and is reclassified to mineral property. The carrying value of capitalized exploration and evaluation costs are tested for impairment before they are transferred to mineral property. All costs relating to the construction, installation, or completion of a mine that are incurred subsequent to the exploration and evaluation stage are capitalized to mineral property. The Company assesses the stage of each mine under development to determine when a property reaches the stage when it is in the condition for it to be capable of operating in a manner intended by management ("commercial production"). Determining when a mine has achieved commercial production is a matter of judgement.

Depending on the specific facts and circumstances, the following factors may indicate that commercial production has commenced:

- all major capital expenditures to bring the mine to the condition necessary for it to be capable of operating in the manner intended by management have been completed;
- the completion of a reasonable period of testing of the mine plant and equipment;
- the ability to produce saleable product;
- the mine or mill has reached a predetermined percentage of design capacity;
- mineral recoveries are at or near the expected production level; and
- the ability to sustain ongoing production of mineralized materials (i.e., the ability to continue to produce mineralized materials at a steady or increasing level).

Proceeds before intended use
Revenue from the sale of gold and silver ounces recovered before items of mineral property, plant, and equipment, such as the mine or process plant, are operating in the manner intended by management are recognized, along with related costs, in the consolidated statement of loss and comprehensive loss.

IAS 16, Property, Plant and Equipment - Proceeds Before Intended Use (effective for annual periods beginning on or after January 1, 2022). The amendment prohibits deducting from the cost of property, plant and equipment amounts received from selling items produced while preparing the asset for its intended use. Instead, a company will recognize such sale proceeds and related cost in profit or loss.

Mineral property - production phase
When management determines that a property is capable of commercial production, amortization of costs capitalized during development begins. Once a mineral property has been brought into commercial production, the costs of any additional work on that property are expensed as incurred, except for exploration and development programs which constitute a betterment, which will be deferred and amortized over the remaining useful life of the related assets. Mineral properties include decommissioning and restoration costs related to the reclamation of mineral properties. Mineral properties are derecognized upon disposal, or impaired when no future economic benefits are expected to arise from continued use of the asset or the carrying value of the cash generating unit exceeds its recoverable amount. Any gain or loss on disposal of the asset, determined as the difference between the proceeds received and the carrying amount of the asset is recognized in the statement of loss and comprehensive loss.

Mineral properties are amortized on the unit-of-production basis using the mineable ounces extracted from the mine in the period as a percentage of the total mineable ounces to be extracted in current and future periods based on mineral resources. Mineral properties are recorded at cost, net of accumulated depreciation and depletion and accumulated impairment losses and are not intended to represent future values. Recovery of capitalized costs is dependent on successful development of economic mining operations or the disposition of the related mineral property.

(Expressed in Canadian Dollars)

3. MATERIAL ACCOUNTING POLICIES (cont'd…)

Impairment of non-current assets
Non-current assets are tested for impairment when indicators of impairment are present. Calculating the estimated fair values of cash generating units for non-current asset impairment tests requires management to make estimates and assumptions with respect to future gold prices; future capital cost estimates; operating cost estimates; estimated mineral resources; and, the discount rate. Reductions in metal price forecasts; increases in estimated future costs of production; increases in estimated future non-expansionary capital expenditures; reductions in the amount of recoverable resources, and exploration potential; and/or adverse current economics can result in a write-down of the carrying amounts of the Company's non-current assets (*Note 5*).

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.

Property and equipment

Property and equipment is carried at cost less accumulated depreciation and accumulated impairment losses. Depreciation is recognized when the asset is available for its intended use, using the straight-line method at the following annual rates and Units of Production method ('UOP'):

Mill equipment	12.5% - 25% / UOP
Mineral property	UOP
Mine equipment	12.5% - 25%
Computers and office equipment	12.5% - 100%
Motor vehicles	18%
Buildings and equipment	2.5% - 25%

Depreciation of property and equipment related to exploration and evaluation activities is capitalized in exploration and evaluation costs. Depreciation related to general administration is expensed in office costs.

Inventories

Inventories include stockpiled mineralized materials, work-in-process, materials and supplies, and finished goods, and are measured at the lower of weighted average cost or net realizable value ("NRV"). For work-in-process and finished goods inventories, cost includes all direct costs incurred in production, including direct labour and materials, depreciation and depletion, and directly attributable overhead costs. NRV is calculated as the estimated price at the time of sale based on prevailing and long-term metal prices less estimated future costs to convert the inventories into saleable form, transportation costs, and estimated costs to sell.

Stockpiled mineralized materials represents mineralized materials that has been extracted from the mine and is available for further processing. Costs added to stockpiled mineralized materials inventory is based on current mining cost per ounce incurred up to the point of stockpiling the mineralized materials and are removed at the weighted average cost per ounce. Costs are included in work-in-process inventory based on current costs incurred up to the point prior to the refining process, including applicable depletion of mining interests, and removed at the weighted average cost per recoverable ounce of silver equivalent.

The average costs of finished goods represent the average costs of work-in-process inventory incurred prior to the refining process, plus applicable refining and transportation costs.

Work-in-process inventory includes inventory in the milling process, in tanks, and precipitates. Finished goods inventory includes metals in their final stage of production prior to sale, primarily doré at the mine site or in transit, and refined metal held at a refinery.

3. MATERIAL ACCOUNTING POLICIES (cont'd…)

Any write-downs of inventories to NRV are recorded as cost of sales. If there is a subsequent increase in the value of inventories, the previous write-downs to NRV are reversed to the extent that the related inventories have not been sold. Materials and supplies are measured at weighted average cost. Cost includes acquisition, freight, and other directly attributable costs. In the event that the NRV of the finished goods, the production of which the materials and supplies are held for use in, is lower than the expected cost of the finished product, the material and supplies are written down to their NRV.

Revenue recognition

The Company adopted the Amendments to *IAS 16 "Property, Plant, and Equipment"* during the perid ended December 31, 2023, pursuant to which proceeds from sales occurring before the Tuvatu Gold Project is operating in the manner intended by management should be recognized in the consolidated statement of loss and comprehensive loss, together with the costs of producing those items. The Company measured the costs of production, while the Tuvatu Mine was in commissioning, in accordance with *IAS 2 "Inventories"*.

The Company's primary source of revenue is the sale of refined gold and silver and its performance obligations are the delivery of refined gold and silver to its customer.

Revenue from the sale of metal is recognized when the buyer obtains control of the metal. When considering whether the Company has satisfied its performance obligations, it considers the indicators of the transfer of control, which include, but are not limited to, whether: the Company has a present right to payment; the customer has legal title to the metal; the Company has transferred physical possession of the metal to the customer; and, the customer has the significant risks and rewards of ownership of the metal. Revenue is recognized at the time when the risks and rewards of ownership and title transfers to the customer, which is when the Company irrevocably instructs the refinery to deliver the metals to the customer.

New accounting standards issued but not yet effective

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 not yet determined the impact that these amendments will have on the condensed interim consolidated financial statements.

4. SHORT TERM INVESTMENT

The short-term investment is comprised of guaranteed investment certificates issued by the Company's banking institutions.

(Expressed in Canadian Dollars)

5. MINERAL PROPERTY, PLANT AND EQUIPMENT

	Property, plant and equipment	Construction in progress (CIP)					Exploration and evaluation assets	
		Mill	Mine	Mill	Mine	Mineral property		Total
Acquisition costs								
Balance, June 30, 2022	$ -	$ -	$ -	$ -	$ -	$ -	$ 21,915,063	$ 21,915,063
Additions for the period	-	-	-	-	-	-	-	-
Balance, June 30, 2023						-	21,915,063	21,915,063
Transfer to mineral property	-	-	-	-	-	21,915,063	(21,915,063)	-
Balance, December 31, 2023	$ -	$ -	$ -	$ -	$ -	$ 21,915,063	$ -	$ 21,915,063
Costs								
Balance, June 30, 2022	$ 13,380,681	-	-	-	-	-	$ 57,225,982	$ 70,606,663
Additions for the period	22,072,051	-	-	-	-	-	46,108,229	68,180,280
Capitalized finance cost	829,518	-	-	-	-	-	1,412,422	2,241,940
Balance, June 30, 2023	36,282,250	-	-			-	104,746,633	141,028,883
Transfer to mineral property	-	-	-	20,670,883	10,375,320	55,594,767	(86,640,970)	-
Transfers to inventory	-	-	-	(4,126,224)	(172,639)	(5,429,903)	-	(9,728,766)
Additions for the period	2,509,082	18,023,448	10,645,829	-	-	6,422,181	2,929,820	40,530,360
Transfer from CIP		(14,493,733)	(8,813,455)	14,493,733	8,813,455	-	-	-
Capitalized finance cost	644,171	-	-	563,348	332,750	200,735	-	1,741,004
Balance, December 31, 2023	$ 39,435,503	$ 3,529,715	$ 1,832,374	$ 31,601,740	$ 19,348,886	$ 56,787,780	$ 21,035,483	$173,571,481
Cumulative translation								
Balance, June 30, 2022	$ (352,292)	$ -	$ -	$ -	$ -	$ -	$ (3,733,082)	$ (4,085,374)
Additions for the period	(140,515)	-	-	-	-	-	351,170	210,655
Balance, June 30, 2023	(492,807)	-	-			-	(3,381,912)	(3,874,719)
Transfer to mineral property	-	-	-	(543,220)	(273,505)	(2,046,721)	2,863,446	-
Foreign currency translation	590,453	136,837	52,507	561,881	252,551	121,667	677,855	2,393,751
Balance, December 31, 2023	$ 97,646	$ 136,837	$ 52,507	$ 18,661	$ (20,954)	$ (1,925,054)	$ 159,389	$ (1,480,968)
Accumulated depreciation								
Balance, June 30, 2022	$ 2,733,451	$ -	$ -	$ -	$ -	$ -	$ -	$ 2,733,451
Additions for the period	2,046,460	-	-	-	-	-	-	2,046,460
Cumulative translation	11,347	-	-	-	-	-	-	11,347
Balance, June 30, 2023	4,791,258	-	-	-	-	-	-	4,791,258
Additions for the period	1,838,764	-	-	-	-	-	-	1,838,764
Cumulative translation	83,225	-	-	-	-	-	-	83,225
Balance, December 31, 2023	$ 6,713,247	$ -	$ -	$ -	$ -	$ -	$ -	$ 6,713,247
Net book value								
As at June 30, 2023	$ 30,998,185	$ -	$ -	$ -	$ -	$ -	$123,279,784	$154,277,969
As at December 31, 2023	$ 32,819,902	$ 3,666,552	$ 1,884,881	$ 31,620,401	$ 19,327,932	$ 76,777,789	$ 21,194,872	$187,292,329

(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 ($1,581,296) (June 30, 2023 - FJD $2,700,000 ($1,591,712)) has been placed on deposit with the MRD. The SML is subject to annual lease payments of FJD$73,697 ($44,230).

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.

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 ($420,111) was paid upon acceptance of the Surface Lease agreement. In March 2019, the Company paid FJD$249,497 ($149,738) to the TLTB with FJD$50,503 ($30,310) remaining is due upon the first gold production from mining operations in Tuvatu. An additional lease payment of FJD$30,000 ($18,005) is payable per annum to the local communities for education and community development over the 21-year term of the Surface Lease agreement.

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	94,933	1,400,000	840,223
1296	Aug. 24, 2020	Aug. 23, 2025	158,180	94,933	1,600,000	960,254
1465	Mar. 5, 2022	Mar. 4, 2025	67,979	40,798	679,789	407,981
1512	May 14, 2019	May 13, 2024	633,223	380,034	15,333,305	9,202,421

Deposits

As at December 31, 2023, the Company paid $168,922 other deposits in Fiji (June 30, 2023 - $165,929).

Bonds

The SPL's require the posting of bonds as security against future reclamation obligations. As at December 31, 2023, the Company has bonds of $2,212,356 (June 30, 2023 - $2,191,588) held with the MRD pursuant to SML62 and the SPL's and an environmental bond $39,134 (June 30, 2023 – $38,440) 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, 2023	June 30, 2023
Mineralized materials	$ 169,854	$ -
Work-in-process	1,079,028	-
Finished goods	154,491	-
Materials and supplies	4,994,545	-
Total inventory	$ 6,397,918	$ -

7. LONG TERM DEBT

Financing Facility

a) Tranche 1

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 will be funded in up to 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$1,840,000 funded on January 3, 2024 ("Tranche 2") net of 2% closing fee and an additional US$4,000,000 available at Company's option in one further tranche ("Tranche 3") within 18 months of closing interest on Tranche 1 is 8% (plus three-month secured overnight financing rate, as administered by Federal Reserve Bank of New York "SOFR"), and amortization is on the maturity date 42 months from the closing date on August 8, 2026, with no closing fees payable. Tranches 2 and 3 funding are subject to an 8% original issue discount and interest is 10% plus SOFR, with progressive amortization over 42 months from the funding date, with closing fees equal to 2% of the amounts funded.

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) Tranche 1 loan facility 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 interest with respect to Tranche 1 will be capitalized and added to the principal amount outstanding of the Loan Facility from February 9, 2023 to March 31, 2024, with monthly interest payments beginning on March 31, 2024.

The Company received US$7,840,000 net of 2% closing fee from its Financing Facility ("Tranche 2"), which was comprised of US$6,000,000 ($7,935,600) received on December 29, 2023 and US$1,840,000 ($2,433,584) received on January 3, 2024. The interest with respect to Tranche 2 will be capitalized 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.

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.

(Expressed in Canadian Dollars)

7. LONG TERM DEBT (cont'd…)

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 deferred debt issue cost.

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 $17,127, a closing fee of $158,712 and a Original Issue Discount ("OID") fee of $690,052. During the period ended December 31, 2023, the Company recorded $145,852 transaction costs which are netted with the debt and amortized over the term of Tranche 2 on an effective interest basis.

During the period ended December 31, 2023, the Company amortized $212,812 (June 30, 2023 – $651,132) of deferred debt costs and recorded $2,517,511 (June 30, 2023 - $1,590,808). Of this amount accrued interest of $1,689,238 (June 30, 2023 - $1,590,808) and $51,765 (June 30, 2023 - $651,132) of accretion was capitalized to mineral property, plant and equipment (*Note 5*) and $Nils (June 30, 2023 - $1,412,422) to exploration and evaluation assets (*Note 5*). During the period ended December 31, 2023, the Company recorded $161,047 (June 30, 2023 - $Nil) of accretion and $828,272 (June 30, 2023 - $Nil) of interest to interest and finance expense.

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, 2023, the Company was in compliance with all covenants.

Loan Facility	December 31, 2023	June 30, 2023
Balance, beginning of the period	$ 25,349,166	$ -
Drawdown	7,935,600	30,909,700
Deferred debt costs incurred	(1,011,743)	(5,753,966)
Finance expense	161,047	
Deferred debt costs amortized	51,765	651,132
Foreign exchange gain	657,852	(457,700)
Total long-term debt, net of deferred debt costs	33,143,687	25,349,166
Non-current accrued interest	4,019,926	1,559,923
	$ 37,163,613	$ 26,909,089

(Expressed in Canadian Dollars)

7. LONG TERM DEBT (cont'd…)

Deferred Debt Cost		December 31, 2023		June 30, 2023
Balance, beginning of the period	$	(5,102,834)	$	-
Deferred debt costs incurred		(1,011,743)		(5,753,966)
Finance expense		161,047		-
Deferred debt costs amortized		51,765		651,132
Total deferred debt costs	$	(5,901,765)	$	(5,102,834)

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 December 31, 2023, the Company has assigned the carrying value of the Olary Creek property at $28,574 (June 30, 2023 - $27,981) to the value of the royalty interest, which has been 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, 2023, the estimated carrying value is $445,427 (June 30, 2023 - $445,427).

9. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

Accounts payable and accrued liabilities		December 31, 2023		June 30, 2023
Trade payables	$	4,343,640	$	3,204,261
Accrued liabilites		2,168,020		1,564,455
Payroll related liabilities		234,574		161,944
Balance, end of the period	$	6,746,234	$	4,930,660

(Expressed in Canadian Dollars)

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, 2023	June 30, 2023
Opening balance	$ 537,860	$ 116,300
Additions	-	566,168
Depreciation	(56,617)	(144,608)
	$ 481,243	$ 537,860

Lease liability

	December 31, 2023	June 30, 2023
Opening balance	$ (549,197)	$ (130,608)
Additions	-	(566,168)
Payments	90,000	180,000
Accreted interest	(53,425)	(32,421)
	$ (512,622)	$ (549,197)
Lease liability (current)	(84,987)	(76,963)
Lease liability (non-current)	(427,635)	(472,234)
	$ (512,622)	$ (549,197)

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	$180,000
More than four years	$45,000

11. RECLAMATION AND CLOSURE PROVISION

The Company has recorded a reclamation provision of $1,100,485 (June 30, 2023 - $676,688) 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, 2023. 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, 2023, total undiscounted estimated reclamation costs are approximately $981,000 (June 30, 2023 - $710,000).

	December 31, 2023	June 30, 2023
Balance, beginning of the period	$ 676,888	$ -
Increase in estimated cash flows resulting from current activities	392,574	676,688
Accretion	19,015	-
Effect of changes in foreign exchange rates	12,008	-
Balance, end of the period	$ 1,100,485	$ 676,688

(Expressed in Canadian Dollars)

12. REVENUE

The Company did not have any revenue prior to the quarter ended December 31, 2023, the Company had revenue of $1,306,090 from sale of 479 gold ounces and 50 silver ounces from one customer.

Revenue		December 31, 2023		December 31, 2022
Gold	$	1,304,477	$	-
Silver		1,613		-
Total revenue	$	1,306,090	$	-

13. COST OF SALES

The Company did not have any cost of sales prior to the quarter ended December 31, 2023, cost of sales were:

Cost of sales		December 31, 2023		December 31, 2022
Production costs	$	2,469,500	$	-
Refining and transportation costs		10,548		-
Royalties		19,104		-
	$	2,499,152	$	-
Inventory NRV adjustment		3,138,676		-
Total cost of sales	$	5,637,828	$	-

The Company provided an inventory net realizable value adjustment for $3,138,676 to reduce the work-in-process inventory by $2,779,297, finished goods by $261,034 and mineralized materials by $98,345.

14. GENERAL AND ADMINISTRATIVE

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

General and administrative		2023		2022
Professional fees	$	557,746	$	236,335
Office expenses		441,274		347,839
Investor relations		358,729		401,029
Management fees		160,000		130,000
Shareholder communications and filings		158,696		162,639
Travel		132,281		71,235
Licenses, dues, and insurance		71,068		73,192
Consulting fees		59,574		37,029
Director’s fees		11,500		11,500
Total general and administrative expenses	$	1,950,868	$	1,470,798

(Expressed in Canadian Dollars)

15. INTEREST AND FINANCE EXPENSE

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

Interest and finance	2023	2022
Accretion expense – Lease liability (Note 10)	$ 53,425	$ 3,799
Interest expense – Financing facility (Note 7)	828,272	-
Accretion expense – Deferred debt costs (Note 7)	161,047	-
Accretion expense - Reclamation and closure provision (Note 11)	19,015	-
Total interest and finance expense	$ 1,061,759	$ 3,799

16. SHARE CAPITAL AND RESERVES

a) Authorized share capital

Unlimited number of common shares without par value.

b) 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 16, 2022. 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, 2022	8,475,000	$ 1.15
Granted	4,540,000	1.25
Forfeited and expired	(1,876,667)	1.15
Balance, June 30, 2023	11,138,333	1.19
Granted	6,630,000	1.00
Exercised	(155,000)	0.75
Forfeited and expired	(658,334)	1.25
Balance, December 31, 2023	16,954,999	$ 1.12

The following stock options are outstanding and exercisable as at December 31, 2023:

	Number of Options Outstanding	Exercise price	Number of Options Exercisable	Expiry date
Stock Options	2,040,000	$ 0.75	2,040,000	March 1, 2024
	75,000	1.00	75,000	March 1, 2024
	1,800,000	1.50	1,800,000	June 3, 2025
	3,095,000	1.25	2,427,500	June 2, 2026
	3,314,999	1.25	2,376,663	September 3, 2027
	6,630,000	1.00	2,210,000	December 13, 2028
	16,954,999		10,929,163	

(Expressed in Canadian Dollars)

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

During the period ended December 31, 2023, the Company granted 6,630,000 (December 31, 2022 – 4,540,000) stock options. The weighted average fair value of options granted during the period was $0.43 per share (December 31, 2022 - $0.65). Total share-based payments recognized for the period ended December 31, 2023 was $1,279,563 (December 31, 2022 - $1,699,165) for incentive options granted and vested. Share-based payments expense of $1,100,654 (December 31, 2022 - $1,024,028) was recognized in the condensed interim consolidated statement of loss and comprehensive loss with the balance of $(8,730) (December 31,2022 – $675,137) capitalized to exploration and evaluation assets, $187,639 (2022 - $Nil) was recognized in mineral property, plant and equipment, which relates to employees and consultants working on the Tuvatu property.

c) Warrants

Warrant transactions are summarized as follows:

	Number of Warrants		Weighted Average Exercise Price	Expiry Date
Balance, June 30, 2022	-			
Warrants issued – Note 12(b)	8,674,000	$	1.05	September 28, 2025
Warrants issued – Note 12(b)	14,675,000		1.25	November 11, 2025
Warrants issued – Note 7	15,333,087		1.15	February 9, 2027
Balance, June 30, 2023	38,682,087			
Balance, December 31, 2023	38,682,087	$	1.17	

d) Compensation Options

The compensation options were issued from December 2022 and May 2023 private placements.

Compensation Options are summarized as follows:

	Number of Options		Weighted Average Exercise Price	Expiry Date
Balance, June 30, 2022	1,303,010	$	1.83	August 20, 2022
Expired	(1,303,010)		1.83	August 20, 2022
Issued	1,040,880		0.77	September 28, 2025
Issued	1,755,000		0.92	November 11, 2025
Balance outstanding and exercisable, June 30, 2023	2,795,880		0.86	
Balance outstanding and exercisable, December 31, 2023	2,795,880	$	0.86	

(Expressed in Canadian Dollars)

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:

		2023		2022
Payments to key management personnel:				
Cash compensation expensed to management fees, professional fees, investor relations, directors fees and consulting fees	$	466,500	$	355,211
Cash compensation capitalized to mineral property, plant and equipment and exploration and evaluation assets		287,260		260,000
Share-based payments		395,175		1,133,288

During the period ended December 31, 2023, the Company paid $90,000 (2022 - $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, 2023, the Company had a lease liability of $512,622 (June 30, 2023 – $549,197) due to Cabrera equal to the present value of office space lease payments over the term of the lease. The Company has a payable of $145,133 (June 30, 2023 – Nil)

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, 2023, the Company paid $93,609 (2022 - $128,990) 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 has a receivable of $8,260 (June 30, 2023 – receivable $6,590).

During the period ended December 31, 2023, the Company has a payable of $19,104 (2022 – $Nil) in royalty to Laimes Global, Inc, a company controlled by Walter Berukoff, the CEO and director of the Company.

During the period ended December 31, 2023, the Company paid professional fees of $21,174 (2022 - $16,057) 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, 2023, the Company had a payable of $3,960 (June 30, 2023 - $7,756).

During the period ended December 31, 2023, the Company has a payable of $5,750 to directors of the Company for directors fees (June 30, 2023 - $Nil)

18. SEGMENTED INFORMATION

The Company operates in one industry segment, the mineral exploration industry.

December 31, 2023		Fiji		Australia		Total
Exploration and evaluation assets	$	21,194,872	$	-	$	21,194,872
Other assets		-		28,574		28,574
Mineral property, plant and equipment		166,097,457		-		166,097,457
	$	187,292,329	$	28,574	$	187,320,903

(Expressed in Canadian Dollars)

18. SEGMENTED INFORMATION (cont'd…)

June 30, 2023	Fiji	Australia	Total
Exploration and evaluation assets	$ 123,279,784	$ -	$ 123,279,784
Other assets	-	27,981	27,981
Property and equipment	30,998,185	-	30,998,185
	$ 154,277,969	$ 27,981	$ 154,305,950

19. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

Financial instruments

Cash and cash equivalents, 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.

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 and cash equivalents, short term investments and receivables. The Company limits exposure to credit risk on liquid financial assets through maintaining its cash 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 receivable from the Government of Fiji. The Company 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. As at December 31, 2023, the Company had working capital of $18,984,800.

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 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-

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

b) Foreign currency risk

The Company's property exploration work occurs in Fiji and is conducted in Canadian dollars and Fijian 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.

As at December 31, 2023, the Company's net foreign denominated financial assets (liabilities) are as follows:

	Foreign currency	Canadian dollar equivalent
Australian Dollar	(480,040)	(432,085)
Fijian Dollar	2,823,705	1,694,672
USD Dollar	(25,867,946)	(34,213,055)

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, 2023	June 30, 2023
+ 5%	$ 1,647,408	$ 1,042,960
- 5%	(1,647,408)	(1,042,960)

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.

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 $170,961,052 (June 30, 2023 - $175,051,261). 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, 2023.

21. SUBSEQUENT EVENT

a) Loan facility

On January 3, 2024, the Company received US$1,840,000 ($2,433,584) net of 2% closing fee from its Financing Facility, from the Tranche 2 loan facility.

b) Stock option

On January 18, 2024 the Company granted stock options to an officer of the Company to purchase up to an aggregate of 500,000 common shares of the Company. The stock options are exercisable at $1.00 per share and expire 5 years from the date of grant.

c) Market public offering

On February 14, 2024, the Company closed a market public offering, offering of 24,150,000 units at a price of $0.50 per unit for gross proceeds of $12,075,000 (the "Offering"). Each unit consists of a common share of the Company and one common share purchase warrant. Each whole common share purchase warrant, may be exercised to purchase a common share purchase at a price of $0.65 for a period of 36 months following the closing date of the Offering.

The Company will issue 1,449,000 compensation warrants (the "CO") to the Underwriters. Each CO is exercisable to purchase a common share at a price of $0.65 for a period of 36 months following the closing date of the Offering. The Company will pay $724,500 of cash finders fees in relation to the Offering.