ORIANA RESOURCES CORPORATION

CONSOLIDATED FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2017 AND 2016

(EXPRESSED IN CANADIAN DOLLARS)

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Independent Auditor's Report

To the Shareholders of Oriana Resources Corporation

We have audited the accompanying consolidated financial statements of Oriana Resources Corporation, which comprise the consolidated statements of financial position as at June 30, 2017 and June 30, 2016, and the consolidated statements of loss and comprehensive loss, consolidated statements of changes in equity and consolidated statements of cash flows for the years ended June 30, 2017 and June 30, 2016, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained in our audits is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of Oriana Resources Corporation as at June 30, 2017 and June 30, 2016, and its financial performance and its cash flows for the years ended June 30, 2017 and June 30, 2016 in accordance with International Financial Reporting Standards.

"D&H Group LLP"

Chartered Professional Accountants

Vancouver, B.C.
October 30, 2017

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Oriana Resources Corporation
Consolidated Statements of Financial Position
(Expressed in Canadian Dollars)

	June 30, 2017	June 30, 2016
Assets		
Current Assets		
Cash (Note 4)	**$ 286,252**	$ 328,844
Amounts receivable	**5,343**	6,695
Total Assets	**$ 291,595**	$ 335,539
Liabilities and Shareholders' Equity		
Current Liabilities		
Accounts payable and accrued liabilities	**$ 223,842**	$ 161,827
Total Liabilities	**223,842**	161,827
Shareholders' Equity		
Share capital (Note 7)	**658,049**	658,049
Reserves	**97,300**	97,300
Deficit	**(687,596)**	(581,637)
Total Shareholders' Equity	**67,753**	173,712
Total Liabilities and Shareholders' Equity	**$ 291,595**	$ 335,539

Nature of Operations (Note 1)
Subsequent Event (Note 10)

Approved on Behalf of the Board:

"Richard Buzbuzian"
Director

"Jason Monaco"
Director

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

Oriana Resources Corporation
Consolidated Statements of Loss and Comprehensive Loss
(Expressed in Canadian Dollars)

	Year Ended June 30, 2017	Year Ended June 30, 2016
Expenses		
General and administrative	**$ 14,088**	$ 21,312
Professional fees	**91,871**	84,126
Net Loss and Comprehensive Loss	**$ (105,959)**	$ (105,438)
Basic and diluted loss per share (Note 8)	**$ (0.04)**	$ (0.04)
Basic and diluted weighted average number of shares outstanding	**3,000,000**	3,000,000

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

Oriana Resources Corporation
Consolidated Statements of Changes in Equity
(Expressed in Canadian Dollars)

			Reserves			
	Number of Common Shares	Share Capital	Warrant Reserve	Equity Settled Share-based Payment Reserve	Deficit	Total
Balance, June 30, 2015	**9,500,000**	**$ 658,049**	**$ 15,900**	**$ 81,400**	**$ (476,199)**	**$ 279,150**
Loss for the year	-	-	-	-	(105,438)	(105,438)
Balance, June 30, 2016	**9,500,000**	**$ 658,049**	**$ 15,900**	**$ 81,400**	**$ (581,637)**	**$ 173,712**
Balance, June 30, 2016	**9,500,000**	**$ 658,049**	**$ 15,900**	**$ 81,400**	**$ (581,637)**	**$ 173,712**
Loss for the year	-	-	-	-	(105,959)	(105,959)
Balance, June 30, 2017	**9,500,000**	**$ 658,049**	**$ 15,900**	**$ 81,400**	**$ (687,596)**	**$ 67,753**

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

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

	Year Ended June 30, 2017	Year Ended June 30, 2016
Cash Flows From Operating Activities		
Net loss for the year	**$ (105,959)**	$ (105,438)
Net change in non-cash working capital:		
Amounts receivable	**1,352**	7,607
Accounts payable and accrued liabilities	**62,015**	30,388
Cash Used in Operating Activities	**(42,592)**	(67,443)
Change in Cash During the Year	**(42,592)**	(67,443)
Cash, Beginning of Year	**328,844**	396,287
Cash, End of Year	**$ 286,252**	$ 328,844

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

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 June 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.

Letter of Intent - Graphene Lighting PLC
On July 22, 2015, the Company entered into a letter of intent (the "LOI") for a business combination with Graphene Lighting PLC, a corporation existing under the laws of England and Wales, that will result in a reverse take-over of Oriana on the Exchange. The transaction is intended to constitute Oriana's qualifying transaction under the policies of the Exchange (the "Qualifying Transaction"). On August 22, 2016, the Company announced that it will no longer be proceeding with the Qualifying Transaction with Graphene Lighting PLC.

2. ACCOUNTING POLICIES

Statement of compliance

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations of the IFRS Interpretations Committee ('IFRIC").

Details of the group

In addition to the Company, the consolidated financial statements include all subsidiaries. Subsidiaries are all corporations over which the Company is able, directly or indirectly, to control financial and operating policies, which is the authority usually connected with holding majority voting rights. Subsidiaries are fully consolidated from the date on which control is acquired by the Company. Inter-company transactions and balances are eliminated upon consolidation. They are de-consolidated from the date that control by the Company ceases.

As at June 30, 2017 the subsidiaries of the Company are as follows:

Company	Location of incorporation	Ownership interest
2424334 Ontario Inc.	Canada	100%

Basis of measurement

The Company's consolidated financial statements have been prepared on the historical cost basis except for the revaluation of certain financial assets and financial liabilities to fair value.

Income taxes

Deferred income taxes are provided in full, using the liability method, on temporary differences arising between the income tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. Deferred income taxes are determined using income tax rates and income tax laws that have been enacted at the end of the reporting period and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled. Deferred income tax assets are recognized to the extent that it is probable that future taxable income will be available against which the temporary differences can be utilized.

Share-based payments

The fair value, at the grant date, of equity-settled share awards is charged to comprehensive income (loss) over the period for which the benefits of employees and others providing similar services are expected to be received. The corresponding accrued entitlement is recorded in the share award reserve. The fair value of awards is calculated using an option pricing model which considers the following factors:

- Exercise price
- Expected life of the award
- Expected volatility
- Current market price of the underlying shares
- Risk-free interest rate
- Expected forfeitures

2. ACCOUNTING POLICIES (Continued)

Financial instruments

Financial assets
All financial assets are initially recorded at fair value and designated upon inception into one of the following four categories: held to maturity, available for sale, loans and receivables or at fair value through profit or loss.

Financial assets classified as fair value through profit or loss are measured at fair value with unrealized gains and losses recognized through comprehensive income (loss). Cash is classified as fair value through profit or loss.

Financial assets classified as loans and receivables and held to maturity are measured at amortized cost. Amounts receivable is classified as loans and receivables.

Financial assets classified as available for sale are measured at fair value with unrealized gains and losses recognized in other comprehensive income (loss) except for losses in value that are considered other than temporary. At June 30, 2017 the Company has not classified any financial assets as available for sale.

Transaction costs associated with fair value through profit or loss are expensed as incurred, while transaction costs associated with all other financial assets are included in the initial carrying amount of the asset.

Financial liabilities
All financial liabilities are initially recorded at fair value and designated upon inception as fair value through profit or loss or other financial liabilities.

Financial liabilities classified as other financial liabilities are measured at amortized cost. Accounts payable and accrued liabilities are classified as other financial liabilities.

Financial liabilities classified as fair value through profit or loss are measured at fair value with unrealized gains and losses recognized through comprehensive income (loss). At June 30, 2017, the Company has not classified any financial liabilities as fair value through profit or loss.

Share capital

Common shares issued by the Company are classified as equity. Costs directly attributable to the issue of common shares, share purchase warrants and share options are recognized as a deduction from equity, net of any related income tax effects.

Revenue recognition

Interest income is recognized as earned, provided that collection is assessed as being reasonably assured.

Related parties

Related parties are parties that have the ability to control or to exercise significant influence over the Company.

2. ACCOUNTING POLICIES (Continued)

Critical judgments and sources of estimation uncertainty

The preparation of these 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 reported amounts of expenses during the reporting period. Actual outcomes could differ from these estimates. These financial statements include estimates which, by their nature, are uncertain. The impacts of such estimates are pervasive throughout the financial statements, and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised and future periods if the revision affects both current and future periods. These estimates are based on historical experience, current and future economic conditions and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical judgments
The following are critical judgments that management has made in the process of applying accounting policies and that have the most significant effect on the amounts recognized in the financial statements:

(i) The determination of categories of financial assets and financial liabilities has been identified as an accounting policy which involves judgments or assessments made by management.

Estimation uncertainty
The following are key assumptions concerning the future and other key sources of estimation uncertainty that have a significant risk of resulting in a material adjustment to the carrying amount of assets and liabilities within the next financial year:

(i) Provisions for income taxes are made using the best estimate of the amount expected to be paid based on a qualitative assessment of all relevant factors. The Company reviews the adequacy of these provisions at the end of the reporting period. However, it is possible that at some future date an additional liability could result from audits by taxing authorities. Where the final outcome of these tax related matters is different from the amounts that were originally recorded, such differences will affect the tax provisions in the period in which such determination is made.

Loss per share

Basic and diluted loss per share is determined by dividing the loss attributable to common shareholders by the weighted average number of common shares outstanding during the reporting period. Common shares held in escrow are contingently subject to recall and are excluded from the weighted average calculation. Diluted loss per share is not separately presented, as the effect of securities exercisable into common shares would reduce the amount presented as loss per share.

2. ACCOUNTING POLICIES (Continued)

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, 2017. 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 consolidated financial statements.

3. CHANGE IN ACCOUNTING POLICY

IFRS 11 - Joint Arrangements ("IFRS 11") was amended in May 2014 to require business combination accounting to be applied to acquisitions of interests in a joint operation that constitute a business. At July 1, 2016, the Company adopted this standard and there was no material impact on the Company's audited consolidated financial statements.

IAS 1 – Presentation of Financial Statements ("IAS 1") was amended in December 2014 in order to clarify, among other things, that information should not be obscured by aggregating or by providing immaterial information, that materiality consideration apply to all parts of the financial statements and that even when a standard requires a specific disclosure, materiality considerations do apply. At July 1, 2016, the Company adopted this standard and there was no material impact on the Company's audited consolidated financial statements.

4. 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 June 30, 2017, the Company has not exceeded this limit.

5. 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 fulfill 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 June 30, 2017 the Company had a cash balance of $286,252 to settle liabilities of $223,842. 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.

5. 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 June 30, 2017, cash is recorded at fair value using level 1 inputs.

6. 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 June 30, 2017, totalled $67,753 (June 30, 2016 - $173,712). 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 year ended June 30, 2017. The Company is not subject to externally imposed capital requirements other than the restriction described in note 4.

(Expressed in Canadian Dollars)

7. CAPITAL AND RESERVES

At June 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 June 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, 2015, June 30, 2016 and June 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, 2015, June 30, 2016 and June 30, 2017	**1,100,000**	**$ 0.10**

(Expressed in Canadian Dollars)

7. CAPITAL AND RESERVES (Continued)

(c) Stock Options (continued)

The stock options outstanding as at June 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

8. BASIC AND DILUTED LOSS PER SHARE

The calculation of basic and diluted loss per share for the year ended June 30, 2017 was based on the net loss attributable to common shareholders of $105,959 (year ended June 30, 2016 - $105,438), and the weighted average number of common shares outstanding of 3,000,000 (year ended June 30, 2016 - 3,000,000).

9. 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 June 30, 2017 and 2016.

10. SUBSEQUENT EVENT

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