LION ONE METALS LIMITED

CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in Canadian Dollars)

FOR THE YEAR ENDED JUNE 30, 2024

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of
Lion One Metals Ltd.

Opinion

We have audited the accompanying consolidated financial statements of Lion One Metals Ltd. (the "Company"), which comprise the consolidated statements of financial position as at June 30, 2024 and 2023, and the consolidated statements of loss and comprehensive loss, changes in shareholders' equity, and cash flows for the years then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of the Company as at June 30, 2024 and 2023, and its financial performance and its cash flows for the years then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained in our audit is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current year ended. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Assessment of Impairment of the Tuvatu Gold Project

As described in Note 5 to the consolidated financial statements, the carrying amount of the Company's Tuvatu mine, mill, mineral property and related plant and equipment (collectively the "Tuvata Gold Project") was $150,333,840 as at June 30, 2024. As more fully described in Note 3 to the consolidated financial statements, the Company determines the Tuvatu Gold Project's technical feasibility and commercial viability had been demonstrated; accordingly effective September 30, 2023, the Company reclassified capitalized costs from exploration and evaluation costs to mineral property and tested for impairment as at September 30, 2023 and determined that the recoverable amount was lower than the carrying amount of the Tuvatu Gold Project and recognized an impairment loss. Additionally, the Company is required to assess whether impairment indicators are identified for these assets at the end of each reporting period, and if so, management tests for impairment. The Company is also required to assess at the end of each reporting period if there is an indication that there has been a change in the estimates used to determine the recoverable amount, and if so, management is to reverse the impairment charge to the extent that the assets' carrying amount does not exceed the carrying amount that would have been determined, net of depletion and depreciation if no impairment loss had been recognized. The Company determined that there has been a significant increase in the forecasted gold price which was used to determine the recoverable amount; as such management calculated the recoverable amount of the Tuvatu Gold Project and reversed the impairment charge previously recognized at September 30, 2023.

The test for impairment of the Tuvata Gold Project necessitates the determination of the recoverable amount of the combined components of the cash generating unit ("CGU") to which the Tuvata Gold Project belongs. The recoverable amount is the higher of value in use and fair value less costs to sell and requires management judgement and estimation on key internal variable inputs and external market conditions such as: estimated recoverable resources, mine life, future metal prices, operating costs, and discount rates for net present value calculations.

The principal considerations for our determination that the assessment of impairment of the Tuvata Gold Project is a key audit matter are that potential variances between management's assumptions and estimations, and the market conditions, including contract and title renewal, could have a material effect in the future on the Company's financial position and results of operations. This in turn led to a high degree of auditor judgment, subjectivity and effort in performing procedures to evaluate audit evidence relating to the judgments made by management in their assessment of the impairment test for the Tuvata Gold Project.

Addressing the matter involved performing procedures and evaluating audit evidence in connection with forming our overall opinion on the consolidated financial statements. These procedures include, among others:

- Evaluating management's assessment of impairment and impairment reversal indicators.
- Evaluating the appropriateness of the discounted cash flow model ("DCF") on the CGU related to the Tuvata Gold Project, including engaging our internal valuation experts to assess appropriateness of the model.
- Testing the completeness and accuracy of underlying data and significant assumptions of the DCF, including assessment of discount rate, and evaluating the consistency with external market and industry data for future commodity prices, operating costs and capital expenditures, and reserve estimates.
- Evaluating the resource estimation, including engaging an expert to assess the appropriateness of the Company's estimate.

Assessment of Impairment Indicators of Exploration and Evaluation Assets ("E&E Assets")

As described in Note 5 to the consolidated financial statements, the carrying amount of the Company's E&E Assets was $35,009,969 as of June 30, 2024. As more fully described in Note 3 to the consolidated financial statements, management assesses E&E Assets for indicators of impairment at each reporting period.

The principal considerations for our determination that the assessment of impairment indicators of the E&E Assets is a key audit matter are that there was judgment made by management when assessing whether there were indicators of impairment for the E&E Assets, specifically relating to the assets' carrying amount which is impacted by the Company's intent and ability to continue to explore and evaluate these assets. This in turn led to a high degree of auditor judgment, subjectivity, and effort in performing procedures to evaluate audit evidence relating to the judgments made by management in their assessment of indicators of impairment that could give rise to the requirement to prepare an estimate of the recoverable amount of the E&E Assets.

Addressing the matter involved performing procedures and evaluating audit evidence in connection with forming our overall opinion on the consolidated financial statements. Our audit procedures included, among others:

- Evaluating management's assessment of impairment indicators.
- Evaluating the intent for the E&E Assets through discussion and communication with management.
- Reviewing the Company's recent expenditure activity and expenditure budgets for future periods.
- Obtaining confirmation from the government agency that mineral rights for the E&E Assets are in good standing.

Other Information

Management is responsible for the other information. The other information obtained at the date of this auditor's report includes Management's Discussion and Analysis.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We obtained Management's Discussion and Analysis prior to the date of this auditor's report. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current year ended and are therefore the key audit matters. We describe these matters in our auditor’s report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor’s report is Catherine Tai.

Davidson & Company LLP

Vancouver, Canada | Chartered Professional Accountants

September 30, 2024

LION ONE METALS LIMITED
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
(Expressed in Canadian Dollars)
AS AT JUNE 30

	2024	2023
ASSETS		
Current		
Cash and cash equivalents	$ 6,731,873	$ 30,394,370
Short term investment (Note 4)	-	15,000,000
Receivables	6,966,281	3,741,179
Inventory (Note 6)	12,865,099	-
Prepaid expenses	626,245	1,296,152
	27,189,498	50,431,701
Non-current assets		
Right-of-use asset (Note 10)	424,626	537,860
Deposits (Note 5)	2,484,682	2,395,957
Other assets (Note 8)	445,427	473,408
Mineral property, plant and equipment (Note 5, 17)	150,333,840	30,998,185
Exploration and evaluation asset (Note 5, 17)	35,009,969	123,279,784
	$ 215,888,042	$ 208,116,895
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current		
Accounts payable and accrued liabilities (Note 9, 17)	$ 6,594,561	$ 4,930,660
Lease liability (Note 10, 17)	93,848	76,963
	6,688,409	5,007,623
Non-current liabilities		
Loan facility (Note 7)	37,634,301	25,349,166
Accrued interest – loan facility (Note 7)	4,829,092	1,559,923
Lease liability (Note 10, 17)	378,386	472,234
Reclamation and closure provision (Note 11)	1,132,300	676,688
	50,662,488	33,065,634
Shareholders' equity		
Share capital (Note 7, 16)	210,257,725	199,378,457
Reserves (Note 16)	41,359,397	38,944,699
Accumulated other comprehensive income (loss)	3,336,382	(880,683)
Deficit	(89,727,950)	(62,391,212)
	165,225,554	175,051,261
	$ 215,888,042	$ 208,116,895

Nature of operations (Note 1)
Subsequent events (Note 22)

Approved and authorized by the Board on September 30, 2024:

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

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

LION ONE METALS LIMITED
CONSOLIDATED STATEMENTS OF LOSS AND COMPREHENSIVE LOSS
(Expressed in Canadian Dollars)
FOR THE YEAR ENDED JUNE 30

		2024		2023
Revenue (Note 12)	$	14,751,486	$	-
Cost of sales (Note 13)		(31,141,053)		-
Mine operating loss		(16,389,567)		-
Expenses				
General and administrative (Note 14)		(3,885,501)		(3,162,313)
Depreciation (Note 10)		(113,234)		(144,608)
Share-based compensation (Note 16)		(1,837,606)		(1,439,910)
		(5,836,341)		(4,746,831)
Other income (expense)				
Foreign exchange gain / (loss)		(841,186)		722,577
Interest and finance expense (Note 15)		(5,045,560)		(32,421)
Write down of other assets (Note 8)		(28,262)		-
Other expenses		(95,938)		-
Interest income		900,116		1,147,124
Loss for the year	$	(27,336,738)	$	(2,909,551)
Other comprehensive loss				
Foreign currency translation adjustment		4,217,065		380,926
Comprehensive income (loss) for the year	$	(23,119,673)	$	(2,528,625)
Basic and diluted loss per share	$	(0.13)	$	(0.02)
Weighted average number of common shares outstanding				
Basic and diluted		215,398,342		167,571,122

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

LION ONE METALS LIMITED
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Expressed in Canadian Dollars)
FOR THE YEAR ENDED JUNE 30

		2024		2023
CASH FLOWS (USED IN) OPERATING ACTIVITIES				
Net loss for the year	$	(27,336,738)	$	(2,909,551)
Non-cash items:				
Foreign exchange loss (gain)		841,186		(722,577)
Depreciation (Note 10)		113,234		144,608
Cost depreciation (Note 13)		5,239,770		-
Write down exploration asset (Note 8) and other expenses		124,200		-
Interest and finance expense (Note 15)		2,680,026		32,421
Share-based payments		1,837,606		1,439,910
Changes in non-cash working capital items:				
Receivables		(3,180,456)		(2,839,830)
Prepaid expenses		126,771		(683,335)
Inventory		(7,410,393)		-
Accounts payable and accrued liabilities		309,297		(82,441)
		(26,655,497)		(5,620,795)
CASH FLOWS (USED IN) INVESTING ACTIVITIES				
Purchase of mineral property, plant and equipment		(31,304,710)		(3,049,392)
Exploration and evaluation asset expenditures		(5,239,222)		(37,556,608)
Short term investment		15,000,000		(5,000,000)
Deposits and other assets		214,936		(14,484,435)
		(21,328,996)		(60,090,435)
CASH FLOWS FROM FINANCING ACTIVITIES				
Cash proceeds from sale of shares – private placement		12,075,000		43,047,760
Share issuance costs on private placement		(1,077,831)		(3,228,890)
Proceeds from loan facility, net of debt issue costs		10,012,503		29,892,900
Cash proceeds on exercise of stock options		116,250		-
Payment of lease liability		(180,000)		(180,000)
		20,945,922		69,531,770
Effect of exchange rate changes on cash and cash equivalents		3,376,074		824,059
Change in cash and cash equivalents during the year		(23,662,497)		4,644,599
Cash and cash equivalents, beginning of the year		30,394,370		25,749,771
Cash and cash equivalents, end of the year	$	6,731,873	$	30,394,370
Supplementary cash flow information:				
Cash and cash equivalents consist of:				
Cash	$	6,731,873	$	30,394,370
Non-cash transactions:				
Depreciation expense capitalized to exploration and evaluation assets	$	755,853	$	2,046,460
Right of use asset recognized upon accounting policy change		-		566,168
Share-based payments expense capitalized to exploration and evaluation assets		342,941		1,076,161
Depreciation included in inventory		904,521		-
Reclass from property, plant and equipment to inventory		8,824,246		-
Reclass from exploration and evaluation assets to mineral property assets		94,940,722		-
Share-based payments expense – share issuance costs		282,325		940,614
Capitalized interest and accretion expense – loan facility		1,564,703		2,241,940
Change in reclamation and closure provision		397,487		676,688
Reallocation of deposits to property and equipment		-		19,022,659
Stock option exercised – fair value		48,174		-
Deferred debt costs warrants – loan facility		-		5,194,866
Value of warrants issued in private placement		-		3,815,500
Accounts payable and accrued liabilities in mineral property assets		6,215,709		4,866,645

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

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

	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	-	-	2,516,071	-	-	2,516,071
Private placement	49,823,348	43,047,760	-	-	-	43,047,760
Share issuance costs	-	(4,169,504)	940,614			(3,228,890)
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 year	-	-	-	(2,909,551)	380,926	(2,528,625)
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			2,180,547	-	-	2,180,547
Private placement	24,150,000	12,075,000				12,075,000
Share issuance costs		(1,360,156)	282,325			(1,077,831)
Exercise of stock options	155,000	164,424	(48,174)	-	-	116,250
Comprehensive loss for the year	-	-	-	(27,336,738)	4,217,065	(23,119,673)
Balance, June 30, 2024	230,550,241	$ 210,257,725	$ 41,359,397	$ (89,727,950)	$ 3,336,382	$ 165,225,554

The accompanying notes are an integral part of these 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 consolidated financial statements are presented in Canadian dollars.

These consolidated financial statements have been prepared in accordance with IFRS Accounting Standards 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 $20,501,089 . On July 26, 2024 (*Note 22)*, the Company closed a market public offering, offering of 31,485,379 units at a price of $0.37 per unit for gross proceeds of $11,649,590. 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 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 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 consolidated financial statements, including comparatives, have been prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board ("IASB") and Interpretations of the International Financial Reporting Interpretations Committee ("IFRIC").

The 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.

Basis of consolidation

These 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 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…)

Use of Critical Judgments and Estimates

The preparation of these 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.

Critical judgments in applying accounting policies

Assessment of impairment indicators of non-current assets

Management assesses whether any indication of impairment exists at the end of each reporting period or when a triggering event is identified. Judgment is required in assessing whether certain factors would be considered an indicator of impairment. Management considers both internal and external information to determine whether there is an indicator of impairment and, accordingly, whether impairment testing is required.

Functional currencies

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

Going concern

These consolidated financial statements have been prepared on a going concern basis which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future. If the going concern assumptions were not appropriate for these consolidated financial statements, then adjustments would be necessary in the carrying value of assets and liabilities, the reported expenses and the consolidated statements of financial position.

Key sources of estimation uncertainty

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:

Impairment of non-current assets

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.

Income taxes

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.

2. BASIS OF PREPARATION (cont'd…)

Use of Critical Judgments and Estimates (cont'd…)

Share-based payments

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.

Inventory

Stockpiled mineralized materials, work-in-process inventory, 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. The Company allocates mining costs between capital mine development activities and operating activities on a monthly basis, by using capital and operating meters advanced and ore tonnes and waste tonnes mined ore as a basis to allocate.

3. MATERIAL ACCOUNTING POLICY INFORMATION

Foreign exchange

Transactions in currencies other than an entity's functional currency are recorded at exchange rates prevailing on the dates of the transactions. At the end of each reporting period, monetary assets and liabilities of the Company that are denominated in foreign currencies are translated at the period end exchange rate while non-monetary assets and liabilities are translated at historical rates. Revenues and expenses are translated at the exchange rates approximating those in effect on the date of the transactions. Exchange gains and losses arising on translation are included in profit or loss.

On translation of the entities whose functional currency is other than the Canadian dollar, revenues and expenses are translated at the exchange rates approximating those in effect on the date of the transactions. Assets and liabilities are translated at the rate of exchange at the reporting date. Exchange gains and losses, including results of re-translation, are recorded in other comprehensive loss.

Financial instruments

<u>Classification</u>
The Company classifies its financial instruments in the following categories: at fair value through profit and loss ("FVTPL"), at fair value through other comprehensive income (loss) ("FVTOCI"), or at amortized cost. The Company determines the classification of financial assets at initial recognition. The classification of debt instruments is driven by the Company's business model for managing the financial assets and their contractual cash flow characteristics. Equity instruments that are held for trading are classified as FVTPL. For other equity instruments, on the day of acquisition the Company can make an irrevocable election (on an instrument-by-instrument basis) to designate them as at FVTOCI. Financial liabilities are measured at amortized cost, unless they are required to be measured at FVTPL (such as instruments held for trading or derivatives) or the Company has opted to measure them at FVTPL.

The Company classifies its cash and cash equivalents, short term investments, receivables, deposits, accounts payable and accrued liabilities, lease liability, loan facility and related accrued interest as financial instruments at amortized cost.

<u>Measurement</u>
Financial assets and liabilities at amortized cost are initially recognized at fair value plus or minus transaction costs, respectively, and subsequently carried at amortized cost less any impairment.

Financial assets and liabilities carried at FVTPL are initially recorded at fair value and transaction costs are expensed in profit or loss. Realized and unrealized gains and losses arising from changes in the fair value of the financial assets and liabilities held at FVTPL are included in the consolidated statements of comprehensive loss in the period in which they arise.

3. MATERIAL ACCOUNTING POLICY INFORMATION (cont'd…)

Impairment of financial assets at amortized cost
An 'expected credit loss' impairment model applies which requires a loss allowance to be recognized based on expected credit losses. The estimated present value of future cash flows associated with the asset is determined and an impairment loss is recognized for the difference between this amount and the carrying amount as follows: the carrying amount of the asset is reduced to estimated present value of the future cash flows associated with the asset, discounted at the financial asset's original effective interest rate, either directly or through the use of an allowance account and the resulting loss is recognized in profit or loss for the year.

Derecognition

Financial assets
The Company derecognizes financial assets only when the contractual rights to cash flows from the financial assets expire, or when it transfers the financial assets and substantially all of the associated risks and rewards of ownership to another entity. Gains and losses on derecognition are generally recognized in the consolidated statements of loss and comprehensive loss.

Mineral property, plant and equipment

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.

3. MATERIAL ACCOUNTING POLICY INFORMATION (cont'd…)

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.

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, plant 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.

Mineral properties – exploration and evaluation assets

Pre-exploration costs are expensed as incurred.

Costs directly related to the acquisition of and expenditures for exploration and evaluation of mineral properties are capitalized once the legal rights to explore the mineral properties are acquired or obtained. When the technical and commercial viability of a mineral resource have been demonstrated and a development decision has been made, the capitalized costs of the related property are first tested for impairment and then transferred to mining assets and depreciated using the units of production method on commencement of commercial production.

The carrying values of capitalized amounts are reviewed annually or when indicators of impairment are present. In the case of undeveloped properties these may be only inferred resources to allow management to form a basis for the impairment review. The review is based on the intentions for the development of such a property. If it is determined that capitalized acquisition, exploration and evaluation costs are not recoverable, or the property is abandoned or management has determined an impairment in value, the property is written down to its recoverable amount

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*).

(Expressed in Canadian Dollars)

3. MATERIAL ACCOUNTING POLICY INFORMATION (cont'd…)

Impairment of non-current assets (cont'd…)

During 2024, the Company performed an impairment test of the carrying value of the Tuvatu Gold Project (Note 5). The key assumptions used to determine the fair value of the property were:

September 30, 2023 Impariment test:

-
- Gold prices of USD $1,923 per ounce to USD $2,248 per ounces from 2024 to 2029
- Initial capital costs of $112 million;
- Sustaining capital costs of $33 million;
- Operating costs of $195 million;
- Dore production of 213,000 ounces gold equivalent ("AuEq") ounces, and metal recovery values of 91% gold);
- A discount rate of 19.8%.

June 30, 2024 Impariment test:

- Gold prices of USD $2,342 per ounce to USD $2,686 per ounces from 2024 to 2029
- Initial capital costs of $112 million;
- Sustaining capital costs of $33 million;
- Operating costs of $201 million;
- Dore production of 213,000 ounces gold equivalent ("AuEq") ounces, and metal recovery values of 91% gold);
- A discount rate of 19.8%.

Summary	September 30, 2023	June 30, 2024
Recoverable Amount	$ 87,753,000	$ 166,686,700
Carrying Value	(138,436,584)	(149,201,540)
Headroom (Impairment)	$ (50,683,284)	$ 17,485,160

An impairment loss is reversed if there is an indication that there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depletion or amortization, if no impairment loss had been recognized. An impairment loss with respect to goodwill is never reversed.

Provision for environmental rehabilitation

The Company recognizes liabilities for legal or constructive obligations associated with the retirement of mineral properties and equipment. The net present value of future rehabilitation costs is capitalized to the related asset along with a corresponding increase in the rehabilitation provision in the period incurred. Discount rates using a pre-tax rate that reflect the time value of money are used to calculate the net present value. The Company's estimates of reclamation costs could change as a result of changes in regulatory requirements, discount rates and assumptions regarding the amount and timing of the future expenditures. These changes are recorded directly to the related assets with a corresponding entry to the rehabilitation provision.

3. MATERIAL ACCOUNTING POLICY INFORMATION (cont'd…)

Leases

The Company assesses whether a contract is or contains a lease, at the inception of a contract. The Company recognizes a right-of-use ("ROU") asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, at the commencement of the lease, with the following exceptions: (i) the Company has elected not to recognize ROU assets and liabilities for leases where the total lease term is less than or equal to 12 months, or (ii) for leases of low value. The payments for such leases are recognized in either the consolidated statement of financial position or the consolidated statement of loss and comprehensive loss on a straightline basis over the lease term.

The ROU asset is initially measured based on the present value of lease payments, lease payments made at or before the commencement day, and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses. The ROU asset is depreciated over the shorter of the lease term or the useful life of the underlying asset. The ROU asset is subject to testing for impairment if there is an indicator of impairment.

The lease liability is initially measured at the present value of lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Company uses its incremental borrowing rate. Lease payments include fixed payments less any lease incentives, and any variable lease payments where variability depends on an index or rate. When the lease contains an extension or purchase option that the Company considers reasonably certain to be exercised, the cost of the option is included in the lease payments.

Variable lease payments that do not depend on an index or rate are not included in the measurement of the ROU asset and lease liability. The related payments are recognized as an expenditure in the period in which the triggering event occurs and are included in either the consolidated statement of financial position or the consolidated statement of loss and comprehensive loss.

Share capital

Financial instruments issued by the Company are classified as equity only to the extent that they do not meet the definition of a financial liability or financial asset. The Company's common shares, warrants and options are classified as equity instruments. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction from the proceeds.

Equity financing transactions may involve issuance of common shares or units. A unit comprises a certain number of common shares and a certain number of share purchase warrants. Depending on the terms and conditions of each equity financing agreement, the warrants are exercisable into additional common shares prior to expiry at a price stipulated by the agreement. Warrants that are part of units are assigned value based on the residual value method and included in share capital with the common shares that were concurrently issued. Warrants that are issued as payment for agency fees or other transactions costs are accounted for as share-based payments.

Share-based payments

The Company accounts for stock options granted to directors, officers, employees and non-employees at fair value. Accordingly, the fair value of the options at the date of the grant is determined using the Black-Scholes option pricing model and share-based compensation is accrued and charged to profit or loss or exploration and evaluation assets, with an offsetting credit to share-based payment reserve, over the vesting periods. The fair value of stock options granted to non-employees is re-measured at the earlier of each financial reporting or vesting date, and any adjustment is charged or credited to profit or loss or exploration and evaluation assets upon re-measurement. The number of shares and options expected to vest is reviewed and adjusted at the end of each reporting period such that the amount recognized for services received as consideration for the equity instruments granted shall be based on the number of equity instruments that eventually vest. If and when the stock options are exercised, the applicable amounts of equity reserves are transferred to share capital. The expected price volatility is based on the historic volatility (based on the remaining life of the options), adjusted for any expected changes to future volatility due to publicly available information.

3. MATERIAL ACCOUNTING POLICY INFORMATION (cont'd…)

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 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 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.

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.

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 year ended June 30, 2024, 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 metals are delivered to the refinery.

Earnings (loss) per share

Basic earnings (loss) per share is computed by dividing net earnings (loss) available to common shareholders by the weighted average number of shares outstanding during the reporting period. Diluted earnings (loss) per share is computed similar to basic earnings (loss) per share except that the weighted average shares outstanding are increased to include additional shares for the assumed exercise of stock options and warrants, if dilutive. The number of additional shares is calculated by assuming that outstanding stock options and warrants were exercised and that the proceeds from such exercises were used to acquire common stock at the average market price during the reporting periods.

3. MATERIAL ACCOUNTING POLICY INFORMATION (cont'd…)

Income taxes

Income tax expense comprises current and deferred tax. Income tax is recognized in profit or loss except to the extent that it relates to items recognized directly in equity. Current tax expense is the expected tax payable on taxable income for the year, using tax rates enacted or substantively enacted at period end, adjusted for amendments to tax payable with regards to previous years.

Deferred tax is recorded for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Temporary differences are not provided for relating to goodwill not deductible for tax purposes, the initial recognition of assets or liabilities that affect neither accounting or taxable loss, and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the statement of financial position date. A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized. To the extent that the Company does not consider it probable that a deferred tax asset will be recovered the deferred tax asset is not recognized.

Debt and borrowing costs

Debt is initially recognized at fair value, net of any transaction costs, and subsequently carried at amortized cost.

- Borrowing costs that are directly attributable to the acquisition, construction, or production of a qualifying asset are capitalized as part of the cost of that asset until the asset is substantially complete and ready for its intended use. All other borrowing costs are expensed as incurred.

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 consolidated financial statements.

IFRS 18, Presentation and Disclosure in Financial Statements

IFRS 18 is effective for reporting periods beginning on or after January 1, 2027. It introduces several new requirements that are expected to impact the presentation and disclosure of most, if not all, entities. These include: The requirement to classify all income and expense into specified categories and provide specified totals and subtotals in the statement of profit or loss. Enhanced guidance on the aggregation, location and labeling of items across the primary financial statements and the notes. Mandatory disclosures about management-defined performance measures (a subset of alternative performance measures). The Company has not yet determined the impact that these amendments will have on the 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	Mineral property		Total
Acquisition costs							
Balance, June 30, 2022	$ -	$ -	$ -	$ -	$ -	$ 21,915,063	$ 21,915,063
Additions for the year	-	-	-	-	-	-	-
Balance, June 30, 2023					-	21,915,063	21,915,063
Transfer to mineral property	-	-	-	-	11,163,198	(11,163,198)	-
Balance, June 30, 2024	$ -	$ -	$ -	$ -	$ 11,163,198	$ 10,751,865	$ 21,915,063
Costs							
Balance, June 30, 2022	$ 13,380,681	-	-	-	-	$ 57,225,982	$ 70,606,663
Additions for the year	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
Transfers to mineral property	-	20,670,883	10,375,320	-	55,594,767	(86,640,970)	-
Transfers 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
Balance, June 30, 2024	$ 42,191,815	$ 2,311,309	$ 23,133,127	$ 26,268,630	$ 56,042,104	$ 24,457,524	$174,404,509
Cumulative translation							
Balance, June 30, 2022	$ (352,292)	$ -	$ -	$ -	$ -	$ (3,733,082)	$ (4,085,374)
Additions for the year	(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	1,074,375	327,922	1,228,398	882,968	729,138	319,046	4,561,847
Balance, June 30, 2024	$ 581,568	$ (215,298)	$ 954,893	$ 882,968	$ (1,317,583)	$ (199,420)	$ 687,128
Accumulated depreciation							
Balance, June 30, 2022	$ 2,733,451	$ -	$ -	$ -	$ -	$ -	$ 2,733,451
Additions for the year	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 year	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	$ -	$ 11,662,291
Net book value							
As at June 30, 2023	$ 30,998,185	$ -	$ -	$ -	$ -	$ 123,279,784	$154,277,969
As at June 30, 2024	$ 33,446,322	$ 2,096,011	$ 24,070,102	$ 24,838,727	$ 65,883,133	$ 35,009,969	$185,343,809

(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 ($1,559,210) (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 ($44,731).

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 ($413,813) was paid upon acceptance of the Surface Lease agreement. In March 2019, the Company paid FJD$249,497 ($147,493) to the TLTB with FJD$50,503 ($29,855) remaining is due upon the first gold production from mining operations in Tuvatu. An additional lease payment of FJD$30,000 ($17,735) 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. In May 2024, the Company submitted the SPL1512 renewal application in accordance with statutory requirements and renewal is pending.

SPL	Issued	Expiry Date	Bond (Fijian $)	Bond (Canadian $)	Expenditure Requirement (Fijian $)	Expenditure Requirement (Canadian $)
1283	Aug. 24, 2020	Aug. 23, 2025	158,180	96,009	1,400,000	849,741
1296	Aug. 24, 2020	Aug. 23, 2025	158,180	96,009	1,600,000	971,133
1465	Mar. 5, 2022	Mar. 4, 2025	67,979	41,260	679,789	412,603
1512	May 14, 2019	May 13, 2024	633,223	384,340	15,333,305	9,306,672

The Company is in the process of renewing SPL 1512.

Deposits

As at June 30, 2024, the Company paid $228,278 other deposits in Fiji (June 30, 2023 - $165,929).

(Expressed in Canadian Dollars)

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

Bonds

The SPL's require the posting of bonds as security against future reclamation obligations. As at June 30, 2024, the Company has bonds of $2,216,827 (June 30, 2023 - $2,191,588) held with the MRD pursuant to SML62 and the SPL's and an environmental bond $39,577 (June 30, 2023 – $38,440) held with the Ministry of Environment. These are recorded as Deposits on the consolidated statements of financial position.

6. INVENTORY

The Company's inventory comprised of the following:

	2024	2023
Mineralized materials	$ 789,824	$ -
Work-in-process	3,094,988	-
Finished goods	1,335,243	-
Materials and supplies	7,645,044	-
Total inventory	$ 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 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$2,000,000 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 June 30, 2024, with first and second quarterly interest US $1,739,997 ($2,365,535) paid in March 2024 and June 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$2,000,000 ($2,671,200) received on January 3, 2024. The Company recorded the Original Issue Discount ("OID") fee of $944,000 to the principal. The interest with respect to Tranche 2 will 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.

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.

7. LONG TERM DEBT (cont'd…)

(Expressed in Canadian Dollars)

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 $186,132, a closing fee of $213,696 and an Original Issue Discount ("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.

During the year ended June 30, 2024, the Company amortized $895,627 (June 30, 2023 – $651,132) of deferred debt costs and recorded $5,573,487 of interest expense. (June 30, 2023 - $1,590,808). Of this amount accrued interest of $1,512,938 (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 $Nil (June 30, 2023 - $1,412,422) to exploration and evaluation assets (*Note 5*). During the year ended June 30, 2024, the Company recorded $843,862 (June 30, 2023 - $Nil) of accretion and $4,060,549 (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 June 30, 2024, the Company was in compliance with all covenants.

Loan Facility	2024	2023
Balance, beginning of the period	$ 25,349,166	$ -
Drawdown	11,550,800	30,909,700
Deferred debt costs incurred	(1,538,297)	(5,753,966)
Deferred debt costs amortized	895,627	651,132
Foreign exchange gain (loss)	1,377,005	(457,700)
Total long-term debt, net of deferred debt costs	37,634,301	25,349,166
Non-current accrued interest	4,829,092	1,559,923
	$ 42,463,393	$ 26,909,089

7. LONG TERM DEBT (cont'd…)

(Expressed in Canadian Dollars)

Deferred Debt Cost		2024		2023
Balance, beginning of the period	$	(5,102,834)	$	-
Deferred debt costs incurred		(1,538,297)		(5,753,966)
Deferred debt costs amortized		895,627		651,132
Total deferred debt costs	$	(5,745,504)	$	(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 year 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 June 30, 2024, the estimated carrying value is $445,427 (June 30, 2023 - $445,427).

9. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

Accounts payable and accrued liabilities		2024		2023
Trade payables	$	4,914,768	$	3,204,261
Accrued liabilities		1,351,924		1,564,455
Payroll related liabilities		327,869		161,944
Balance, end of the year	$	6,594,561	$	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

	2024	2023
Opening balance	$ 537,860	$ 116,300
Additions	-	566,168
Depreciation	(113,234)	(144,608)
	$ 424,626	$ 537,860

Lease liability

	June 30, 2024	June 30, 2023
Opening balance	$ (549,197)	$ (130,608)
Additions	-	(566,168)
Payments	180,000	180,000
Accreted interest	(103,037)	(32,421)
	$ (472,234)	$ (549,197)
Lease liability (current)	(93,848)	(76,963)
Lease liability (non-current)	(378,386)	(472,234)
	$ (472,234)	$ (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	$135,000

11. RECLAMATION AND CLOSURE PROVISION

The Company has recorded a reclamation provision of $1,132,300 (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 June 30, 2024. The reclamation provision has been recorded using a discount rate of 3.9% and an inflation factor of approximately 5.1%. As at June 30, 2024, total undiscounted estimated reclamation costs are approximately $981,000 (June 30, 2023 - $710,000).

	2024	2023
Balance, beginning of the year	$ 676,688	$ -
Increase in estimated cash flows resulting from current activities	397,487	676,688
Accretion	38,112	-
Effect of changes in foreign exchange rates	20,013	-
Balance, end of the year	$ 1,132,300	$ 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 $14,751,486 from sale of 4,790 gold ounces and 1,510 silver ounces from one customer in the United Kingdom.

Revenue	2024	2023
Gold	$ 14,694,412	$ -
Silver	57,074	-
Total revenue	$ 14,751,486	$ -

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	2024	2023
Production costs	$ 24,999,401	$ -
Depreciation	5,239,770	-
Refining and transportation costs	73,332	-
Royalties	289,481	-
	$ 30,601,984	$ -
Inventory NRV adjustment	539,069	-
Total cost of sales	$ 31,141,053	$ -

The Company provided an inventory net realizable value adjustment for $539,069 to reduce the work-in-process inventory by $Nil, finished goods by $383,956 and mineralized materials by $155,113.

Production costs by nature of expense were:

	2024	2023
Salaries and benefits	$ 5,804,958	$ -
Consultants and contractors	2,852,937	-
Utilities and fuel	2.992,946	-
Supplies and consumables	8,450,651	-
Maintenance and mechanical	768,369	-
Equipment and rentals	2,203,206	-
Transportation, accomodations and travel	863,907	-
Office and other	1,062,427	-
Total production costs	$ 24,999,401	$ -

(Expressed in Canadian Dollars)

14. GENERAL AND ADMINISTRATIVE

A summary of general and administrative expenses for the years ended June 30:

General and administrative		2024		2023
Professional fees	$	1,118,020	$	583,729
Office expenses		871,681		845,274
Investor relations		618,198		756,754
Management fees		320,000		270,000
Shareholder communications and filings		247,785		258,146
Travel		222,459		179,611
Licenses, dues, and insurance		180,204		173,478
Consulting fees		284,154		72,321
Director's fees		23,000		23,000
Total general and administrative expenses	$	3,885,501	$	3,162,313

15. INTEREST AND FINANCE EXPENSE

A summary of interest and finance expense for the year ended June 30:

Interest and finance		2024		2023
Accretion expense – Lease liability (Note 10)	$	103,037	$	32,421
Interest expense – Financing facility (Note 7)		4,060,549		-
Accretion expense – Deferred debt costs (Note 7)		843,862		-
Accretion expense - Reclamation and closure provision (Note 11)		38,112		-
Total interest and finance expense	$	5,045,560	$	32,421

16. SHARE CAPITAL AND RESERVES

a) Authorized share capital

Unlimited number of common shares without par value.

b) Bought Deal Offering

On February 14, 2024, the Company completed a bought deal offering of 24,150,000 units, at 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 warrant, may be exercised to purchase a common share at a price of $0.65 until February 14, 2027.

In connection to the Offering, the Company incurred broker, filing and legal fees of $1,077,831 and recognized $282,325 of share issuance costs related to the issuance of 1,449,000 non-transferable compensation options ("CO") (Note 16(e)), each CO is exercisable to purchase a common share at a price of $0.65 until February 14, 2027. The fair value of the CO's of $282,325 was determined using the Black-Scholes option pricing model using the following assumptions: risk free interest rate 4.17%, expected life of 3 years, annualized volatility 61% and dividend rate at nil.

b) Bought Deal Offering as of June 30, 2023

On September 28, 2022, the Company completed a bought deal offering of 17,348,000 units, at price of $0.77 per unit for gross proceeds of $13,357,960 (the "Offering"). Each unit consists of a common share of the Company and one-half of one common share purchase warrant. Each whole common share warrant, may be exercised to purchase a common share at a price of $1.05 until September 28, 2025. In the event that the volume weighted average

(Expressed in Canadian Dollars)

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

Bought Deal Offering as of June 30, 2023 (cont'd…)

trading price of the common shares on the TSX-V or such other principal exchange on which the common shares are then trading, is greater than $1.75 for a period of twenty consecutive trading days at any time after the closing of the Offering, the Company may accelerate the expiry date of the warrants by giving written notice to the holder thereof and in such case the warrants will expire on the 30th day after the date on which such notice is given by the Company.

In connection to the Offering, the Company incurred broker, filing and legal fees of $1,206,319 and recognized $427,932 of share issuance costs related to the issuance of 1,040,880 non-transferable compensation options ("CO") (*Note 12(e))*, each CO is exercisable to purchase a common share at a price of $0.77 until September 28, 2025. The fair value of the CO's of $427,932 was determined using the Black-Scholes option pricing model using the following assumptions: risk free interest rate 3.68%, expected life of 3 years, annualized volatility 75% and dividend rate at nil.

On May 11, 2023, the Company completed a bought deal offering of 29,350,000 units, at price of $0.92 per unit for gross proceeds of $27,002,000 (the "Offering"). Each unit consists of a common share of the Company and one-half of one common share purchase warrant. Each whole common share warrant, may be exercised to purchase a common share at a price of $1.25 until November 11, 2025. The Company recognized $3,815,500 residual value relating to the share purchase warrants from this offering.

In connection to the Offering, the Company incurred broker, filing and legal fees of $2,022,571 and recognized $512,682 of share issuance costs related to the issuance of 1,755,000 non-transferable compensation options ("CO") (*Note 12(e))*, each CO is exercisable to purchase a common share at a price of $0.92 until November 11, 2025. The fair value of the CO's of $512,682 was determined using the Black-Scholes option pricing model using the following assumptions: risk free interest rate 3.69%, expected life of 3 years, annualized volatility 64% and dividend rate at nil.

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 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	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

(Expressed in Canadian Dollars)

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

The following stock options are outstanding and exercisable as at June 30, 2024:

	Number of Options Outstanding	Exercise price	Number of Options Exercisable	Expiry date
Stock Options	1,725,000	1.50	1,725,000	June 3, 2025
	3,045,000	1.25	3,045,000	June 2, 2026
	3,031,666	1.25	2,176,664	September 3, 2027
	5,830,000	1.00	1,943,336	December 13, 2028
	500,000	1.00	166,667	January 18, 2029
	14,131,666		9,056,667	

During the year ended June 30, 2024, the Company granted 7,130,000 (2023 – 4,540,000) stock options. The weighted average fair value of options granted during the year was $0.43 per share (2023 - $0.65). Total share-based payments recognized for the year ended June 30, 2024 was $2,180,547 (2023 - $2,516,071) for incentive options granted and vested. Share-based payments expense of $1,837,606 (2023 - $1,439,910) was recognized in the consolidated statement of loss and comprehensive loss, with $38,603 (2023 – $1,076,161) capitalized to exploration and evaluation assets, and $304,338 (2023 - $Nil) recognized in mineral property, plant and equipment, which relates to employees and consultants working on the Tuvatu property.

d) Warrants

Warrant transactions are summarized as follows:

	Number of Warrants	Weighted Average Exercise Price	Expiry Date
Balance, June 30, 2022	-		
Warrants issued – Note 16(b)	8,674,000	$ 1.05	September 28, 2025
Warrants issued – Note 16(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	1.30	
Warrants issued – Note 16(b)	24,150,000	0.65	February 14, 2027
Balance, June 30, 2024	62,832,087	$ 0.97	

e) Compensation Options

The compensation options were issued from September 2022, May 2023 & February 2024 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	
Issued	1,449,000	0.65	February 14, 2027
Balance outstanding and exercisable, June 30, 2024	4,244,880	$ 0.79	

(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 year ended June 30:

		2024		2023
Payments to key management personnel:				
Cash compensation expensed to management fees, professional fees, investor relations, directors fees and consulting fees	$	1,154,227	$	981,879
Cash compensation capitalized to mineral property, plant and equipment and exploration and evaluation assets		596,080		533,927
Share-based payments		958,946		1,719,254

During the year ended June 30, 2024, the Company paid $180,000 (2023 - $180,000) in rent to Cabrera Capital Corp. (“Cabrera”), a company controlled by Walter Berukoff, the CEO and director of the Company. As at June 30, 2024, the Company had a lease liability of $472,234 (June 30, 2023 – $549,197) due to Cabrera equal to the present value of office space lease payments over the term of the lease. As at June 30, 2024, the Company has a payable of $127,737 (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 year ended June 30, 2024, the Company paid $183,908 (2023 - $174,405) 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 June 30, 2024, has a receivable of $12,229 (June 30, 2023 – receivable $6,590).

During the year ended June 30, 2024, the Company paid $220,226 (2023 – $Nil) in royalty to Laimes Global, Inc, a company controlled by Walter Berukoff, the CEO and director of the Company. As at June 30, 2024, the Company has a payable of $91,173 (June 30, 2023 – $Nil).

During the year ended June 30, 2024, the Company paid professional fees of $42,639 (2023 - $34,258) to a management services company owned by David McArthur, a director of the Company’s subsidiary, Lion One Australia Pty Ltd. As at June 30, 2024, the Company had a payable of $7,670 (June 30, 2023 - $7,756).

During the year ended June 30, 2024, the Company paid professional fees of $240,000 (2023 - $80,000) to Richard Meli, a director of the Company, for consulting services. During the year ended June 30, 2024, the Company paid professional fees of $Nil (2023 - $171,463) to Adera LLC, a company owned by Kevin Puil, a director of the Company, for consulting services.

(Expressed in Canadian Dollars)

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 year is presented as follows:

June 30, 2024		Fiji		Corporate		Australia		Total
Exploration and evaluation asset	$	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
(Loss) for the year		(32,505,989)		(9,408,692)		(173,542)		(42,088,224)
	$	170,061,950	$	(8,526,665)	$	(173,542)	$	161,361,742

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

19. INCOME TAXES

A reconciliation between expense (recovery) and the product of accounting loss multiplied by the Company's domestic tax rate for the years ended June 30, 2024 and 2023 is as follows:

		2024		2023
Net loss before income tax	$	27,336,738	$	2,909,551
Income tax rate		27.00%		27.00%
Expected tax recovery at statutory income tax rate		(7,381,000)		(786,000)
Increase (decrease) due to:				
Permanent differences		688,000		210,000
Effect of change in tax and foreign exchange rate		145,000		(20,000)
Share issuance costs		(367,000)		(872,000)
True up and other adjustments		(201,000)		4,000
Tax effect of tax losses and temporary differences not recognized		7,116,000		1,464,000
	$	-	$	-

No deferred tax assets have been recognized on the consolidated statements of financial position as the Company has concluded that it is not probable that the benefits of deferred income tax assets will be realized prior to their expiry. As such, the Company has the following unrecognized deductible temporary differences:

		2024		2023
Non-capital losses	$	64,048,000	$	37,120,000
Share issue costs		4,477,000		4,531,000
Other assets		1,778,000		1,778,000
Exploration and evaluation assets (no expiry date)		3,011,000		2,888,000
Property and equipment (no expiry date)		728,000		388,000

As at June 30, 2024, the Company has non-capital losses, for Canadian income tax purposes, of approximately $41,027,000 to reduce future taxable income in Canada. These losses, if unused, will expire between 2027 and 2043.

20. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

Financial instruments

Cash and cash equivalents, short term investment, 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 June 30, 2024, the Company had working capital of $20,501,089.

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-V.

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

Financial risk factors (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 June 30, 2024, the Company's net foreign denominated financial assets (liabilities) are as follows:

	Foreign currency	Canadian dollar equivalent
Australian Dollar	(1,063,588)	(971,162)
Fijian Dollar	7,211,079	4,376,823
USD Dollar	(32,741,249)	(44,812,948)

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	2024	2023
+ 5%	$ 2,072,231	$ 1,042,960
- 5%	(2,072,231)	(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.

21. 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 $165,225,554 (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 year ended June 30, 2024.

22. SUBSEQUENT EVENT

On July 26, 2024, the Company closed a market public offering, offering of 31,485,379 units at a price of $0.37 per unit for gross proceeds of $11,649,590.24 (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 $0.50 for a period of 36 months following the closing date of the Offering.

The Company will issue 1,996,891 compensation warrants (the "CO") to the Underwriters. Each CO is exercisable to purchase a common share at a price of $0.37 for a period of 24 months following the closing date of the Offering. The Company will pay $738,850 of cash finders fees in relation to the Offering.