
ORIANA RESOURCES CORPORATION

**CONDENSED INTERIM CONSOLIDATED FINANCIAL
STATEMENTS**

THREE MONTHS ENDED SEPTEMBER 30, 2017

(EXPRESSED IN CANADIAN DOLLARS)

(UNAUDITED)

The accompanying unaudited condensed interim consolidated financial statements of Oriana Resources Corporation (the "Company") have been prepared by and are the responsibility of management. The unaudited condensed interim consolidated financial statements have not been reviewed by the Company's auditors.

Oriana Resources Corporation

Condensed Interim Consolidated Statements of Financial Position

(Expressed in Canadian Dollars)

(Unaudited)

	September 30, 2017	June 30, 2017
Assets		
Current Assets		
Cash (Note 3)	\$ 280,578	\$ 286,252
Amounts receivable	772	5,343
Prepaid expenses	3,108	-
Total Assets	\$ 284,458	\$ 291,595
Liabilities and Shareholders' Equity		
Current Liabilities		
Accounts payable and accrued liabilities	\$ 227,284	\$ 223,842
Total Liabilities	227,284	223,842
Shareholders' Equity		
Share capital (Note 6)	658,049	658,049
Reserves	97,300	97,300
Deficit	(698,175)	(687,596)
Total Shareholders' Equity	57,174	67,753
Total Liabilities and Shareholders' Equity	\$ 284,458	\$ 291,595

Nature of Operations (Note 1)

Subsequent Event (Note 9)

Approved on Behalf of the Board:

"Richard Buzbuzian"
Director

"Jason Monaco"
Director

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

Oriana Resources Corporation

Condensed Interim Consolidated Statements of Loss and Comprehensive Loss

(Expressed in Canadian Dollars)

Unaudited

	Three Months Ended September 30,	
	2017	2016
Expenses		
General and administrative	\$ 2,439	\$ 4,613
Professional fees	8,140	6,704
Net Loss and Comprehensive Loss	\$ (10,579)	\$ (11,317)
Basic and diluted loss per share (Note 7)	\$ (0.00)	\$ (0.00)
Basic and diluted weighted average number of shares outstanding	3,000,000	3,000,000

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

Oriana Resources Corporation

Condensed Interim Consolidated Statements of Changes in Equity

(Expressed in Canadian Dollars)

Unaudited

	Number of Common Shares	Share Capital	Reserves			Total
			Warrant Reserve	Equity Settled Share-based Payment Reserve	Deficit	
Balance, June 30, 2016	9,500,000	\$ 658,049	\$ 15,900	\$ 81,400	\$ (581,637)	\$ 173,712
Loss for the period	-	-	-	-	(11,317)	(11,317)
Balance, September 30, 2016	9,500,000	\$ 658,049	\$ 15,900	\$ 81,400	\$ (592,954)	\$ 162,395
Balance, June 30, 2017	9,500,000	\$ 658,049	\$ 15,900	\$ 81,400	\$ (687,596)	\$ 67,753
Loss for the period	-	-	-	-	(10,579)	(10,579)
Balance, September 30, 2017	9,500,000	\$ 658,049	\$ 15,900	\$ 81,400	\$ (698,175)	\$ 57,174

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

Oriana Resources Corporation
Condensed Interim Consolidated Statements of Cash Flows
(Expressed in Canadian Dollars)
Unaudited

	Three Months Ended September 30,	
	2017	2016
Cash Flows From Operating Activities		
Net loss for the period	\$ (10,579)	\$ (11,317)
Net change in non-cash working capital:		
Amounts receivable	4,571	5,466
Accounts payable and accrued liabilities	3,442	2,316
Prepaid expenses	(3,108)	-
Cash Used in Operating Activities	(5,674)	(3,535)
Change in Cash During the Period	(5,674)	(3,535)
Cash, Beginning of Period	286,252	328,844
Cash, End of Period	\$ 280,578	\$ 325,309

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

Oriana Resources Corporation

Notes to Condensed Interim Consolidated Financial Statements

(Expressed in Canadian Dollars)

September 30, 2017

(Unaudited)

1. NATURE OF OPERATIONS

Oriana Resources Corporation (the "Company" or "Oriana") was incorporated under the Business Corporations Act (British Columbia) on June 9, 2011. The Company's registered office is located at 82 Richmond St East, Toronto, Ontario, M5C 1P1, Canada. The Company intends to carry on business as a capital pool company ("CPC"), pursuant to Policy 2.4 (the "CPC Policy") of the TSX Venture Exchange (the "Exchange"). The Company will not carry on any business other than the identification and evaluation of assets or businesses with a view to completing a Qualifying Transaction (as such term is defined in the CPC Policy). The common shares of the Company were listed for trading on the Exchange on October 3, 2012 and commenced trading at the opening of trading on October 4, 2012 under the symbol OUP.P.

Pursuant to the CPC Policy, the Company was required to complete a Qualifying Transaction by January 5, 2015, which is subject to the approval of the Exchange, or receive the approval of its shareholders to transfer its listing to the NEX board of the Exchange ("NEX"). On December 12, 2014, the Company obtained the necessary shareholder approval to transfer its listing to NEX and cancel 3,500,000 Seed Shares (as defined by the policies of the Exchange) held by non-arm's length parties to Oriana. These shares were previously held in escrow and were cancelled in accordance with section 11.2(ii) of the CPC Policy on December 18, 2014.

On December 23, 2014 the Company announced that it had applied for a transfer of its listing to the NEX. The Exchange accepted Oriana's application for a transfer to the NEX where it will remain suspended as it pursues its Qualifying Transaction. The trading symbol for Oriana changed from OUP.P to OUP.H.

As at September 30, 2017, the Company had no business operations. As a CPC, the Company's business objective is to identify and evaluate assets or businesses with a view to potential acquisition or participation by completing a Qualifying Transaction (as defined in Exchange Policy 2.4) subject, in certain cases, to shareholder approval and acceptance by the Exchange. The Company has neither a history of earnings nor has it paid any dividends and it is unlikely to pay dividends or enjoy earnings in the immediate or foreseeable future. There is no assurance that the Company will identify and successfully acquire businesses or assets that will produce a profit. Moreover, if a potential business or asset is identified which warrants acquisition or participation, additional funds may be required to complete the acquisition or participation and the Company may not be able to obtain such financing on terms which are satisfactory to the Company.

Oriana Resources Corporation

Notes to Condensed Interim Consolidated Financial Statements

(Expressed in Canadian Dollars)

September 30, 2017

(Unaudited)

2. ACCOUNTING POLICIES

Statement of compliance

The Company applies International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations issued by the International Financial Reporting Interpretations Committee ("IFRIC"). These unaudited condensed interim consolidated financial statements have been prepared in accordance with International Accounting Standard 34, Interim Financial Reporting. Accordingly, they do not include all of the information required for full annual financial statements required by IFRS as issued by IASB and interpretations issued by IFRIC.

The policies applied in these unaudited condensed interim consolidated financial statements are based on IFRS issued and outstanding as of November 27, 2017, the date the Board of Directors approved the statements. The same accounting policies and methods of computation are followed in these unaudited condensed interim consolidated financial statements as compared with the most recent annual financial statements as at, and for the year ended, June 30, 2017. Any subsequent changes to IFRS that are given effect in the Company's annual financial statements for the year ending June 30, 2018 could result in restatement of these unaudited condensed interim consolidated financial statements.

New IFRS standards not yet adopted

The Company has not yet adopted certain new IFRS standards, amendments and interpretations to existing standards, which have been published but are only effective for its annual periods beginning after July 1, 2018. These include:

IFRS 9 - Financial Instruments ("IFRS 9") was issued in November 2009 and contained requirements for financial assets. This standard addresses classification and measurement of financial assets and replaces the multiple category and measurement models in IAS 39 for debt instruments with a new mixed measurement model having only two categories: amortized cost and fair value through profit or loss. IFRS 9 also replaces the models for measuring equity instruments, and such instruments are either recognized at fair value through profit or loss or at fair value through other comprehensive income (loss). This standard is required to be applied for the Company's accounting periods beginning on January 1, 2018. Earlier adoption is permitted. The Company has not yet determined the impact of the amendments to IFRS 9 on its unaudited condensed interim consolidated financial statements.

3. CASH RESTRICTION

Pursuant to policy 2.4 of the Exchange, the proceeds raised from the issuance of common shares may only be used to identify and evaluate assets or businesses for future investment, with the exception that not more than the lesser of 30% of the gross proceeds from the issuance of shares or \$210,000 may be used to cover prescribed costs of issuing the common shares or administrative and general expenses of the Company not related to the identification and evaluation of a Qualifying Transaction. As of September 30, 2017, the Company has exceeded this limit.

Oriana Resources Corporation

Notes to Condensed Interim Consolidated Financial Statements

(Expressed in Canadian Dollars)

September 30, 2017

(Unaudited)

4. FINANCIAL INSTRUMENTS

The Company's activities expose it to a variety of financial risks: credit risk, liquidity risk, market risk (including interest rate, foreign currency risk, and price risk). Risk management is carried out by the Company's management team with guidance from the Audit Committee under policies approved by the Board of Directors. The Board of Directors also provides regular guidance for overall risk management.

Credit Risk

Credit risk is the risk of loss associated with a counter-party's inability to fulfil its payment obligations. The Company's credit risk is primarily attributable to cash and amounts receivable. The maximum potential loss on all financial instruments is equal to the carrying amount of those items.

Liquidity Risk

Liquidity risk refers to the risk that the Company will not be able to meet its financial obligations as they become due, or can only do so at excessive cost. The Company's liquidity and operating results may be adversely affected if the Company's access to the capital market is hindered, whether as a result of a downturn in stock market conditions generally or as a result of conditions specific to the Company. As at September 30, 2017 the Company had a cash balance of \$280,578 to settle liabilities of \$227,284. The Company regularly evaluates its cash position to ensure preservation and security of capital as well as maintenance of liquidity.

Market Risk

i) Interest Rate Risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate due to changes in market interest rates. The Company has cash balances and no interest-bearing debt. The Company's current policy is to invest excess cash in investment-grade short-term deposit certificates issued by its banking institution. The Company periodically monitors the investments it makes and is satisfied with the creditworthiness of its banks. As a result, the Company's exposure to interest rate risk is minimal.

ii) Foreign Currency Risk

Foreign exchange risk arises from future commercial transactions and recognized assets and liabilities denominated in a currency that is not the entity's functional currency. The Company's exposure to foreign currency transactions is nominal. The Company does not enter into arrangements to hedge its foreign currency risk as it is not material.

iii) Price Risk

The Company is exposed to price risk with respect to commodity and equity prices. Equity price risk is defined as the potential adverse impact on the Company's earnings due to movements in individual equity prices or general movements in the level of the stock market. Price risk may affect the completion of future equity transactions such as equity offerings and the exercise of stock options and warrants. This may also affect the Company's liquidity and its ability to meet its ongoing obligations.

Oriana Resources Corporation

Notes to Condensed Interim Consolidated Financial Statements

(Expressed in Canadian Dollars)

September 30, 2017

(Unaudited)

4. FINANCIAL INSTRUMENTS (Continued)

Fair Value

The carrying value of cash, amounts receivable and accounts payable and accrued liabilities approximate their fair value due to the short-term nature of these instruments.

Financial instruments recorded at fair value on the statement of financial position are classified using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Level 1 - valuation based on quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 - valuation techniques based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3 - valuation techniques using inputs for the asset or liability that are not based on observable market data (unobservable inputs).

As at September 30, 2017, cash is recorded at fair value using level 1 inputs.

5. CAPITAL RISK MANAGEMENT

The Company manages its capital with the following objectives:

- (i) To ensure sufficient financial flexibility to achieve the ongoing business objectives including funding of future growth opportunities, and pursuit of accretive acquisitions; and
- (ii) To maximize shareholder return through enhancing the share value.

The Company monitors its capital structure and makes adjustments according to market conditions in an effort to meet its objectives given the current outlook of the business and industry in general. The Company may manage its capital structure by issuing new shares, repurchasing outstanding shares, adjusting capital spending, or disposing of assets. The capital structure is reviewed by Management and the Board of Directors on an ongoing basis.

The Company considers its capital to be equity, comprising share capital, reserves and deficit which at September 30, 2017, totaled \$57,174 (June 30, 2017 - \$67,753). The Company manages capital through its financial and operational forecasting processes. The Company reviews its working capital and forecasts its future cash flows based on operating expenditures, and other investing and financing activities. Information is provided to the Board of Directors of the Company. The Company's capital management objectives, policies and processes have remained unchanged during the three months ended September 30, 2017. The Company is not subject to externally imposed capital requirements other than the restriction described in note 3.

Oriana Resources Corporation

Notes to Condensed Interim Consolidated Financial Statements

(Expressed in Canadian Dollars)

September 30, 2017

(Unaudited)

6. CAPITAL AND RESERVES

At September 30, 2017, the Company's authorized share capital consisted of an unlimited number of common shares without par value. All issued common shares are fully paid.

Pursuant to an escrow agreement dated June 21, 2012 (the "Escrow Agreement"), 10,000,000 common shares were being held in escrow and will be released over a thirty-six month period commencing upon completion of a Qualifying Transaction. The escrow shares may not be transferred, assigned or otherwise dealt without the consent of the securities regulatory authorities. 3,500,000 of these shares were cancelled in accordance with section 11.2(ii) of the CPC Policy as part of the transfer of the Company's shares to the NEX board of the Exchange (see Note 1). As at September 30, 2017, there are 6,500,000 common shares remaining in escrow.

(a) Authorized

Unlimited number of common shares

(b) Issued

Summary of changes in share capital:

	Shares	Amount
Balance, June 30, 2016, June 30, 2017 and September 30, 2017	9,500,000	\$ 658,049

(c) Stock Options

The Company has adopted a stock option plan (the "plan"), under which stock options may be awarded to directors, officers, employees and consultants at the discretion of the Board of Directors. Stock options awarded under the plan may be exercisable for up to five years at exercise prices determined by the Board of Directors at the time of award. The plan provides for up to 950,000 common shares to be reserved for stock option awards upon completion of the Company's initial public offering.

The Company has granted options for the purchase of common shares to its directors, officers, and consultants. The exercise price of the options is fixed by the Board of Directors of the Company at the time of grant at the market price of the common shares, subject to all applicable regulatory requirements.

A summary of changes in stock options is as follows:

	Number of Options	Weighted Average Exercise Price
Balance, June 30, 2016, September 30, 2016 and September 30, 2017	1,100,000	\$ 0.10

Oriana Resources Corporation

Notes to Condensed Interim Consolidated Financial Statements

(Expressed in Canadian Dollars)

September 30, 2017

(Unaudited)

6. CAPITAL AND RESERVES (Continued)

(c) Stock Options (continued)

The stock options outstanding as at September 30, 2017 are as follows:

Number of Options	Exercisable Options	Exercise Price	Weighted Average Remaining Contractual Life (years)	Expiry Date
1,100,000	1,100,000	\$0.10	0.26	October 2, 2017

7. BASIC AND DILUTED LOSS PER SHARE

The calculation of basic and diluted loss per share for the three months ended September 30, 2017 was based on the net loss attributable to common shareholders of \$10,579 (three months ended September 30, 2016 - \$11,317), and the weighted average number of common shares outstanding of 3,000,000 (three months ended September 30, 2016 - 3,000,000).

8. RELATED PARTY DISCLOSURES

Related parties include the Board of Directors, officers, close family members and enterprises that are controlled by these individuals as well as certain persons performing similar functions.

The Company did not enter into any related party transactions during the periods ended September 30, 2017 and 2017.

9. SUBSEQUENT EVENT

On October 2, 2017, 1,100,000 options expired unexercised.