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15 May 2015

Q3 2015 Financial Statements

Please find attached announcement which includes the correct financial statements for Q3 2015.

We apologise for the inconvenience caused.

On Behalf of the Board of Directors

"Hamish Greig"
Director, Vice President
Lion One Metals Limited
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LION ONE METALS LIMITED

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

(Expressed in Canadian Dollars)
(Unaudited)

FOR THE PERIOD ENDED MARCH 31, 2015

NOTICE OF NO AUDITOR REVIEW OF CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

Under National Instrument 51-102, Part 4, subsection 4.3 (3) (a), if an auditor has not performed a review of the condensed consolidated interim financial statements, they must be accompanied by a notice indicating that an auditor has not reviewed the financial statements.

The accompanying unaudited condensed consolidated interim financial statements of the Company have been prepared by and are the responsibility of the Company's management.

The Company's independent auditor has not performed a review of these financial statements in accordance with standards established by the Canadian Institute of Chartered Accountants for a review of interim financial statements by an entity's auditor.

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

		March 31, 2015		June 30, 2014
ASSETS				
Current				
Cash	$	4,917,155	$	8,040,357
Receivables (Note 4)		44,353		130,293
Prepaid expenses		11,716		35,894
		4,973,224		8,206,544
Restricted cash (Note 5)		103,941		105,189
Exploration advances and deposits (Note 6)		64,166		91,193
Exploration and evaluation assets (Note 6)		36,418,974		33,142,838
Property and equipment (Note 7)		724,924		718,972
	$	42,285,229	$	42,264,736
LIABILITIES AND SHAREHOLDERS' EQUITY				
Current				
Accounts payable and accrued liabilities (Note 8)	$	218,532	$	373,657
Long-term provisions (Note 8)		28,461		41,234
		246,993		414,891
Shareholders' equity				
Share capital (Note 9)		60,016,725		60,016,725
Reserves (Note 9)		18,743,941		18,550,075
Accumulated other comprehensive income		3,565,266		2,075,533
Deficit		(40,287,696)		(38,792,488)
		42,038,236		41,849,845
	$	42,285,229	$	42,264,736

Nature of operations and going concern (Note 1)
Commitments (Note 10)

Approved and authorized by the Board on May 14, 2015:

"Walter H. Berukoff" Director *"Hamish Greig"* Director

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

LION ONE METALS LIMITED
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF LOSS AND COMPREHENSIVE INCOME (LOSS)
(Expressed in Canadian Dollars)
(Unaudited)

	Three months ended March 31, 2015	Three months ended March 31, 2014	Nine months ended March 31, 2015	Nine months ended March 31, 2014
EXPENSES				
Consulting fees	$ 33,750	$ 31,875	$ 101,250	$ 95,625
Depreciation (Note 7)	697	2,687	4,234	8,541
Directors fees (Note 10)	6,000	6,625	18,000	6,625
Foreign exchange (gain) loss	(1,162)	(1,814)	(2,324)	4,205
Licenses, dues and fees	5,386	8,388	24,994	27,633
Investor relations	38,257	59,670	114,069	179,637
Management fees	34,828	66,234	131,476	190,383
Office and administrative	111,472	94,877	315,458	292,623
Professional fees	23,695	33,826	232,873	153,423
Property costs	14,454	1,502	58,831	22,304
Rent	79,464	47,265	239,104	178,056
Shareholder communication	26,054	29,076	124,561	158,465
Share-based payments (Note 9)	47,213	27,817	150,187	148,777
Travel	16,576	686	46,727	40,612
Operating loss	(436,684)	(408,714)	(1,559,440)	(1,506,909)
OTHER INCOME				
Interest income	15,115	40,815	64,232	121,666
Settlement (Note 10)	-	-	-	(283,394)
	15,115	40,815	64,232	(161,728)
Net loss for the period	(421,569)	(367,899)	(1,495,208)	(1,668,637)
OTHER COMPREHENSIVE INCOME				
Foreign exchange gain	1,471,213	1,853,494	1,489,733	2,086,418
Comprehensive income (loss) for the period	$ 1,049,644	$ 1,485,595	$ (5,475)	$ 417,781
Basic and diluted loss per common share	$ (0.01)	$ (0.01)	$ (0.02)	$ (0.03)
Weighted average number of common shares outstanding	60,175,608	60,175,608	60,175,608	60,172,678

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

LION ONE METALS LIMITED

CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CASH FLOWS
(Expressed in Canadian Dollars)
(Unaudited)
FOR THE NINE MONTHS ENDED MARCH 31

		2015		2014
CASH FLOWS FROM OPERATING ACTIVITIES				
Net loss for the period	$	(1,495,208)	$	(1,668,637)
Non-cash items:				
Depreciation (Note 7)		4,234		8,541
Foreign exchange (gain) loss		(2,324)		4,205
Share-based payments		150,187		148,777
Changes in non-cash working capital items:				
Receivables		88,253		(98,924)
Prepaid expenses		23,352		11,725
Accounts payable and accrued liabilities		(40,599)		(147,713)
		(1,272,105)		(1,742,026)
CASH FLOWS FROM INVESTING ACTIVITIES				
Purchase of property and equipment		(78,128)		(78,950)
Exploration expenditures		(1,723,492)		(2,911,967)
Exploration advances and deposits		27,348		(6,346)
		(1,774,272)		(2,997,263)
Effect of exchange rate changes on cash		(76,825)		103,255
Change in cash during the period		(3,123,202)		(4,636,034)
Cash, beginning of period		8,040,357		13,576,266
Cash, end of period	$	4,917,155	$	8,940,232
Supplementary cash flow information:				
Non-cash transactions:				
Depreciation expense capitalized to exploration and evaluation assets	$	103,191	$	82,939
Share-based payments expense capitalized to exploration and evaluation assets		43,679		(16,283)
Accounts payable and accrued liabilities in exploration and evaluation assets		113,920		74,989
Issuance of shares for obligation on acquisition of Lion One Australia Pty Ltd.		-		49,679

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

LION ONE METALS LIMITED
CONDENSED CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY
(Expressed in Canadian Dollars)
(Unaudited)

	Share Capital						
	Number	Amount	Obligation to Issue Shares	Reserves	Deficit	Accumulated Other Comprehensive Income	Total
Balance, June 30, 2013	60,075,248	$ 59,904,660	$ 49,679	$ 18,441,364	$ (33,565,375)	$ 855,366	$ 45,685,694
Acquisition of Lion One Australia Pty Ltd.	100,360	49,679	(49,679)	-	-	-	-
Share-based payments – stock options	-	-	-	70,108	-	-	70,108
Share-based payments – trust shares	-	62,386	-	-	-	-	62,386
Comprehensive income for the period	-	-	-	-	(1,668,637)	2,086,418	417,781
Balance, March 31, 2014	60,175,608	60,016,725	-	18,511,472	(35,234,012)	2,941,784	46,235,969
Share-based payments – stock options	-	-	-	38,603	-	-	38,603
Comprehensive loss for the period	-	-	-	-	(3,558,476)	(866,251)	(4,424,727)
Balance, June 30, 2014	60,175,608	60,016,725	-	18,550,075	(38,792,488)	2,075,533	41,849,845
Share-based payments – stock options	-	-	-	193,866	-	-	193,866
Comprehensive loss for the period	-	-	-	-	(1,495,208)	1,489,733	(5,475)
Balance, March 31, 2015	60,175,608	$ 60,016,725	$ -	$ 18,743,941	$ (40,287,696)	$ 3,565,266	$ 42,038,236

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

1. NATURE OF OPERATIONS AND GOING CONCERN

Lion One Metals Limited ("Lion One" or the "Company") was incorporated on November 12, 1996 under the name X-Tal Minerals Corp. ("X-Tal") under the laws of the Province of British Columbia, Canada. On January 28, 2011, the Company changed its name to Lion One and executed a reverse takeover of American Eagle Resources Inc.

The Company is in the business of mineral exploration and development and is currently focused on the acquisition, exploration and development of mineral resources in Fiji and Australia.

The Company's head office and principal and registered and records address is 311 West 1st Street, North Vancouver, BC, Canada, V7M 1B5. The address of the Company's registered and records office is 20th Floor, 250 Howe Street, Vancouver, BC, V6C 3R8.

The Company is in the process of exploring and evaluating its resource properties and has not yet determined whether the properties contain mineral reserves that are economically recoverable. The recoverability of the amounts shown for exploration and evaluation assets are dependent upon the existence of economically recoverable reserves, the ability of the Company to obtain necessary financing to complete the development of those reserves and upon future profitable production.

These condensed consolidated interim financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") with the assumption that the Company will be able to realize its assets and discharge its liabilities in the normal course of business rather than through a process of forced liquidation. The Company has incurred losses from inception and does not currently have the financial resources to complete development in the long-term. As at March 31, 2015, the Company had not advanced its properties to commercial production. 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 from therefrom and/or raise equity capital or borrowings sufficient to meet current and future obligations.

The condensed consolidated interim financial statements do not include adjustments to amounts and classifications of assets and liabilities that might be necessary should the Company be unable to continue operations. Continued operations of the Company are dependent on the Company's ability to receive financial support, obtain necessary financings, and/or generate profitable operations in the future.

2. BASIS OF PREPARATION

Statement of Compliance

These condensed consolidated interim financial statements, including comparatives, have been prepared in accordance with International Accounting Standards ("IAS") 34 'Interim Financial Reporting' ("IAS 34") using accounting policies consistent with IFRS issued by the International Accounting Standards Board ("IASB") and Interpretations of the International Financial Reporting Interpretations Committee ("IFRIC"). The accounting policies and methods of computation applied by the Company in these condensed consolidated interim financial statements are the same as those applied in the Company's annual financial statements for the year ended June 30, 2014 with the exception of newly adopted standards as presented in Note 3.

Basis of Consolidation and Presentation

The condensed consolidated interim financial statements have been prepared on a historical cost basis except for certain financial assets that are measured at fair value. All dollar amounts presented are in Canadian dollars unless otherwise specified.

These condensed consolidated interim financial statements incorporate the financial statements of the Company and its wholly controlled subsidiaries. Control exists when the Company has the power, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefits from its activities. The condensed consolidated interim 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 Estimates

The preparation of these condensed consolidated interim financial statements requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported expenses during the period. Actual results could differ from these estimates.

Judgments

The functional currency of each of the subsidiaries and the Company were assessed to determine the economic substance of the currency in which each entity performed its operations. The functional currency of the Company is the Canadian dollar. The functional currencies of the Company's subsidiaries have been assessed as follows:

	Country of Incorporation	Effective Interest	Functional currency
American Eagle Resources Inc.	Canada	100%	Canadian Dollar
Laimes International Inc.	BVI	100%	Canadian Dollar
Auksas Inc.	BVI	100%	Canadian Dollar
Lion One Limited	Fiji	100%	Fijian Dollar
Lion One Australia Pty Ltd.	Australia	100%	Australian Dollar
Piche Resources Pty Ltd.	Australia	100%	Australian Dollar

Estimates

Significant assumptions about the future and other sources of estimation uncertainty that management has made at the end of the reporting period, that could result in a material adjustment to the carrying amounts of assets and liabilities in the event that actual results differ from assumptions made, are as follows:

The carrying value and recoverability of exploration and evaluation assets requires management to make certain estimates, judgments and assumptions about its project. Management considers the economics of the project, including the latest resource prices and the long-term forecasts, and the overall economic viability of the project.

The determination of income tax is inherently complex and requires making certain estimates and assumptions about future events. While income tax filings are subject to audits and reassessments, the Company has adequately provided for all income tax obligations. However, changes in facts and circumstances as a result of income tax audits, reassessments, jurisprudence and any new legislation may result in an increase or decrease in the Company's provision for income taxes.

Share-based payments are subject to estimation of the value of the award at the date of grant using pricing models such as the Black-Scholes option valuation model. The option valuation model requires the input of highly subjective assumptions including the expected share price volatility. Where such valuations are applied, such as the time of a stock option grant or issuance of shares from trust, management provides detailed valuation assumptions.

(Expressed in Canadian Dollars)

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies adopted in the preparation of the condensed consolidated interim financial statements are consistent with those followed in the preparation of the Company's annual consolidated financial statements for the year ended June 30, 2014, except for the adoption of new standards and interpretations effective as of July 1, 2014.

The following new standards, amendments to standards and interpretations have been issued and have been adopted for the fiscal year beginning July 1, 2014:

- IAS 32 (Amendment) — New standard that clarifies requirements for offsetting financial assets and financial liabilities.
- IAS 36 (Amendment) — This amendment addresses the disclosure of information regarding the recoverable amount of impairment assets as the amount is based on fair value less costs of disposal.
- IFRIC 21 — This is an interpretation of IAS 37, *Provisions, Contingent Liabilities and Contingent Assets*. IAS 37 sets out criteria for the recognition of a liability, one of which is the requirement for the entity to have a present obligation as a result of a past event, known as an obligating event. The interpretation clarifies that the obligation event that gives rise to a liability to pay a levy is the activity described in the relevant legislation that triggers the payment of the levy.

The application of these standards, amendments and interpretations has not had a material impact on the results and financial position of the Company.

New standards not yet adopted

IFRS 9 *Financial Instruments (Revised)*

IFRS 9 was issued by the IASB in October 2010. It incorporates revised requirements for the classification and measurement of financial liabilities and carrying over the existing derecognition requirements from IAS 39 *Financial instruments: recognition and measurement*. The revised financial liability provisions maintain the existing amortised cost measurement basis for most liabilities. New requirements apply where an entity chooses to measure a liability at fair value through profit or loss – in these cases, the portion of the change in fair value related to changes in the entity's own credit risk is presented in other comprehensive income rather than within profit or loss. IFRS 9 is effective for annual periods beginning on or after January 1, 2018. The impact of IFRS 9 on the Company's financial instruments has not yet been determined.

4. RECEIVABLES

		March 31, 2015		June 30, 2014
GST and VAT receivable	$	28,588	$	120,422
Administration recoveries		15,765		9,871
Balance, end of period	$	44,353	$	130,293

5. RESTRICTED CASH

The restricted cash balance is comprised of a guaranteed investment certificate and security deposit held as collateral for the Company's corporate credit cards.

(Expressed in Canadian Dollars)

6. EXPLORATION AND EVALUATION ASSETS

March 31, 2015	**Fiji**	**Australia**	**Total**
Acquisition costs			
Balance, June 30, 2014 and March 31, 2015	$ 21,915,063	$ 511,890	$ 22,426,953
Exploration expenditures			
Balance, June 30, 2014	12,686,501	19,296	12,705,797
Additions for the period	1,757,367	1,510	1,758,877
Balance, March 31, 2015	14,443,868	20,806	14,464,674
Cumulative translation adjustment			
Balance, June 30, 2014	(1,975,063)	(14,849)	(1,989,912)
Additions for the period	1,538,634	(21,375)	1,517,259
Balance, March 31, 2015	(436,429)	(36,224)	(472,653)
Property total, March 31, 2015	$ 35,922,502	$ 496,472	$ 36,418,974

June 30, 2014	**Fiji**	**Australia**	**Argentina**	**Total**
Acquisition costs				
Balance, June 30, 2013 and 2014	$ 21,915,063	$ 2,872,894	$ 347,200	$ 25,135,157
Exploration expenditures				
Balance, June 30, 2013	9,640,992	2,210	7,378	9,650,580
Additions for the year	3,045,509	361,102	78,789	3,485,400
Balance, June 30, 2014	12,686,501	363,312	86,167	13,135,980
Cumulative translation adjustment				
Balance, June 30, 2013	(3,062,535)	(32,433)	(3,946)	(3,098,914)
Additions for the year	1,087,472	134,558	17,411	1,239,441
Balance, June 30, 2014	(1,975,063)	102,125	13,465	(1,859,473)
Write down of exploration and evaluation assets	-	(2,705,020)	(433,367)	(3,138,387)
Adjustment to accumulated other comprehensive income	-	(116,974)	(13,465)	(130,439)
	-	(2,821,994)	(446,832)	(3,268,826)
Property total, June 30, 2014	$ 32,626,501	$ 516,337	$ -	$ 33,142,838

Fiji Exploration Properties

The Company has been granted, by the Mineral Resources Department ("MRD") of Fiji, five exploration licenses (Special Prospecting Licenses or "SPL's") for the Tuvatu, Delaikoro and Vunimoli properties. The Company's primary asset is the Tuvatu Gold Project located near Nadi on the island of Viti Levu (SPL's 1283, 1296 and 1465). The other projects being Delaikoro (SPL 1467) and Vunimoli (SPL 1468) are on the island of Vanua Levu and are in the early stages of exploration.

(Expressed in Canadian Dollars)

6. EXPLORATION AND EVALUATION ASSETS (cont'd…)

Fiji Exploration Properties (cont'd…)

Under the terms of the SPL's, the Company is required to spend a minimum threshold of expenditures on each of the licenses. Management submits exploration work to the MRD quarterly and has represented that these expenditure thresholds have been satisfied.

Special Prospecting License	Issued	Expiry Date	Bond (Fijian $)	Bond (Canadian $)	Expenditure Requirement (Fijian $)	Expenditure Requirement (Canadian $)
1283 / 1296	Sept. 3, 2013	Sept. 3, 2016	$ 23,520	$ 14,502	$ 4,200,000	$ 2,589,720
1465	Dec. 2, 2013	Dec. 1, 2016	31,700	19,546	1,800,000	1,109,880
1467	Nov. 7, 2013	Nov. 7, 2016	11,000	6,783	650,500	401,098
1468	Oct. 2, 2013	Oct. 2, 2016	5,950	3,669	289,500	178,506
			$ 72,170	$ 44,500	$ 6,940,000	$ 4,279,204

The Company has satisfied the expenditure requirements under the current term of SPL 1283 and 1296.

The Company submitted an application in 2013 for a mining license on the Tuvatu project area itself which is a specific area within SPL's 1283 and 1296. Upon issuance of the mining license, exploration SPL's 1283 and 1296 will be reduced in size accordingly. During the period ended March 31, 2015, Fiji's MRD approved the grant of Special Mining Lease 62 (SML 62). The SML will provide exclusive rights for the potential development, construction, and operation of mining, processing, and waste management infrastructure at Tuvatu and the surrounding lease area. Terms of the SML are currently under discussion for final execution.

In addition to a 5% net smelter royalty ("NSR") with the government of Fiji, 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 a company controlled by a common director.

Surface Lease Agreement

During the year ended June 30, 2014, the Company entered into 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 (CAD$410,270) has been paid upon acceptance of the Surface Lease agreement and the balance of FJD$300,000 (CAD$184,980) is due upon the first gold production from mining operations in Tuvatu. An additional lease payment of FJD$30,000 (CAD$18,498) is payable per annum to the local communities for education and community development over the 21-year term of the Surface Lease agreement.

Bonds

The SPL's require the posting of bonds as security against future reclamation obligations. As at March 31, 2015, the Company has bonds of $44,500 (June 30, 2014 - $42,161) held with the MRD included in exploration advances and deposits on the statement of financial position.

Australian Properties

Olary Creek, South Australia

The Company has a 51% interest in the Olary Creek tenement located near Broken Hill, South Australia. The project is focused on iron ore.

6. EXPLORATION AND EVALUATION ASSETS (cont'd…)

Australian Properties (cont'd…)

Olary Creek, South Australia (cont'd…)

In 2010, Lion One Australia entered into a joint venture agreement ("JV Agreement") with HJH Nominees ("HJH"), a private Chinese company, over the iron (Fe) and manganese (Mn) rights on the tenement. Under the terms of the JV Agreement, HJH was required, among other superseded terms, to:

a) Spend $2,000,000 on exploration within two years of signing the JV Agreement, at which time HJH would have earned a 49% interest in the Fe and Mn rights on the project; and
b) Spend $5,000,000 within 4 years to earn a 75% interest in the Fe and Mn rights on the project.

In fiscal 2012, HJH and its third party partner, Henan Yukuang Resources Development Limited Co ("Henan"), completed the required expenditures to obtain a 75% interest under the JV Agreement. The Company, in accordance with the terms of the JV Agreement, maintains a 25% free carried interest to the completion of a bankable feasibility study and decision to mine the Fe and Mn rights and retains 100% of the rights for all other commodities on the tenement.

In fiscal 2013, the Company received notice that HJH intended to sell a 22% participating interest in the JV Agreement. The Company elected to exercise its pre-emptive right over the interest. During the year ended June 30, 2014, the Company, Henan and HJH formalized the termination of HJH from the JV Agreement. A formal Olary Creek Farm-In and Joint Venture Agreement ("Olary Creek JV") was executed confirming the respective interests of the parties and ownership of the tenement. Under the Olary Creek JV, ownership of the tenement is 51% by the Company and 49% by Henan with participation in the Fe and Mn rights of 47% by the Company and 53% by Henan.

Under the Olary Creek JV, the Company's 47% interest consists of the 25% free carried interest and a 22% contributing interest. Henan, as operator, must submit budgets and programs quarterly as and when exploration advances. The Company will then have the option to contribute according to its 22% interest or dilute. HJH retains a 0.5% free on board ("FOB") royalty on iron ore product from the tenement in relation to the 22% participating interest held by the Company and a further royalty with Henan.

The Company's 25% free carried interest can be converted to either a 2% free on board ("FOB") royalty on iron ore product from the tenement or a 1% FOB royalty plus a reserve tonne royalty of $0.50 per tonne of iron ore produced from the tenement.

Ashburton Project, Western Australia

The Ashburton Project Area consists of three adjacent project areas, namely the Ashburton Cameco JV, the Saltwater Pool JV and tenements held 100% by the Company. The Ashburton Project Area is comprised of tenements prospective for gold, silver, rare earths, uranium and base metals, south of Paraburdoo in Western Australia.

During the year ended June 30, 2014, the Company elected to write-down capitalized property costs of $2,052,612 on the Ashburton Project and $769,382 on the Saltwater Pool JV as development is not currently planned while the Company focuses its resources on the Tuvatu Gold Project.

Bonds

As at March 31, 2015, the Company held $16,953 (June 30, 2014 - $21,166) in performance bonds with various Australian authorities on its Australian tenements included in exploration advances and deposits on the statement of financial position.

Argentinean Properties

Cerro Chacon

The Company has an agreement with MH Argentina S.A. ("MHA") to earn a 60% interest in 13 tenements in the Patagonia region of Argentina by incurring US$500,000 in exploration expenditures within three years.

(Expressed in Canadian Dollars)

6. EXPLORATION AND EVALUATION ASSETS (cont'd…)

Argentinean Properties (cont'd…)

Cerro Chacon (cont'd…)

Additionally, the Company is able to earn 100% of the project by forming a Joint Venture Company with MHA within the initial three-year term and commencing mining activities within 10 years. Upon earning a 100% interest, MHA will be granted a 3% NSR of which one-half (1.5%) may be acquired by the Company by issuing a one-time payment of US$1,500,000.

Sierra Cuadrada

In fiscal 2013, the Company entered into a formal agreement with Maple Minerals Exploration and Development Inc. ("Maple") wherein it may earn a 51% interest in the Sierra Cuadrada project by spending US$1,000,000 in exploration over four years. The project is located in the Chubut Province of Argentina.

The Company may provide notice to Maple upon completion of the expenditure requirements with the intention to form a joint venture company to continue the exploration and development of the tenements. If the Company chooses to terminate the agreement, the Company is required to compensate Maple for any shortfall in the pro-rata annual expenditure commitment in cash.

In the year ended June 30, 2014, the Company elected to write-down capitalized property costs of $446,832 on the Argentinean Properties as exploration and evaluation is not currently planned while the Company focuses its resources on the Tuvatu Gold Project.

7. PROPERTY AND EQUIPMENT

	Computers and Office Equipment	Motor Vehicles	Building and Equipment	Total
Cost				
Balance, June 30, 2013	$ 124,823	$ 166,443	$ 641,898	$ 933,164
Additions for the year	2,685	-	77,630	80,315
Cumulative translation adjustment	5,444	7,164	28,625	41,233
Balance, June 30, 2014	132,952	173,607	748,153	1,054,712
Additions for the period	78,128	-	-	78,128
Cumulative translation adjustment	6,373	9,515	38,215	54,103
Balance, March 31, 2015	$ 217,453	$ 183,122	$ 786,368	$ 1,186,943
Accumulated depreciation				
Balance, June 30, 2013	$ 60,434	$ 48,595	$ 96,031	$ 205,060
Additions for the year	30,617	30,930	59,079	120,626
Cumulative translation adjustment	3,278	2,573	4,203	10,054
Balance, June 30, 2014	94,329	82,098	159,313	335,740
Additions for the period	36,557	23,775	47,093	107,425
Cumulative translation adjustment	4,907	5,368	8,579	18,854
Balance, March 31, 2015	$ 135,793	$ 111,241	$ 214,985	$ 462,019
Net book value				
As at June 30, 2014	$ 38,623	$ 91,509	$ 588,840	$ 718,972
As at March 31, 2015	$ 81,660	$ 71,881	$ 571,383	$ 724,924

(Expressed in Canadian Dollars)

8. PROVISIONS

Accounts payable and accrued liabilities		March 31, 2015		June 30, 2014
Trade payables and short-term provisions	$	16,722	$	46,960
Exploration expenditures payable		113,920		224,140
Employee benefits		87,890		102,557
Balance, end of period	$	218,532	$	373,657

Long-term provisions represent accrued long-term service benefits for employees in Australia in accordance with Australian labour standards.

9. SHARE CAPITAL AND RESERVES

a) Authorized share capital

Unlimited number of common shares without par value.

b) Issued share capital

The Company did not complete any private placements in the period ended March 31, 2015 or the year ended June 30, 2014.

c) Trust agreement

Pursuant to a Trust Agreement dated April 1, 2010, the Company has issued and allotted 1,000,000 common shares from treasury to a designated trustee. The Trust Agreement stipulates the release of the shares to the beneficiaries upon vesting dates. During the period ended March 31, 2014, share-based payments expense of $62,386 was recognized for the vesting of shares. As at March 31, 2015, 100,000 (June 30, 2014 – 100,000) shares remained in trust.

d) Stock options and warrants

The TSX Venture Exchange accepted for filing the Company's Stock Option Plan which was approved by the Company's shareholders at the Annual General Meeting held December 11, 2014. 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 Annual General Meeting and in addition, submitted for review and acceptance by the Exchange each year.

(Expressed in Canadian Dollars)

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

e) Stock options

Stock option transactions are summarized as follows:

	Number of Shares		Weighted Average Exercise Price
Balance, June 30, 2013	3,363,667	$	0.77
Granted	1,775,000		0.35
Forfeited and expired	(898,667)		0.55
Balance, June 30, 2014	4,240,000	$	0.64
Forfeited and expired	(680,000)		0.35
Balance, March 31, 2015	3,560,000	$	0.69
Balance, March 31, 2015 exercisable	1,618,331	$	1.07

Stock options outstanding as at March 31, 2015:

	Number	Exercise price	Expiry date
Stock Options	535,000	$ 1.00	October 25, 2015
	400,000	1.40	May 25, 2016
	200,000	1.40	July 20, 2016
	25,000	1.40	November 2, 2016
	500,000	0.70	October 11, 2017
	125,000	0.70	February 26, 2018
	1,775,000	0.35	June 27, 2019
	3,560,000		

Total share-based payments recognized in the statement of shareholders' equity for the nine months ended March 31, 2015 was $193,866 (2014 - $70,108) for incentive options vesting. Share-based payments expense of $150,187 (2014 - $86,391) was recognized in the statement of loss and comprehensive loss with the balance of $43,679 (2014 – recovery of $16,283) capitalized to exploration and evaluation assets, which relates to employees working on the Tuvatu property.

10. RELATED PARTY TRANSACTIONS

Management Compensation

Key management personnel comprise of the Chief Executive Officer, former President, Managing Director, Chief Financial Officer, and Vice President and Corporate Secretary of the Company. The remuneration of the key management personnel is as follows:

		2015		2014
Payments to key management personnel:				
Cash compensation	$	419,304	$	499,052
Share-based payments		91,454		102,075

(Expressed in Canadian Dollars)

10. RELATED PARTY TRANSACTIONS (cont'd…)

During the nine months ended March 31, 2015, the Company paid $135,000 (2014 - $135,000) in rent to Cabrera Capital Corp. ("Cabrera"), a company controlled by a director of the Company. As at March 31, 2015, the Company had a payable of $1,403 (June 30, 2014 – advance of $2,469) to Cabrera.

During the nine months ended March 31, 2015, the Company paid professionals services fees of $38,399 (2014 - $53,437) to a management services company owned by a director of the Company's subsidiary.

During the nine months ended March 31, 2015, the Company paid directors' fees of $18,000 (2014 - $6,625) to non-executive board members.

As at March 31, 2015, the amount of $13,095 (June 30, 2014 - $13,782) included in accounts payable is due to related parties. All balances are unsecured, non-interest bearing, have no fixed repayment terms, and are due on demand.

Settlement

A payment of $283,394 was authorized and paid in the year ended June 30, 2014, for a director of the Company, in respect of a claim asserted against the Company. The claim was in recognition of a tax liability which arose due to the design of the director's previous employment contract with a subsidiary of the Company.

Commitment

The Company has 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. The Company can terminate the agreement at any time by paying Cabrera a year's worth of fees based on the average monthly fee paid to Cabrera since January 31, 2011.

11. SEGMENTED INFORMATION

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

March 31, 2015	Canada	Fiji	Australia	Total
Exploration and evaluation assets	$ -	$ 35,922,502	$ 496,472	$ 36,418,974
Property and equipment	54,904	668,026	1,994	724,924
	$ 54,904	$ 36,590,528	$ 498,466	$ 37,143,898

June 30, 2014	Fiji	Australia	Total
Exploration and evaluation assets	$ 32,626,501	$ 516,337	$ 33,142,838
Property and equipment	712,610	6,362	718,972
	$ 33,339,111	$ 2,858,571	$ 33,861,810

12. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

Financial instruments

Cash and restricted cash are carried in the statement of financial position at fair value using a level 1 fair value measurement. Receivables, deposits, accounts payable and accrued liabilities are carried at amortized cost. The Company considers that the carrying amount of these financial assets and liabilities measured at amortized cost to approximate their fair value due to the short term nature of the financial instruments. Long-term provisions, representing long-term service benefits, are carried at amortized cost and reflect the fair value of the instrument as the carrying value reflects the payout of the instrument as at the reporting date.

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 receivables. The Company limits exposure to credit risk on liquid financial assets through maintaining its cash with high-credit quality financial institutions. The Company does not currently maintain cash deposits in Argentina.

Receivables mainly consist of government sales 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

The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As at March 31, 2015, the Company had a working capital of $4,754,692.

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's financial assets exposed to interest rate risk consist of cash. The Company's current policy is to invest excess cash in investment-grade short-term deposit certificates issued by its banking institutions. The Company periodically monitors the investments it makes and is satisfied with the credit ratings of its banks. Management believes the interest rate risk is low given the current low global interest rate environment.

b) Foreign currency risk

   The Company's property development and exploration work occurs in Fiji, Australia and Argentina and is conducted in Canadian dollars, Australian dollars, Fijian dollars and, to a lesser degree, Argentinean pesos. As such, the Company is exposed to foreign currency risk in fluctuations among these currencies. Fluctuations in the exchange rate among the Canadian dollar, Australian dollar and Fijian dollar may have a material adverse effect on the Company's business and financial condition.

(Expressed in Canadian Dollars)

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

Financial risk factors (cont'd…)

As at March 31, 2015, the Company's net foreign denominated financial assets are as follows:

	Foreign currency	Canadian dollar equivalent
Australian Dollar	$ 10,666	$ 10,289
Fijian Dollar	3,006,297	1,853,682

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	March 31, 2015	June 30, 2014
+ 5%	$ 93,198	$ 65,172
- 5%	(93,198)	(65,172)

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.

13. CAPITAL MANAGEMENT

The Company's capital management policy is to maintain 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 $42,038,236 (June 30, 2014 - $41,849,845). In order to maintain or adjust the capital structure, the Company may from time to time issue shares, seek additional debt financing and adjust its capital spending to manage current and working capital requirements. The Company is not subject to externally imposed capital requirements.

There were no changes to the Company's approach to capital management during the period ended March 31, 2015.