
ORIANA RESOURCES CORPORATION

**CONDENSED INTERIM CONSOLIDATED FINANCIAL
STATEMENTS**

**THREE AND SIX MONTHS ENDED
DECEMBER 31, 2016**

(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)

	December 31, 2016	June 30, 2016
Assets		
Current Assets		
Cash (Note 4)	\$ 301,815	\$ 328,844
Amounts receivable	3,304	6,695
Total Assets	\$ 305,119	\$ 335,539
Liabilities and Shareholders' Equity		
Current Liabilities		
Accounts payable and accrued liabilities	\$ 151,750	\$ 161,827
Total Liabilities	151,750	161,827
Shareholders' Equity		
Share capital (Note 5)	658,049	658,049
Reserves	97,300	97,300
Deficit	(601,980)	(581,637)
Total Shareholders' Equity	153,369	173,712
Total Liabilities and Shareholders' Equity	\$ 305,119	\$ 335,539

Nature of Operations (Note 1)

Approved on Behalf of the Board:

"Richard Buzbuzian"
Director

"Jason Monaco"
Director

Oriana Resources Corporation

Condensed Interim Consolidated Statements of Loss and Comprehensive Loss

(Expressed in Canadian Dollars)

Unaudited

	Three Months Ended December 31,		Six Months Ended December 31,	
	2016	2015	2016	2015
Expenses				
General and administrative	\$ 5,395	\$ 5,628	\$ 10,008	\$ 16,719
Professional fees	3,631	23,405	10,335	40,464
Net Loss and Comprehensive Loss	\$ (9,026)	\$ (29,033)	\$ (20,343)	\$ (57,183)
Basic and diluted loss per share (Note 6)	\$ (0.00)	\$ (0.01)	\$ (0.01)	\$ (0.02)
Basic and diluted weighted average number of shares outstanding	3,000,000	3,000,000	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, 2015	9,500,000	\$ 658,049	\$ 15,900	\$ 81,400	\$ (476,199)	\$ 279,150
Loss for the period	-	-	-	-	(57,183)	(57,183)
Balance, December 31, 2015	9,500,000	\$ 658,049	\$ 15,900	\$ 81,400	\$ (533,382)	\$ 221,967
Balance, June 30, 2016	9,500,000	\$ 658,049	\$ 15,900	\$ 81,400	\$ (581,637)	\$ 173,712
Loss for the period	-	-	-	-	(20,343)	(20,343)
Balance, December 31, 2016	9,500,000	\$ 658,049	\$ 15,900	\$ 81,400	\$ (601,980)	\$ 153,369

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

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

	Six Months Ended December 31,	
	2016	2015
Cash Flows From Operating Activities		
Net loss for the period	\$ (20,343)	\$ (57,183)
Net change in non-cash working capital:		
Amounts receivable	3,391	10,852
Accounts payable and accrued liabilities	(10,077)	20,467
Prepaid expenses	-	(1,250)
Cash Used in Operating Activities	(27,029)	(27,114)
Change in Cash During the Period	(27,029)	(27,114)
Cash, Beginning of Period	328,844	396,287
Cash, End of Period	\$ 301,815	\$ 369,173

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)

December 31, 2016

(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 December 31, 2016, 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 would result in a reverse take-over of Oriana on the Exchange. The transaction was 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 Transaction with Graphene Lighting PLC.

Oriana Resources Corporation

Notes to Condensed Interim Consolidated Financial Statements

(Expressed in Canadian Dollars)

December 31, 2016

(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 March 1, 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, 2016. Any subsequent changes to IFRS that are given effect in the Company's annual financial statements for the year ending June 30, 2017 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, 2016. 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. 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 unaudited condensed interim 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 unaudited condensed interim consolidated financial statements.

Oriana Resources Corporation

Notes to Condensed Interim Consolidated Financial Statements

(Expressed in Canadian Dollars)

December 31, 2016

(Unaudited)

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 December 31, 2016, the Company has not exceeded this limit.

5. CAPITAL AND RESERVES

At December 31, 2016, 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 December 31, 2016, 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, December 31, 2015, June 30, 2016 and December 31, 2016	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.

Oriana Resources Corporation

Notes to Condensed Interim Consolidated Financial Statements

(Expressed in Canadian Dollars)

December 31, 2016

(Unaudited)

5. CAPITAL AND RESERVES (Continued)

(c) Stock Options (continued)

A summary of changes in stock options is as follows:

	Number of Options	Weighted Average Exercise Price
Balance, June 30, 2015, December 31, 2015, June 30, 2016 and December 31, 2016	1,100,000	\$ 0.10

The stock options outstanding as at December 31, 2016 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	0.75	October 2, 2017

6. BASIC AND DILUTED LOSS PER SHARE

The calculation of basic and diluted loss per share for the three and six months ended December 31, 2016 was based on the net loss attributable to common shareholders of \$9,026 and \$20,343, respectively (three and six months ended December 31, 2015 - \$29,033 and \$57,183, respectively), and the weighted average number of common shares outstanding of 3,000,000 (three and six months ended December 31, 2015 - 3,000,000).

7. 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 December 31, 2016 and December 31, 2015.