



**LION ONE METALS LIMITED**

**MANAGEMENT'S DISCUSSION AND ANALYSIS**

**FOR THE YEAR ENDED JUNE 30, 2022**

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## INTRODUCTION

*The Management Discussion & Analysis ("MD&A") has been prepared by management and reviewed and approved by the Board of Directors on September 28, 2022. Set out below is a review of the activities, results of operations and financial condition of Lion One Metals Limited ("LIO", "Lion One", or the "Company") and its subsidiaries for the year ended June 30, 2022. The following discussion of performance, financial condition and future prospects should be read in conjunction with the audited annual consolidated financial statements and the related notes thereto for the year ended June 30, 2022. Those financial statements are prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board. This discussion covers the year ended June 30, 2022 and the subsequent period up to September 28, 2022, the date of preparation of this MD&A. Monetary amounts in the following discussion are in Canadian dollars unless otherwise noted. The Company is listed on the TSX Venture Exchange ("TSX-V") under the symbol LIO, on the Australian Securities Exchange ("ASX") under the symbol LLO, and on the OTCQX market under the symbol LOMLF.*

*Mr. Sergio Cattalani, M.Sc., who is an officer of the Company and a member of The Association of Professional Geologists of Ontario, is the Qualified Person under the meaning of Canadian National Instrument 43-101, and responsible for the exploration technical content of this Management's Discussion and Analysis.*

*Mr. Patrick Hickey, P. Eng., MBA, who is an officer of the Company, is a Qualified Person under the meaning of Canadian National Instrument 43-101, is responsible for the development and engineering content of this Management's Discussion and Analysis.*

## OBJECTIVES AND OUTLOOK

Lion One is focused on advancing premium quality gold assets in Fiji that has: high grades, scope, district scale, and depth potential, with access to infrastructure in a mining-friendly jurisdiction. The Tuvatu Gold Project ("Tuvatu") has received all of the mandatory regulatory approvals, including a 10-year renewable mining lease Special Mining Lease (SML 62) and a 21-year surface lease, for the complete development of mining and processing operations. In August 2022, SML 62 was extended for an additional 10-year renewable term to February 28, 2035. The 384.5 hectare Tuvatu mining lease is located near its epicentre and hosts the high grade, permitted for production, Tuvatu gold resource. Mineralization of the Tuvatu deposit is associated with the emplacement of an alkalic volcanic intrusive complex, with Navilawa Caldera being one of several large mineralized alkaline gold systems aligned along the Viti Levu Lineament, Fiji's gold corridor. The geologic setting of Tuvatu shares affinities with the Vatukoula deposit in the neighboring Tavua Caldera, where over seven million ounces of gold have been recovered since mining commenced at Vatukoula in 1933. In May 2019, SPL 1512 was issued for the Navilawa tenement and Lion One became the first company in modern times to consolidate and carry out systematic exploration over the entire 7km diameter Navilawa Caldera. The Project area consists of four contiguous exploration licenses covering approximately 13,613 hectares.

The Fijian Islands are located along the Pacific Island Arc, which hosts a number of other well-known major mineralized alkaline gold deposits systems such as the Lihir and Porgera gold deposits in Papua New Guinea. This variety of gold system is not prolific in number globally but are among the largest producers of gold in the world, with notable examples in the South Pacific including the Porgera (>25 million ounces gold) and Lihir (>40 million ounces gold) gold mines in Papua New Guinea, and Vatukoula in Fiji, 40km from Tuvatu. A North American example is the Cripple Creek gold mine in Colorado. These deposits, like other alkaline hosted gold deposits, are associated with deep crustal magmas, alkaline rich alteration mineral assemblages, and are valued for their high grades and deep vertical profiles, resulting in large gold endowments.

The Company's objective is to work towards a near-term production start, concomitant with an aggressive exploration program aimed at the continued expansion of deep bonanza-grade resources for the eventual scaled-up development of a larger and richer resource base and prove the concept that the Tuvatu has the potential to become a gold camp with 10 to 20 million gold ounces. In 2019, the Company commenced a deep diamond drilling program targeting feeder structures at depth below the known Tuvatu mineralization and discovered the Deep Feeder 500 Zone ("500 Zone"), which supports the alkaline gold model and the concept that Tuvatu has high-grade gold mineralization extending and evolving at great depths. The Company will continue this deep hole drill program, up to depths of over 1,000m below the surface, to gain a better understanding of the underlying plumbing system which allowed a conduit for the gold-rich fluids from the base of the crust in that area.

The Company now utilizes six active diamond drilling rigs capable of operating year-round through the rainy season, including five fully owned, and a fully operational, quick-response metallurgical and geochemical laboratory at its Fiji head office in Nadi, 16km from the project site. In March 2022, the Company announced the purchase of two new additional deep capacity rigs which arrived in September 2022 and concurrently increased laboratory capacity. Lion One will continue to focus on testing the deep extensions of new high-grade zones of mineralization discovered below Tuvatu in 2020 and shallow resource infill drilling from the surface and underground targeting areas of planned early production. The Company has also recently added personnel to its growing and vastly experienced exploration and engineering team and as a result, has been able to operate in Fiji throughout most of the COVID epidemic.

**HIGHLIGHTS AND SIGNIFICANT SUBSEQUENT EVENTS****June Quarter 2022 Exploration Summary:**

During the quarter ended June 30, 2022, the Company completed 7,266.3 meters of diamond drilling in 27 completed holes, while a further 4 drill holes were still in progress.

The Company is undertaking three tiers of drilling for exploration purposes:

- 1) shallow resource infill drilling from surface and underground targeting areas of planned early production
- 2) deep exploration drilling targeting lode extensions beneath the existing Tuvatu resource, and
- 3) regional target areas within the Navilawa caldera, such as Banana Creek and Matanavatu.

An additional tier of drilling for geotechnical and metallurgical purposes has also been initiated in 2022 and remains ongoing.

<b>June 2022 Quarter Exploration Summary</b>	
<b>Activity</b>	<b>Number</b>
# of drill holes completed	27
# of drill holes in progress at end of Quarter	4
# of meters drilled	7,266.30
# of drill core samples submitted for analysis	12,666
# of bulk density analyses from drill core	-
# of channels excavated and sampled	204
# of samples from channel sampling	1042
# of rock chip samples collected	11
# of samples analyzed in Lion One Laboratory	14,832

During the quarter ended June 30, 2022, the Company continued with its exploration program to confirm the potential for a multi-million ounce alkaline gold system. Two rigs remain focused on the deep feeder structure of the main Tuvatu mineralization, three rigs are focused on the infill drill program in areas earmarked for initial mining, and the remaining rig has primarily been utilized for geotechnical, water monitoring wells, and diamond drilling for the collection of metallurgical samples.

- **Deep drilling confirms major new high-grade feeder incl. 20.86 g/t Au over 75.9m at TUG-141, 12.22 g/t Au over 54.90m at TUDDH-601 and 19.60m at 21.16 g/t Au from 594.5-614.1m at TUDDH-608**

On June 6, 2022, the Company announced the discovery of a new major gold feeder. This major new feeder structure, Hole TUG-141, targeting a complex network of high-grade structures called the 500 Zone, is the longest high-grade intercept yet recorded at Tuvatu, 20.86 g/t Au over 75.9m, including 43.62 g/t Au over 30.0m, which includes 90.35 g/t Au over 7.2m. The new discovery is located at depth beneath the current resource, and fully within the permit boundaries of the Tuvatu mining lease. High-grade intercepts from TUG-141 include:

- **20.86 g/t Au over 75.9m from 443.4-519.3m**
- including 35.25 g/t Au over 37.5m from 471.3-508.8m
- including 43.62 g/t Au over 30.0m from 477.6-507.6m
- including 90.35 g/t Au over 7.2m from 494.4-501.6m

The mineralized intercepts reported by TUG-141 represent a highly significant development, as the grades and continuity are of a magnitude not previously documented at Tuvatu, which highlights the largely untapped potential of this deposit. The significance of having identified what may be a new, high-grade portion of the principal feeder conduit for Tuvatu confirms the model that has driven this deep exploration program since the discovery of hole TUDDH-500 in July 2020.

On August 15, 2022, the Company announced confirmation of the high-grade mineralization from TUG-141 by completing additional drilling into this zone with TUDDH-601. Highlight intercepts from hole TUDDH-601 include:

- 26.20 g/t Au over 1.20m from 165.7-166.9m;
- 115.42 g/t Au over 1.80m from 252.4-254.2m;
- 12.22 g/t Au over 54.90m from 576.1-631.0m, including
  - 23.02 g/t Au over 20.10m from 576.1-596.2m, which includes 29.24 g/t Au over 15.6m;
  - 8.09 g/t Au over 20.70m from 602.5-623.2m, which includes 9.25 g/t Au over 7.80m and 15.03 g/t Au over 5.40m

On September 15, 2022, the Company announced the results from drillhole TUDDH-608 a direct follow-up to the TUG-141/TUDDH-601. The dip of this hole at this depth was approximately 60° equating to a true horizontal width of 11.85m. Highlight intercepts from hole TUDDH-608 include:

- 19.60m at 21.16 g/t Au from 594.5-614.1m, including
  - 16.20m at 25.28 g/t Au from 596.7-612.9m.

Given the recent results from the deep drilling program, the Company believes it will add significantly to the overall resource of the Tuvatu orebody. The improved understanding of the orientation of the 500 Zone now allows Lion One to connect this high-grade feeder to the base of the existing resource. The Company plans to continue additional drilling to test the lateral and vertical extents of this zone which remains open in all directions.

▪ **Deep drilling at Tuvatu extends 500 Zone mineralization to 1,150m depth**

On April 8, 2022, the Company announced ongoing deep drilling has returned multiple high-grade intercepts, significantly extending the drill-confirmed vertical extent of the 500 Zone. This deep extensional drilling not only demonstrates exceptional grades at depth but further confirms the potential for a deep-rooted gold bearing alkaline gold system. Highlights from deep drilling include:

- 23.14 g/t Au over 3.00m including 118.60 g/t Au over 0.30m from 571.50m (TUG 138)
- 25.83 g/t Au over 2.70m including 43.64 g/t Au over 0.30m from 582.50m (TUDDH 573W1)
- 87.83 g/t Au over 1.50m including 108.41 g/t Au over 0.60m from 445.10m (TUG 136)

▪ **High grade results from Phase 2 Infill Drill Program**

On May 31, 2022, the Company announced results from first 11 holes from Phase 2 infill drilling program and the results to date indicate significant new intercepts of high-to bonanza-grade Au mineralization that was not known to occur as part of the existing resource model. The Phase 2 infill drill program was designed to confirm the location, size, and continuity of the known mineralized lodes, in a portion of the resource slated for early production. Top intercepts include:

- 18.47 g/t Au over 1.20m from 104.7-105.9m, and 584.07 g/t Au over 0.30m from 122.4-122.7m from TUDDH-586 (new)
- 25.23 g/t Au over 1.20m from 70.9-72.1m, incl. 78.02 g/t Au over 0.30m from TUG-139
- 18.77 g/t Au over 2.10m from 118.8-120.9m, incl. 26.07 g/t Au over 1.50m from TUDDH-577
- 11.95 g/t Au over 2.70m from 55.9-58.6m, incl. 35.91 g/t Au over 0.60m from TUDDH-578

On September 8, 2022, the Company announced the results from 20 additional drill holes, as part of ongoing Phase 2 infill drilling. The drill results for 20 holes totaling approximately 3,900m of diamond drilling in Zone 5 and includes high-grade to bonanza-grade mineralized lode swarms less than 100m from surface. Top Intercepts include:

- 20.59 g/t Au over 3.9m from 98.4-102.3m, incl. 171.5 g/t Au over 0.3m from TUG-144
- 12.22 g/t Au over 3.3m from 54.9-58.2m, incl. 32.08 g/t Au over 0.6m from TUG-143
- 56.90 g/t Au over 1.8m from 144.6-146.4m, incl. 163.19 g/t Au over 0.6m from TUDDH-604
- 35.98 g/t Au over 1.8m from 53.0-54.8m, incl. 194.00 g/t Au over 0.3m from TUDDH-609

The mineralization reported above is considered to be a highly significant development, representing a substantive addition of Au mineralization at grades above the existing resource model and is expected to enhance the early part of production and the immediate economic viability of Tuvatu.

▪ **Surface Channel Sample Returns 13.27 g/t Au over 4.0m**

On August 29, 2022, the Company announced a new regional high grade gold discovery, the Batiri Creek Vein, located in the Navilawa Caldera 2 km northeast of the Tuvatu Alkaline Gold Project. This new structure is characterized by an intense zone of veining on a lithological contact between monzonite and andesite, with two significant North-South and Northeast-Southwest oriented structural intersections. The lithological contact and structural intersections observed in the Batiri Vein are comparable to the lithological contact and structural intersections observed from deep extensional drilling in the 500 Zone below the Tuvatu.

**Completed \$13.36 million bought deal placement**

On September 28, 2022, the Company closed a bought deal offering of 17,348,000 units (the "Units") including 1,108,000 Units issued pursuant the over-allotment option granted to Eight Capital and Canaccord Genuity Corp. (together, the "Underwriters") at a price of \$0.77 per Unit for gross proceeds of \$13,357,960 (the "Offering").

**Extension of Tuvatu mining lease to 2035**

- On August 8, 2022, the Company announced that the Government of Fiji has granted an extension of the Tuvatu Mining Lease (SML 62) for an additional 10-year term renewable to February 28, 2035.

***Underground Mine and Surface Development:***

- Development of decline face is currently underway and is approximately 100 meters from main portal
- Completion of shotcrete on the batters outside the new main portal area and installation steel sets at the portal in progress
- Additional mining equipment has been procured with delivery to mine site expected by December 2022
- Environmental Impact Assessment (EIA) update approved by Ministry of Environment in June 2022
- Ninety percent of engineering design, including process, buildings, structures, piping, electrical and control systems for the 300 tonne per day pilot processing plant has been completed
- The manufacture of processing equipment has progressed as planned and first batch equipment is schedule to ship to Fiji in October 2022
- New core shed storage completed in July 2022 and construction of site administration office in progress
- Tailings storage facility contract awarded in June 2022 and to date the tailings dam is over 3 meter high
- The storm water diversion dam was completed in September 2022 and the excavation of north diversion channel has reached the channel invert level
- Contract for the construction of foundations for processing plant equipment and buildings was awarded in August 2022 and foundation construction at the crusher and screen plant area has started
- ERP software fully implemented in July 2022 for accounting, supply chain, cost control, and inventory

***Appointment of Mr. Jeffrey Edelen, Masters of Economic Geology, as Vice-President Corporate Development***

On September 3, 2022, the Company appointed Mr. Jeffrey Edelen, as Vice-President of Corporate Development. Mr. Edelen has 16 years of experience as an economic geologist focusing on prospect generation, royalty evaluation, and project development. He holds undergraduate degrees in Spanish Language and Physical Geology from the University of Idaho and a Master's degree in Economic Geology from the Colorado School of Mines. Having been exposed to multiple facets of this industry, Mr. Edelen will be an excellent addition to the Company.

***COVID-19***

The Company's business could be adversely affected by the effects of the ongoing outbreak of respiratory illness caused by the novel coronavirus ("COVID-19"). In March 2020, the World Health Organization declared coronavirus COVID-19 a global pandemic. This contagious disease outbreak, which has continued to spread across the world, has adversely affected workforces, economies, and financial markets globally, potentially leading to an economic downturn. The Government of Fiji confirmed its first case of COVID-19 on March 19, 2020 and has since documented over 68,000 cases of COVID-19, with over 870 fatalities attributed to the virus. To date, the impact of COVID-19 to Lion One's activities has been limited as the Company acted quickly to establish clear policy guidelines for the health and safety of its employees and consultants, and their families, and thus has experienced only a small decrease in productivity.

The Company continues to monitor the situation in Fiji, however it is not possible for the Company to predict the duration or magnitude of the adverse results of the outbreak and its effects on the Company's business or results of operations at this time. While the impact of COVID-19 is expected to be temporary, the current circumstances are dynamic and the impacts of COVID-19 on the Company's development and exploration activities, including the impact on future mine development and process plant construction, cannot be reasonably estimated at this time.

Although COVID-19 has restricted the movement of some of the management team and consultants into Fiji, in addition to significant delays to the arrival of equipment and consumables from out of the country, the Company has continued operations with little interruption. Lion One has doubled its workforce since 2020 due to the additional drilling teams for the rigs, the laboratory staff to cater for the increased number of samples generated and the field crew to process the core and samples. The Company continues to maintain a strict regimen of safety with respect to COVID-19 for its employees. Strict health and safety protocols remain in place, and the Company is particularly focused on maintaining top-of-mind awareness about prevention practices within the organization. To date vaccination programs are rapidly advancing in Fiji with 100% of the Company's Fijian employees being fully vaccinated with two doses.

## BACKGROUND AND CORE BUSINESS

Lion One Metals Limited was incorporated on November 12, 1996, under the name X-Tal Minerals Corp. and under the laws of the Province of British Columbia, Canada. On January 28, 2011, the Company executed a reverse takeover of X-Tal by American Eagle Resources Inc. and changed its name to Lion One Metals Limited. Lion One is a reporting issuer in British Columbia and Alberta, with its common shares listed on the TSX Venture Exchange under the symbol "LIO", and a secondary listing of Chess Depository Interests "CDI's" on the Australian Stock Exchange "ASX" under the symbol "LLO". The Company's head office and principal address is 306 – 267 West Esplanade, North Vancouver, BC, V7M 1A5.

The Company's primary asset is the 100% held Tuvatu Gold Project, located 17 km from the Nadi International Airport on the main island of Viti Levu in Fiji. Discovered in 1987, Tuvatu is a high-grade underground gold project situated along the Viti Levu lineament, Fiji's own corridor of high-grade alkaline gold deposits. The Tuvatu resource covers a 5-hectare footprint within the 384 hectare mining lease. The project contains numerous high-grade prospects proximal to Tuvatu, at depth, and up to 1.50 km along strike from the resource area, giving near-term production potential and further discovery upside on one of Fiji's largest and underexplored alkaline gold systems. The Tuvatu Project was acquired by Lion One in 2011 and has over 140,000 meters of drilling completed to date in addition to 1,600 meters of underground development. Concomitant with the mine development plan being undertaken, Lion One continues to pursue aggressive exploration drilling of newly defined feeder targets in proximity to the Tuvatu resource, including the prolific 500 Zone, as well as regional targets within the 6 km Navilawa caldera.

In 2019, the Company purchased all of the drilling equipment from Geodrill, a Fijian drilling company, and also employed several experienced drillers and offsidors from Geodrill. This strategic acquisition ensured the Company has available, cost-effective diamond drilling capabilities by operating these drills "in-house". In 2020-2021, the Company purchased three additional deep capacity diamond drill rigs and contracts a sixth diamond drill rig to accelerate the drilling program, with the capabilities to drill to depths beyond 1,000 meters. In March 2022, the Company purchased two additional deep capacity rigs which were delivered to Fiji in September 2022, which brings the total drill rig fleet to eight rigs.

The Company has encountered multiple high-grade intercepts from its 2020-2022 high-grade feeder diamond drill program, which supports the alkaline gold model and the concept that Tuvatu has high-grade gold mineralization extending and evolving at great depths. The Company will continue this deep hole drill program, up to depths of over 1,000m below the surface, to gain a better understanding of the underlying plumbing system which allowed a conduit for the gold-rich fluids from the base of the crust in that area. Alkaline hosted gold deposits are known to extend to great depths, so there are many areas to explore. The Company is also infill drilling from surface and underground targeting areas of planned early production with the Phase 1 and 2 infill programs. Additional sampling, resampling and relogging of earlier diamond drill holes is an ongoing project. Trenching, mapping and sampling within the Company's tenement holding is also continuing.

In May 2019, SPL 1512 was issued for the Navilawa tenement for a 5-year term ending in 2024, which for the first time consolidated the ownership of the entire Navilawa mineral complex under a tenement package with the Tuvatu 384.5 hectare SML 62 Mining Lease at its center. A number of access tracks into the Navilawa tenement were completed and sampling of prospective zones continues with numerous additional targets identified to date. The Company has a large pipeline of drilling targets across the Navilawa Caldera and this program will include deep drilling, further geophysics, mapping and sampling, and targeted exploration of other prospects generated.

In 2019, the Company completed a specialized stream sediment sampling program using the BLEG ("Bulk Leach Extractable Gold") technique over the entire project area. The results from that BLEG sampling program indicates an extensive anomalous area within the northern part of the Navilawa caldera. Furthermore, to better define the underlying structural controls that hosts the high-grade vein network in the Navilawa Caldera, an initial controlled source audio-magnetotelluric ("CSAMT") geophysical program was also completed late in 2019. Following the interpretation of this CSAMT program, the deep drilling program was expanded to include targets identified from that survey. Lion One believes the Tuvatu region can host a deep, high-grade alkaline gold system associated with the interpreted underlying magma chamber beneath the Navilawa Caldera. During the second half of 2022, the Company plans to carry out a second CSAMT geophysical survey designed to infill and add detail and resolution to the current CSAMT results, as well as to begin implementing a regional drill program aimed at drill-testing some of the anomalies derived from previous geophysical and geochemical survey results.



## EXPLORATION PROGRAM

### *Diamond Drilling*

During the quarter ended June 30, 2022, the Company continued its diamond drilling program, where it completed 7,266.30 meters of diamond drilling in 27 completed holes with 4 drill holes still in progress at the end of the quarter. The Company continues to advance its deep diamond drilling program to prove that the project has the potential to become a multi-million ounces gold camp, which is consistent with Tuvatu as an example of an alkaline gold mineralizing system. Alkaline gold systems typically have large gold endowments due to their high grade and deep vertical extents. Initially, Lion One intersected high grade gold mineralization in TUDDH493 late in 2019, and then once again returned very high-grade intersections in hole TUDDH500 and its two wedges in mid-2020 and this area is referred to as the Deep Feeder 500 Zone. On June 6, 2022, the Company announced the discovery of a new major portion of the 500 Zone gold feeder including 20.86 g/t Au over 75.9m, from 443.4 to 519.3m, this major new feeder structure, from Hole TUG-141. TUG-141 was the longest high-grade intercept yet recorded at Tuvatu and the Company followed it up with holes TUDDH-601, with 12.22 g/t Au over 54.90m from 576.1-631.0m and TUDDH608, with 19.60m at 21.16 g/t Au from 594.5-614.1m.

Predominant vein minerals included a combination of quartz, potassium-rich hydrothermal feldspar called adularia, hydrothermal apatite, vanadium-rich hydrothermal mica called roscoelite, characteristic of alkaline gold mineralized systems, and late-stage carbonate minerals. Gold occurs as native free Au, as well as in association with a dirty brown pyrite, and minor telluride minerals. The mineral textures observed reflect rapid deposition of gold from a metal-saturated ore-forming colloid or fluid; a process referred to as "flashing". Such rapid gold-deposition can result from sudden pressure drops or a sudden change in physico-chemical conditions, and are known to generate very high grades in alkaline gold systems. Sulphide minerals include minor pyrite (2 generations), lesser marcasite, sphalerite, chalcopyrite, and traces of galena, arsenopyrite and bornite.

Mineralization in hole TUDDH500 and the subsequent holes drilled as follow up to that hole display many diagnostic characteristics of feeder style mineralization from an alkaline gold system. Notably, remarkable vertical extent to the high-grade mineralization, and mineral textures that suggest rapid deposition from what was a mineral-saturated fluid. This is encouraging, as it suggests the mineralized system was entirely preserved over an extensive vertical dimension, and that the Company has targeted the right part of the system to find additional mineralization.

The Company continues its three-pronged approach with drilling:

- 1) shallow resource infill drilling from surface and underground targeting areas of planned early production
- 2) deep exploration drilling targeting lode extensions and large gaps in drilling beneath the existing Tuvatu resource, and
- 3) regional Tuvatu analogue target areas within the Navilawa caldera, such as Banana Creek, Matanavatu, and Batiri and Qalibua creeks.

Regional drill programs requiring access to remote parts of the Navilawa caldera (SPL1512) was interrupted during the wet season (November to March) but resumed in dry season in 2022.

### **Resource Infill/Definition Drilling**

Two phases of infill drilling have been planned at Tuvatu with the aim of infilling areas within the current resource and thus augmenting the data density, to further improve the resolution of the geological model in portions of the deposit scheduled for earliest production. Phase 1 infill drilling began in June 2021 and was completed over Zone 2 in mid-February 2022, adding over 8,400m of new data from drill core, including 7,475m of new drilling and 955m of sampling of previously unsampled historic drill core. Multiple bonanza-grade intercepts have been returned from this program, which is aimed at a thorough re-appraisal of the database in portions of the resource earmarked for earliest production. A total of 7,475m of drilling was completed in 42 holes and 955m of resampling of 28 historic drillholes as part of Phase 1 (refer to news release dated February 23, 2022). Following the success of the Phase 1 Program, the Company started the Phase 2 Infill Drill Program in February 2022, which is planned for a total of 8,200m of diamond drilling from both surface and underground, and is expected to require six to eight months of drilling using three rigs to complete.

On May 31, 2022, the Company announced the first 11 holes for the Phase 2 infill program on Zone 5, representing 2,375m of diamond drilling. The results to date indicate significant new intercepts of high- to bonanza-grade Au mineralization that was not known to occur as part of the existing resource model. The Phase 2 infill drill program, as per Phase 1, was designed to confirm the location, size, and continuity of the known mineralized lodes, in portions of the orebody slated for early production.

Phase 2 infill program top Intercepts include:

- 18.47 g/t Au over 1.20m from 104.7-105.9m, and 584.07 g/t Au over 0.30m from 122.4-122.7m from TUDDH-586 (new)
- 24.72 g/t Au over 0.60m from 187.4-188.0m, incl. 43.34 g/t Au over 0.30m from 187.7-188.0m from TUDDH-580 (new)
- 25.23 g/t Au over 1.20m from 70.9-72.1m, incl. 78.02 g/t Au over 0.30m from TUG-139
- 18.77 g/t Au over 2.10m from 118.8-120.9m, incl. 26.07 g/t Au over 1.50m from TUDDH-577
- 11.95 g/t Au over 2.70m from 55.9-58.6m, incl. 35.91 g/t Au over 0.60m from TUDDH-578
- 11.18 g/t Au over 1.20m from 153.5-154.7m, incl. 40.05 g/t Au over 0.30m from TUDDH-580

On September 8, 2022, the Company announced the results from 20 additional drill holes, as part of ongoing Phase 2 infill drilling, including 3,900m of diamond drilling in Zone 5. The additional data outlines high-grade to bonanza-grade mineralized lode swarms less than 100m from surface. The Company will be upgrading its resource model in 2023, which is expected to be significantly improved by this round of drill results. The mineralization reported here is a significant development which is expected to upgrade the resource model, as it represents a critical addition of gold mineralisation to the resources model that grades well above the average resource grade, at relatively shallow levels. As a result, the newly identified mineralization enhances the economic model, by upgrading the production stream at Tuvatu.

Phase 2 infill program top Intercepts include:

- 20.59 g/t Au over 3.9m from 98.4-102.3m, including 52.89 g/t Au over 1.5m, including 171.5 g/t Au over 0.3m, and 79.18 g/t Au over 0.3m from TUG-144
- 12.22 g/t Au over 3.3m from 54.9-58.2m, including 32.08 g/t Au over 0.6m, 24.08 g/t Au over 0.6m from TUG-143
- 56.90 g/t Au over 1.8m from 144.6-146.4m, including 163.19 g/t Au over 0.6m from TUDDH-604
- 35.98 g/t Au over 1.8m from 53.0-54.8m, including 194.00 g/t Au over 0.3m from TUDDH-609
- 9.13 g/t Au over 3.3m from 60.3-63.6m, including 44.85 g/t Au over 0.6m from TUG-146, as well as 8.15 g/t Au over 5.1m from 97.5-102.6m, including 19.70 g/t Au over 1.8m from 99.3-101.7 including 1 3.28 g/t Au over 0.6, 11.73 g/t Au over 0.6m, and 34.08 g/t Au over 0.6m also from TUG-146

The mineralization from the Phase 2 drilling is a highly significant development, as it represents a substantive addition of Au mineralization at grades well in excess of the average resource grade, intersected at relatively shallow levels in the orebody. As a result, the new high-grade mineralization defined by the ongoing infill drill program can be expected to substantially enhance the early part the production stream and hence the immediate economic viability of Tuvatu.

### Deep Feeder Drilling in the 500 Zone

On April 8, 2022, the Company announced that the ongoing deep drilling has returned multiple high-grade intercepts, significantly extended the drill-confirmed vertical extent of the 500 Zone from recent drilling comprised 11 drill holes for 9,113.4 meters (news release dated April 8, 2022).

Highlights from the deep drilling include:

- 23.14 g/t Au over 3.00m including 118.60 g/t Au over 0.30m from 571.50m (TUG 138)
- 25.83 g/t Au over 2.70m including 43.64 g/t Au over 0.30m from 582.50m (TUDDH 573W1)
- 87.83 g/t Au over 1.50m including 108.41 g/t Au over 0.60m from 445.10m (TUG 136)
- 12.19 g/t Au over 0.30m from 1,106.30 to 1,106.60 (TUDDH494 re-entry)

Deep drilling at Tuvatu extends Deep Feeder 500 Zone by approximately 300 meters below the base of the current resource, with two further holes intersecting high grade mineralization an additional 350m deeper, demonstrating vertical continuity of the Tuvatu gold system of at least 1,150m. These additional deep intercepts significantly increase the degree of confidence that the Tuvatu orebody extends to considerable depth, and that it remains fully open, laterally and at depth. The Company believes that the current Tuvatu Resource represents but a fraction of a much larger and considerably more extensive, high-grade Au deposit for which additional drilling is warranted to further define its true extent.

On June 6, 2022, the Company announced the discovery of a new major portion of the gold feeder including 20.86 g/t Au over 75.9m at depth beneath the existing resource at Tuvatu (news release dated June 6, 2022). This major new feeder structure, Hole TUG-141, targeting a complex network of high-grade structures called the 500 Zone, encountered the longest high-grade intercept yet recorded at Tuvatu, 20.86 g/t Au over 75.9m, including 43.62 g/t Au over 30.0m which includes 90.35 g/t Au over 7.2m. The new discovery is located at depth beneath the current resource fully within the permit boundaries of the Tuvatu mining lease SML 62.



High-grade intercepts from TUG-141 include:

- **20.86 g/t Au over 75.9m from 443.4-519.3m**
- including 35.25 g/t Au over 37.5m from 471.3-508.8m
- including 43.62 g/t Au over 30.0m from 477.6-507.6m
- including 90.35 g/t Au over 7.2m from 494.4-501.6m
- and notable individual high-grade assay intervals including:
  - 396.16 g/t Au over 0.30m from 479.1-479.4m
  - 340.07 g/t Au over 0.30m from 498.9-499.2m
  - 600.42 g/t Au over 0.30m from 499.5-499.8m

The mineralized intercepts reported by TUG-141 are a significant development, as the grades and continuity observed by the intercepts in hole TUG-141 are of a magnitude not previously documented at Tuvatu and highlights the largely untapped potential of this alkaline deposit. The significance of having identified what may be a new principal feeder conduit for Tuvatu confirms the model that has driven this deep exploration program since the discovery of hole TUDDH-500 in July 2020. As part of the deep 500 Zone drill program, hole TUG-141 targeted the upper portion of the 500 Zone at depths between approximately 450-550m where it is projected to connect with the base of lodes making up the Inferred resource. TUG-141 was drilled into a very wide and exceptionally high-grade zone, 20.86 g/t Au over 75.9m, cored by hydrothermal breccia. Such a zone of extreme fracturing and brecciation has never before been observed at Tuvatu. It is significant to note that the bulk of this mineralized interval is hosted within andesite rather than by intrusive monzonite, the typical host rock for many lodes at Tuvatu.

Furthermore, it is also notable that the nearest drill holes to TUG-141 are TUG-135 (70m below), TUG-136 (45m to the east), and TUG-138 (60m to the west), indicating that there is considerable space for a substantial increase in the ultimate size of the feeder conduit. All three of these holes have returned previously reported bonanza grade mineralization, similar in tenor and texture to that in TUG-141, including:

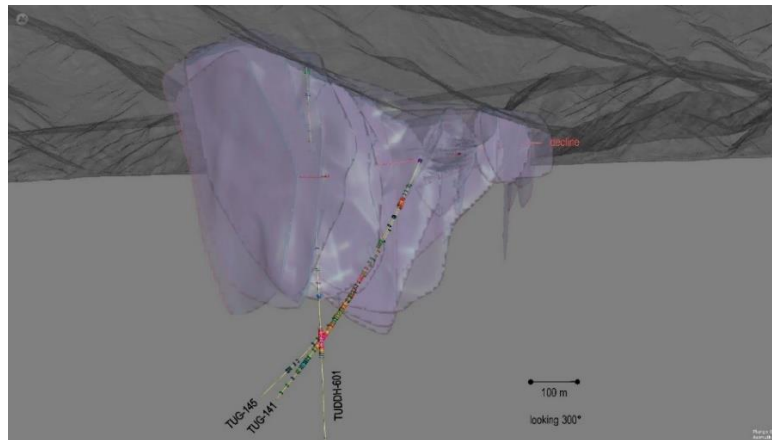
- 24.92 g/t Au over 3.70m from 415.7-419.4m in hole TUG-135 including 159.3 g/t Au over 0.30m;
- 87.83 g/t Au over 1.5m from 445.1-446.6m in hole TUG-136 including 108.41 g/t Au over 0.60m;
- and 23.14 g/t Au over 3.0m from 571.5-574.5m in hole TUG-138 including 118.6 g/t Au over 0.30m

On August 15, 2022, the Company announced confirmation of the high-grade mineralization reported by TUG-141 by completing additional drilling into the 500 Zone with TUDDH-601. TUDDH-601 was drilled from surface at -85° and was designed to further test the high-grade zone encountered in TUG-141 (news release dated August 15, 2022). Highlight intercepts from hole TUDDH-601 include:

- 26.20 g/t Au over 1.20m from 165.7-166.9m;
- 115.42 g/t Au over 1.80m from 252.4-254.2m;
- **12.22 g/t Au over 54.90m from 576.1-631.0m**
- including 23.02 g/t Au over 20.10m from 576.1-596.2m, which includes 29.24 g/t Au over 15.6m;
- 8.09 g/t Au over 20.70m from 602.5-623.2m, incl. 9.25 g/t Au over 7.80m and 15.03 g/t Au over 5.40m

TUDDH-601 drilled from surface, was a near-vertical drill test of the high-grade gold zone encountered by TUG-141. TUDDH-601 is estimated to have drilled to within two meters of TUG-141. This test indicates that high-grade mineralization corresponding to that in TUG-141 is indeed hosted primarily by altered andesite rather than adjacent monzonite. High-grade mineralization, 54.9m of 12.22 g/t Au, was first intersected at a downhole depth of 576.1m continuing virtually uninterrupted to a downhole depth of 631.0m (Figure 1). Only one low-grade interval, hosted by monzonite and measuring 6.3m long was intersected. Above this low-grade interval, 23.02 g/t Au over 20.1m was encountered including 29.24 g/t Au over 15.60m, and below, 8.09 g/t Au over 20.7m, including 15.03 g/t Au over 5.40m and 9.25 g/t Au over 7.80m, respectively (Figure 2).

**Figure 1:** Image from Leapfrog software showing the modeled lodes representing the Tuvatu resource in semi-transparent gray with the traces of drill holes TUG-141, TUG-145 drilled from the same location along the exploration decline, and TUDDH-601 drilled at a dip of -85° from surface.



**Figure 2:** Vertical section looking West of the mineralized intervals in TUG-141 and TUDDH-601 that were drilled in essentially the same plane. Grades in ppm Au shown as colored discs are as follows: 0.1-0.2, blue; 0.2-0.3, light blue; 0.3-0.5, green; 0.5-1.0, yellow; 1-3, orange; 3-10, red; >10, fuschia.



The Company's current interpretation of this portion of the 500 Zone feeder is that of a wide zone of dilation associated with the interplay of major structural corridors (UR1 and UR4 lodes) and the main lithological contact between monzonite and andesite that has the potential to extend for tens to hundreds of meters both vertically and along the north south direction. True widths exceeding 10m at the narrower apex of this dilational zone suggest a significant increase in gold ounces once this zone has been adequately drilled off, and this, independent of the rest of the extensive vertical 500 zone feeder that is known to exceed 1,100m in vertical extent. The Company continue to expand this critical zone of high-grade mineralization with ongoing drilling both from the surface and the underground decline.

The high-grade mineralization in the 500 Zone has now been demonstrated to extend over an area approximately 150m along strike and 300m vertically, completely outside the existing resource model. The improved understanding of the orientation of the 500 Zone now allows the Company to connect this high-grade feeder to the base of the existing resource. The high-grade mineralization continues to be defined both in the near-surface portion of the deposit, as well as in the expanding the 500 Zone. The additional data generated by the infill drilling and resampling programs will greatly enhance the Company's understanding of the geometry of the veins, and raise the level of confidence needed, ahead of Lion One's near-term underground development at Tuvatu.

On September 15, 2022, the Company announced the results from drillhole TUDDH-608 a direct follow-up to the TUG-141/TUDDH-601 (refer to news release dated September 15, 2022). The dip of this hole at this depth was approximately 60° equating to a true horizontal width of 11.85m. Highlight intercepts from hole TUDDH-608 include:

- 19.60m at 21.16 g/t Au from 594.5-614.1m, including
  - 16.20m at 25.28 g/t Au from 596.7-612.9m.

### ***Navilawa Tenement and Exploration Program***

In May 2019, SPL 1512 was issued for the Navilawa tenement for a 5-year term renewable in 2024. The tenement area directly adjoins the northern boundary of Lion One's tenements at Tuvatu, which consolidates ownership of the entire Navilawa mineral complex under a contiguous 13,613 hectare tenement package with Tuvatu's 384.5 hectare Mining Lease (SML 62) and mining and processing site, at its center. This is the first time that modern, systematic exploration has been able to be undertaken over the entire area. The Navilawa area has over 10 well defined prospects including the Kingston, Banana Creek, Matanavatu, and Tuvatu North. The most significant historic results returned were surface rock chip samples of 46.30 g/t Au from Banana Creek; 176.27 g/t Au from the Kingston, and 8.50 g/t Au from Tuvatu North. Although little systematic historical exploration has been previously undertaken in the area, a number of prospects have historic workings with short shafts or adits up to 15 meters deep or manual workings on copper- and gold-bearing rocks, as is the case at the Central Ridge prospect. Efforts have been primarily focused at Banana Creek, where the Company's team has completed two drill holes totaling 1,458.7m. More recently, work has been focused on the Matanavatu prospect which is approximately half-way between Tuvatu and Banana Creek. Regional sampling, mapping and drilling commenced during the quarter as the wet season ended.

In June 2022, the Company initiated a major benching program following up on positive results from 2021 along Qualibua creek, by extending a new bench in the Batiri creek area towards Banana creek. On August 29, 2022, the Company announced a new regional high grade gold discovery, the Batiri Creek Vein, located in the Navilawa Caldera 1.8 km northeast of the Tuvatu Alkaline Gold Project. This new regional discovery was made as a result of this benching program, referred to as the Batiri Creek occurrence returning 13.3 g/t Au over 4.0m. The Batiri Vein discovery is credited to the Lion One Fiji exploration team's regional benching and surface sampling program targeting new gold bearing systems in under-explored regions peripheral to Tuvatu in the surrounding Navilawa Caldera. In August 2022, the Company mobilized a drill rig to this occurrence to test the Batiri Creek discovery.

The new structure is characterized by an intense zone of veining on a lithological contact between monzonite and andesite, with two significant N-S and NE-SW oriented structural intersections. The lithological contact and structural intersections observed in the Batiri Vein are comparable to the lithological contact and structural intersections observed from deep extensional drilling in the 500 Zone below the Tuvatu resource where Lion One recently reported the longest and highest-grade intercepts yet recovered at Tuvatu, including 20.86 g/t Au over 75.90m from TUG 141 and 12.22 g/t Au over 54.90m including 20.10m @ 23.03 g/t Au from TUDDH 601.

### ***CSAMT survey***

On August 16, 2022, Zonge Engineering and Research Organization from Australia arrived on site in Fiji to initiate an approximate 26 line-km Controlled Audio Source Magneto-Telluric (CSAMT) geophysical survey. The survey is currently in progress and is expected to be completed by late October 2022. The CSAMT survey is designed to fill in from the previous 2019 CSAMT survey with lines planned between existing lines to ultimately yield a denser coverage of the Navilawa caldera.

### ***Underground Mine and Surface Development***

During the quarter ended in June 30, 2022, the Company continued to optimize the mine plan and procure additional mining equipment. The Company completed shotcrete on the batters outside the new main portal area and started to install steel sets at the portal. The underground mine development commenced in late-July 2022 and to date the decline face is approximately 100 meters from the main portal. Subsequent to the quarter ended June 30, 2022, the Company also procured additional mining equipment, including a single and a twin boom jumbo, Caterpillar R1700 Loader, other ancillary mining equipment.

In June 2022, the Ministry of Environment of Fiji approved the Environmental Impact Assessment (EIA) update resulting in the Company paying \$37,733 (FJD65,205) as an environmental bond to the Ministry of Environment. The ERP software was also fully implemented in July 2022 for accounting, supply chain, cost control, and inventory.

Approximately ninety percent of engineering design, including process, buildings, structures, piping, electrical and control systems for the 300 tonne per day pilot processing plant has completed to date. The manufacture of processing equipment has progressed as planned and the first batch equipment is scheduled to ship to Fiji in October 2022. The sixty-tonne mobile crane and a front loader for construction and operations has arrived to site and already in use. The mobile crusher and mobile screener continue to crush waste rocks from mine development for site road works, foundation improvement and surface platform hardstand. In August 2022, the contract for the construction of foundations for processing plant equipment and buildings was awarded and the foundation construction at the crusher and screen plant area has started. In July 2022, the construction of the new core shed storage was completed and the construction of site administration office was started with completion expected by November 2022. In June 2022, the contract for construction of tailings storage facility was awarded with construction of the tailings dam at over 3 meters

in height at this time. The storm water diversion dam was completed in September 2022 and the excavation of north diversion channel has reached the channel invert level.

The Company advises that it has not based its current mine development plan on a feasibility study of mineral reserves, demonstrating economic and technical viability, and, as a result, there may be an increased uncertainty of achieving any particular level of recovery of minerals or the cost of such recovery, including increased risks associated with developing a commercially mineable deposit.

### ***Purchase of 2 New Drill Rigs and Expansion of Laboratory Capacity***

In March 2022, the Company procured two additional Zinex rigs, which arrived in September 2022, and concurrently expanded the laboratory capacity. By purchasing the two additional rigs, the Company has complete flexibility to deploy these high-performance rigs both underground and on surface, either at Tuvatu or on regional targets, or both, as required by our aggressive exploration and infill drill programs. The laboratory capacity was expanded to exceed 12,000 samples per month to better meet its combined exploration drilling and underground development needs moving forward. The installation and commissioning of all new laboratory equipment and a full expansion of the laboratory to full-time 24/7 operation was completed by late May 2022.

### ***Completed \$13.36 million bought deal placement***

On September 28, 2022, the Company closed a bought deal offering of 17,348,000 units including 1,108,000 Units issued pursuant the over-allotment option granted to Eight Capital and Canaccord Genuity Corp. at a price of \$0.77 per Unit for gross proceeds of \$13,357,960 (the "Offering").

Each Unit consists of a common share of the Company and one-half of one common share purchase warrant. Each whole common share warrant may be exercised to purchase a common share at a price of \$1.05 for a period of 36 months following the closing date of the Offering. In the event that the volume weighted average trading price of the common shares on the TSX-V or such other principal exchange on which the common shares are then trading, is greater than \$1.75 for a period of twenty consecutive trading days at any time after the closing of the Offering, the Company may accelerate the expiry date of the warrants by giving written notice to the holder thereof and in such case the warrants will expire on the 30th day after the date on which such notice is given by the Company.

Pursuant to the Offering the Company issued 1,040,880 compensation warrants (the "Compensation Options") to the Underwriters. Each Compensation Option is exercisable to purchase a Common Share at a price of \$0.77 for a period of 36 months following the closing date of the Offering. In addition, the Company paid \$945,947 of cash finders' fees in relation to the Offering.

### ***Appointment of Mr. Jeffrey Edelen, Masters of Economic Geology, as Vice-President Corporate Development***

On September 3, 2022, the Company appointed Mr. Jeffrey Edelen, as Vice-President of Corporate Development. Mr. Edelen has 16 years of experience as an economic geologist focusing on prospect generation, royalty evaluation, and project development. He holds undergraduate degrees in Spanish Language and Physical Geology from the University of Idaho and a Master's degree in Economic Geology from the Colorado School of Mines.

Mr. Edelen started his career with Midway Gold Corp. and continued work at the Spring Valley deposit with the Midway-Barrick Gold Corporation JV through 2009. He subsequently researched gold systems at the Colorado School of Mines and later added seven years of experience in senior roles with companies such as Full Metal Minerals, Esperanza Silver, Revolution Resources, and Osisko Mining before joining EMX Royalty Corp. (EMX) in 2014. As a Senior Geologist at EMX he helped develop world-class portfolios in multiple jurisdictions for gold, copper, base metal, and battery metal assets. In addition to prospect generation, he has extensive experience in royalty generation and evaluation, strategic investments, and value creation throughout the broader industry of economic geology. As the Manager of Project Marketing at EMX, Mr. Edelen developed an excellent reputation within an extensive network of decision makers world-wide. Having been exposed to multiple facets of this industry, Mr. Edelen will be an excellent addition to the Company.

### ***Stock option grant***

On September 3, 2022, the Company granted 4,540,000 stock options to various directors, officers, employees, and consultants of the Company, subject to TSX-V approval. The options are exercisable into common shares of the Company at a price of \$1.25 per share, expiring five years from the date of grant, on September 3, 2027.

**EXPLORATION AND EVALUATION ASSETS*****Tuvatu Gold Project, Viti Levu***

The Company's primary asset is the Tuvatu Gold Project located near Nadi on the island of Viti Levu, Fiji. The Tuvatu Gold Project has been fully permitted for development, construction and mining by the Government of Fiji with the grant of a Special Mining Lease (SML 62) in 2015. In June 2022, the Ministry of Environment of Fiji approved the Environmental Impact Assessment (EIA) update. The Company has also submitted its Rehabilitation and Closure Plan for the operation. The Company signed a 21-year Surface Lease agreement with local landowners and the iTaukei Land Trust in 2014 and the SML has been granted for a term of ten years provided the Company complies with the terms of the lease. In August 2022, the SML 62 was extended for an additional 10 years ending to February 28, 2035. Extensions to the term can be applied subject to the terms of the lease and the Mining Act.

SML 62 is a designated area within the original boundaries of the Company's SPL's 1283 and 1296. SML 62 provides exclusive rights for the potential development, construction, and operation of mining, processing, and waste management infrastructure at Tuvatu. The Mining Lease area covers 384.5 hectares and contains all of the current NI 43-101 resource and multiple high-grade prospects in the southern part of the Navilawa Caldera. The Tuvatu camp is located 16 km by road from the Lion One Fiji head office adjacent to the International Airport in Nadi, and 35 km from the Port of Lautoka.

The Company holds four exploration licenses (SPL's) for the Tuvatu properties. Under the terms of the SPL's, the Company is required to spend a minimum threshold of expenditures on each of the licenses. In March 2022, the Company received the renewal application for SPL 1465 for three year period ending on March 4, 2025.

SPL	Issued	Expiry Date	Bond (Fijian \$)	Bond (Canadian \$)	Expenditure Requirement (Fijian \$)	Expenditure Requirement (Canadian \$)
1283	Aug. 24, 2020	Aug. 23, 2025	158,180	91,534	1,400,000	810,138
1296	Aug. 24, 2020	Aug. 23, 2025	158,180	91,534	1,600,000	925,872
1465	Mar. 5, 2022	Mar. 4, 2025	67,979	39,337	679,789	393,374
1512	May 14, 2019	May 13, 2024	516,058	298,628	15,333,305	8,872,924

***Mineral Resources***

The Mineral Resource models and estimates, and the site visit were conducted by Mr. Ian Taylor, B.Sc. (Hons), G.Cert. Geostats, M.AusIMM (CP) (Qualified Person [QP]) of Mining Associates Pty Ltd. ("MA"). The Mineral Resource estimate was completed in January 2018 following the completion of the 2016-2017 diamond drilling program and field exploration. This Mineral Resource estimate does not include the 2019-2022 diamond drilling programs. The Company plans to update the Mineral Resource in 2023 to include the 2019-2022 drilling programs, which are currently in progress. The Mineral Resource has been estimated for each vein individually using Ordinary Kriging (OK) of width and grade, the latter using accumulations, into a three-dimensional (3D) block model. The Mineral Resource has been estimated for each vein individually based on the current drill hole database, historic block models, and geological wireframes. The effective date for the Mineral Resource estimate is January 8, 2018 (See sensitivity of Mineral Resource to cut-off grade in table below).

Cut off (g/t Au)	Indicated Resource			Inferred Resource		
	Tonnes	g/t Au	oz Au	Tonnes	g/t Au	oz Au
2.0	1,283,000	7.2	296,400	1,822,000	7.2	423,300
<b>3.0</b>	<b>1,007,000</b>	<b>8.5</b>	<b>274,600</b>	<b>1,325,000</b>	<b>9.0</b>	<b>384,000</b>
5.0	687,000	10.60	234,300	788,000	12.5	317,500

On April 29, 2022, the Company published a National Instrument ("NI") 43-101 Preliminary Economic Assessment Update (the "Report" or the "PEA") for the Tuvatu Gold Project ("Tuvatu") as prepared by independent consultants. The reader is cautioned that the Report includes the use of Inferred Mineral Resources, which are considered too speculative geologically to have the economic considerations applied to them that would enable them to be categorized as Mineral Reserves, and as such, there is no certainty the economic results presented in the Report will be realized. Mineral Resources that are not Mineral Reserves do not have demonstrated economic viability. The Report is based on low accuracy level technical and economic assessments and is insufficient to support estimation of mineral reserves or to provide assurance of an economic development case at this stage; or to provide certainty that the conclusions of the Preliminary Economic Assessment will be realized. The PEA is filed on the Company's profile at [www.sedar.com](http://www.sedar.com).



Expenditures incurred on the Fiji properties are as follows:

	June 30, 2020	Additions	June 30, 2021	Additions	June 30, 2022
Acquisition costs	\$21,915,063	\$ -	\$ 21,915,063	\$ -	\$ 21,915,063
Camp costs and field supplies	1,507,457	162,470	1,669,927	404,544	2,074,471
Consulting fees	3,618,394	565,012	4,183,406	863,669	5,047,075
Depreciation	1,506,385	613,492	2,119,877	906,196	3,026,073
Development, dewatering, geology and environmental	2,636,279	1,104,854	3,741,133	2,130,822	5,871,955
Drilling	5,281,679	870,676	6,152,355	706,078	6,858,433
Fiji office administration	5,868,359	719,523	6,587,882	1,306,926	7,894,808
Permitting and community consults	1,366,181	165,557	1,531,738	541,157	2,072,895
Site works and road building	3,893,164	416,469	4,309,633	405,960	4,715,593
Salaries and wages	8,789,118	1,429,383	10,218,501	1,049,770	11,268,271
Sample preparation, assaying	2,191,102	495,088	2,686,190	1,007,668	3,693,858
Technical reports	1,399,805	6,760	1,406,565	149,457	1,556,022
Travel	1,365,415	1,427	1,366,842	149,660	1,516,502
Vehicle and transportation	1,175,359	420,911	1,596,270	805,404	2,401,674
Write-off of exploration assets	(771,648)	-	(771,648)	-	(771,648)
Cumulative foreign currency translation adjustment	(104,495)	(2,114,216)	(2,218,711)	(1,514,371)	(3,733,082)
	\$61,637,617	\$ 4,857,406	\$ 66,495,023	\$ 8,912,940	\$ 75,407,963

The SPL's expenditure commitments are included in the accompanying consolidated financial statements

A full tenement listing is provided in Schedule "A" at the end of this MD&A.

## SELECTED FINANCIAL INFORMATION

### Selected Annual Information

	2022	2021	2020
Interest income	\$ 366,340	\$ 462,827	\$ 265,826
Net loss	2,508,953	4,231,362	2,723,822
Net loss per share	0.02	0.03	0.02
Comprehensive loss	4,679,366	6,755,798	1,679,535
Comprehensive loss per share	0.03	0.05	0.02
Working capital	36,645,040	57,892,384	13,012,110
Exploration and evaluation assets	75,407,963	66,495,023	61,637,617
Total assets	131,275,674	134,290,897	83,012,964

The difference between net and comprehensive loss over the periods presented is attributed to the foreign exchange translation on the Company's long-term assets denominated in Fijian and Australian dollars.

### Selected Quarterly Results

	June 30, 2022	March 31, 2022	December 31, 2021	September 30, 2021
Total assets	\$ 131,275,674	\$ 133,027,838	\$ 133,185,950	\$ 134,059,118
Exploration and evaluation assets	75,407,963	73,635,449	71,137,848	69,000,349
Property and equipment	10,294,938	9,693,494	8,497,529	7,284,898
Working capital	36,645,040	43,308,352	49,997,294	54,206,890
Interest income	119,254	49,419	87,206	110,461
Net loss for the period	(545,663)	(809,577)	(779,448)	(374,265)
Comprehensive loss for the period	(2,465,557)	(764,120)	(1,268,369)	(181,320)
Basic and diluted loss per share	(0.01)	(0.01)	(0.00)	(0.00)

	June 30, 2021	March 31, 2021	December 31, 2020	September 30, 2020
Total assets	\$ 134,290,897	\$ 135,272,336	\$ 137,210,857	\$ 127,062,746
Exploration and evaluation assets	66,495,023	65,284,953	64,631,454	63,130,605
Property and equipment	5,996,548	5,934,701	5,013,952	3,597,178
Working capital	57,892,384	59,633,886	62,712,197	55,638,207
Interest income	96,963	100,919	129,796	135,149
Net loss for the period	(1,850,742)	(764,596)	(862,263)	(753,761)
Comprehensive loss for the period	(2,712,756)	(2,016,839)	(1,090,147)	(936,056)
Basic and diluted loss per share	(0.01)	(0.00)	(0.01)	(0.01)

The focus of the Company over the periods presented has been the exploration and development of its Fijian exploration and evaluation assets. The Company raised \$39.7 million gross proceeds in August 2020 from a private placement and \$17.3 million from warrants in October 2020, resulting in increases in total assets and working capital. With the additional equity raised in 2020, the Company accelerated the development of Tuvatu project resulting in increases in exploration and evaluations assets and property and equipment, offset by declines in working capital. From September 30, 2020 to June 30, 2022, the Company has used the proceeds from the August and October 2020 private placement and warrants exercised and incurred cash outflows of \$12.4 million on exploration and evaluation assets, \$8.6 million on property and equipment, \$6.0 million on deposits for equipment and \$3.1 million on operating activities before non-cash working capital items.

Interest income has decreased from September 2020 to March 2022, due primarily to decrease in cash in savings accounts offset by raising interest rates in Canada since 2021. For the quarter ended June 30, 2022, interest income has increased from prior quarter due to sharp rise in interest rates in Canada offset by reduction in savings account. The differential between net and comprehensive loss in each period reflects the translation adjustment of the assets and liabilities of the Company's subsidiary, Lion One Limited, which is denominated in Fijian dollars.

#### Results of Operations for the year ended June 30, 2022 compared to 2021

The comprehensive loss for the year ended June 30, 2022 was \$4,679,366 (2021 – loss of \$6,755,798). Significant changes to the comprehensive loss are explained as follows:

- Investor relations decreased by \$122,233 to \$553,403 (2021 - \$675,636) due to timing of investor conferences compared to prior year period and prior year market awareness program.
- Licenses, dues and insurance increased by \$41,999 to \$129,338 (2021 - \$87,339) due to higher insurance premiums in the current period.
- Professional fees increased by \$32,325 to \$420,921 (2021 - \$388,596) primarily due to financial statement quarterly review engagements initiated in current fiscal year.
- Share-based payments expense of \$870,576 (2021 - \$1,119,909) has decreased due to the employee stock options granted in June 2021.
- Travel expense increased by \$35,275 to \$41,575 (2021 - \$6,300) primarily due to travel expenses in the current period compared to prior year period due to COVID-19 travel restrictions in prior year.
- During the year period ended June 30, 2022, the Company recognized a foreign exchange translation loss of \$2,170,413 on its net assets denominated Fijian and Australian dollars reflecting a weakening Fijian and Australian dollar against the Canadian dollar since June 30, 2021. A foreign exchange translation loss of \$2,524,436 was recognized in the comparative period.

#### Results of Operations for the three months ended June 30, 2022 compared to 2021

The comprehensive loss for the three months ended June 30, 2022 was \$2,465,557 (2021 – loss of \$2,712,756). Significant changes to the comprehensive loss are explained as follows:

- Investor relations decreased by \$10,462 to \$137,758 (2021 - \$148,220) due to timing of investor conferences in the current period.

- Licenses, dues and insurance increased by \$7,556 to \$39,070 (2021 - \$31,514) due to higher insurance premiums in the current period.
- Professional fees increased by \$5,125 to \$96,245 (2021 - \$91,120) primarily due to financial statement quarterly review engagements initiated in current fiscal year.
- Shareholder communications increased by \$28,064 to \$47,669 (2021 - \$19,605) due to higher number of news releases compared to prior year period.
- Share-based payments expense of \$188,861 (2021 - \$566,455) has decreased due to the employee stock options granted in June 2021.
- Travel expense increased by \$11,594 to \$17,894 (2021 - \$6,300) due to travel expenses in the current period compared to prior year period due to COVID-19 travel restrictions in prior year.
- During the three-months period ended June 30, 2022, the Company recognized a foreign exchange translation loss of \$1,919,894 on its net assets denominated in Fiji and Australian dollars reflecting a slightly stronger Fiji dollar against the Canadian dollar offset by a strengthening of Australian dollar against the Canadian dollar since March 31, 2022. A foreign exchange translation loss of \$862,014 was recognized in the comparative period.

### **Cash flows for the year ended June 30, 2022 compared to 2021**

Cash, cash equivalent and short-term investments have decreased by \$22,463,442 to \$35,749,771 at June 30, 2022 from a balance of \$58,213,213 as at June 30, 2021.

Cash outflows from operating activities increased by \$707,976 to \$2,723,430 (2021 – \$1,529,930). This is primarily due to the increase in prepaid expenses, build up in VAT receivables and increase in accounts payable and accrued liabilities in the current period compared to prior year period.

Cash outflows from investing activities decreased by \$5,876,674 to \$14,566,346 (2021 - \$20,443,020) due to the current period redemption of \$5,000,000 guaranteed investment certificates (GICs) and the purchase of \$12,000,000 GICs in prior year period, offset by increase in purchase of mining equipment including deposits and a higher level of Tuvatu Gold Property exploration and development activities in the current year period.

Cash outflows from financing activities were \$142,500 due to \$180,000 for office lease payments and net cash proceeds of \$37,500 from stock option exercised (2021 – \$55,980,876 inflows), inflows from prior year period due to \$37,000,211 net cash proceeds from issuance of shares for August 2020 private placement equity raise, \$17,250,000 from the December 2019 private placement warrants exercised, \$430,500 from broker compensation warrants exercised, \$483,000 broker compensation units exercised and \$997,165 from stock options exercised in prior year period.

### **Financial Position**

Cash, cash equivalents and short-term investments have decreased by \$22,463,442 to \$35,749,771 as at June 30, 2022 from a balance of \$58,213,213 as at June 30, 2021, due primarily to expenditures on exploration and evaluation assets and property and equipment purchases including deposits for equipment during the current period.

Shareholders' equity decreased by \$3,243,169 to \$130,050,079 (June 30, 2021 – \$133,293,248) due primarily to the share-based payments expense for stock options.

### **LIQUIDITY AND CAPITAL RESOURCES**

As at June 30, 2022, the Company had a working capital of \$36,645,040 including cash, cash equivalents and short-term investments of \$35,749,771 as compared to working capital of \$57,892,384 including cash, cash equivalents and short-term investments of \$58,213,213 as at June 30, 2021. The Company believes it has adequate financial resources for the next twelve months. Being in the exploration and development stage, the Company does not have revenue from operations, and relies on equity financing for its continuing financial liquidity.

Management cautions that the Company's ability to raise further funding is not certain. Additional funds will be required in order to pursue the Company's current exploration and development plans. Many factors influence the Company's ability to raise funds, including the health of the resource market, the climate for mineral exploration investment, the Company's track record, and the experience and caliber of its management. Actual funding requirements may vary from those planned due to a number of factors, including the progress of exploration and development activities.

Management believes it will be able to raise equity capital as required in the long term, but recognizes there will be risks involved that may be beyond their control.

### **CRITICAL ACCOUNTING ESTIMATES**

The Company's accounting policies are described in Notes 2 and 3 of its consolidated financial statements for the year ended June 30, 2022. The preparation of the consolidated financial statements requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported expenses during the year. Actual results could differ from these estimates. Management considers the following estimates to be the most critical in understanding the judgments and estimates that are involved in the preparation of the Company's consolidated financial statements and the uncertainties that could impact the results of operations, financial condition and cash flows:

#### *Functional currency*

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 and incorporate the Canadian dollar, Fijian dollar and Australian dollar as detailed in Note 2 of the consolidated financial statements for the year ended June 30, 2022.

#### *Exploration and evaluation assets*

The carrying value and recoverability of exploration and evaluation assets requires management to make certain estimates, judgments and assumptions about its projects. 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 user is advised to refer to the risks of the Company discussed in the Annual Information Form for the year ended June 30, 2022, which discusses factors that could impair the Company's ability to develop its exploration and evaluation assets in the future.

#### *Income taxes*

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

#### *Equity measurements*

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.

### **PROPOSED TRANSACTIONS**

Other than as disclosed elsewhere in this document, the Company does not have any proposed transactions.

### **FINANCIAL INSTRUMENTS AND OTHER INSTRUMENTS**

Financial instruments of the Company comprise cash, cash equivalents, short term investments, restricted cash, receivables, deposits, accounts payable and accrued liabilities and lease liability. The carrying values of these financial instruments do not materially differ from their fair values due to their ability for prompt liquidation or their short terms to maturity.

#### *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, cash equivalents, short-term investments and receivables. The Company limits exposure to credit risk on liquid financial assets through maintaining its cash, cash equivalents, short-term investments with high-credit quality financial institutions.

Receivables mainly consist of Goods and Services Tax ("GST") receivable from the Government of Canada, GST receivable from the Government of Australia, and Value Added Tax receivable from the Government of Fiji. The Company has not had issues with respect to collectability of these amounts and believes that the credit risk concentration with respect to receivables is minimal.

#### *Liquidity risk*

Liquidity risk is the risk that the Company will not be able to meet its obligations associated with its financial liabilities. The Company will raise funds for future use from equity financings and other methods as contemplated by management to satisfy its capital requirements and will continue to depend heavily upon these financing activities. All of the Company's current financial liabilities have contractual maturities of 30 days or due on demand and are subject to normal trade terms. As at June 30, 2022, the Company had working capital of \$36,645,040.

#### *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 and cash equivalents and short-term investments. 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 exploration work occurs in Fiji and is conducted in Canadian dollars and Fijian dollars. A portion of the Company's financial assets and other assets is denominated in US dollars and Australian dollars. As such, the Company is exposed to foreign currency risk in fluctuations.

##### 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.

### **RISK FACTORS**

Prior to making an investment decision, investors should consider the investment risks set out in the Annual Information Form ("AIF"), located on SEDAR at [www.sedar.com](http://www.sedar.com), which are in addition to the usual risks associated with an investment in a business at an early stage of development. The directors of the Company consider the risks set out in the AIF to be the most significant to potential investors in the Company, but are not all of the risks associated with an investment in securities of the Company. If any of these risks materialize into actual events or circumstances or other possible additional risks and uncertainties of which the Directors are currently unaware, or which they consider not to be material in relation to the Company's business, actually occur, the Company's assets, liabilities, financial condition, results of operations (including future results of operations), business and business prospects, are likely to be materially and adversely affected. In such circumstances, the price of the Company's securities could decline and investors may lose all or part of their investment.



## **INTERNAL CONTROLS OVER FINANCIAL REPORTING**

### **Disclosure Controls and Procedures ("DC&P")**

The Company has established disclosure controls and procedures to ensure that information disclosed in this MD&A and the related consolidated financial statements was properly recorded, processed, summarized and reported to the Company's Board and Audit Committee. The Company's certifying officers conducted or caused to be conducted under their supervision an evaluation of the disclosure controls and procedures as required under Canadian Securities Administration regulations, as at June 30, 2022. Based on the evaluation, the Company's certifying officers concluded that the disclosure controls and procedures were effective to provide a reasonable level of assurance that information required to be disclosed by the Company in its annual filings and other reports that it files or submits under Canadian securities legislation is recorded, processed, summarized and reported within the time period specified and that such information is accumulated and communicated to the Company's management, including the certifying officers, as appropriate to allow for timely decisions regarding required disclosure.

It should be noted that while the Company's certifying officers believe that the Company's disclosure controls and procedures provide a reasonable level of assurance and that they are effective, they do not expect that the disclosure controls and procedures will prevent all errors and fraud. A control system, no matter how well conceived or operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met.

### **Control over Financial Reporting ("ICFR")**

The Company's certifying officers acknowledge that they are responsible for designing internal controls over financial reporting, or causing them to be designed under their supervision in order to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS.

#### *Limitations of Controls and Procedures*

The Company's management, including the Chief Executive Officer and Chief Financial Officer, believe that any disclosure controls and procedures or internal controls over financial reporting, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met. Further, the design of a control system must reflect the fact that there are resource constraints, and the benefits of controls must be considered relative to their costs. Because of the inherent limitations in all control systems, they cannot provide absolute assurance that all control issues and instances of fraud, if any, within the Company have been prevented or detected. These inherent limitations include the realities that judgments in decision-making can be faulty, and that breakdowns can occur because of simple error or mistake. Additionally, controls can be circumvented by the individual acts of some persons, by collusion of two or more people, or by unauthorized override of the control. The design of any systems of controls also is based in part upon certain assumptions about the likelihood of future events, and there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions. Accordingly, because of the inherent limitations in a cost-effective control system, misstatements due to error or fraud may occur and not be detected.

## **BALANCE SHEET ARRANGEMENTS**

At June 30, 2022, the Company had no material off balance sheet arrangements such as guarantee contracts, contingent interest in assets transferred to an entity, derivative instruments obligations or any obligations that trigger financing, liquidity, market or credit risk to the Company.

**RELATED PARTY TRANSACTIONS**

The financial statements include the financial statements of Lion One Metals Limited and its 100% owned subsidiaries American Eagle Resources Inc. (Canada), Laimes International Inc. (BVI), Auksas Inc. (BVI), Lion One Limited (Fiji), Lion One Australia Pty Ltd. (Australia) and Piche Resources Pty Ltd. (Australia).

Key management personnel comprise of the: Chief Executive Officer, Managing Director, Chief Financial Officer, Chief Operating Officer, Senior Vice President Exploration and Vice President, Corporate Secretary of the Company, members of the Board of Directors and related companies. The remuneration of the key management personnel is as follows for the year ended June 30:

	2022	2021
Payments to key management personnel:		
Cash compensation expensed to management fees, professional fees, investor relations, director fees and consulting fee	\$ 578,584	\$ 559,638
Cash compensation capitalized to exploration and evaluation assets	545,139	289,922
Share-based payments	943,069	1,064,135

During the year ended June 30, 2022, the Company paid \$180,000 (2021 - \$180,000) in rent to Cabrera Capital Corp. ("Cabrera"), a company controlled by Walter Berukoff, the CEO and director of the Company. As at June 30, 2022, the Company had a payable of \$Nil (2021 - \$82,181) due to Cabrera and a lease liability of \$130,608 (2021 - 293,035) due to Cabrera equal to the present value of office space lease payments over the term of the lease.

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 April 1, 2018.

During the year ended June 30, 2022, the Company paid \$108,277 (2021 - \$Nil) in rent to Lions Den (Fiji) Pte Limited, a company controlled by Walter Berukoff, the CEO and director of the Company, for short term and long term accommodations including utilities in Fiji, and has a payable of \$6,840 (2021 - \$Nil).

During the year ended June 30, 2022, the Company paid professional service fees of \$33,054 (2021 - \$34,450) to a management services company owned by David McArthur, a director of the Company's subsidiary, Lion One Australia Pty Ltd. As at June 30, 2022, the Company had a payable of \$2,934 (2021 - \$Nil).

**OUTSTANDING SHARE DATA**

As at June 30, 2022 and September 28, 2022, the balance of common shares, stock options, warrants and broker compensation units were issued and outstanding as follows:

	Balance June 30, 2022	Balance September 28, 2022
Common Shares	156,421,893	173,769,893
Warrants	Nil	8,674,000
Stock Options	8,475,000	13,015,000
Compensation Options	1,303,010	1,040,880

## INFORMATION REGARDING FORWARD LOOKING STATEMENTS

This Management's Discussion and Analysis of Financial Condition and Results of Operations contain certain forward-looking statements. Forward-looking statements include but are not limited to the timing and amount of estimated future production, costs of production, capital expenditures, costs and timing of the development of new deposits, success of exploration activities, permitting time lines, currency fluctuations, requirements for additional capital, environmental risks, unanticipated reclamation expenses, title disputes or claims and limitations on insurance coverage and the timing and possible outcome of pending litigation. In certain cases, forward-looking statements can be identified by the use of words such as "plans", "expects" or "does not expect", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates" or "does not anticipate", or "believes" or variations of such words and phrases, or statements that certain actions, events or results "may", "could", "would", "might" or "will" be taken, occur or be achieved.

Forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. Such risks and uncertainties include, among others, the actual results of current exploration activities, conclusions or economic evaluations, changes in project parameters as plans continue to be refined, possible variations in grade and or recovery rates, failure of plant, equipment or processes to operate as anticipated, accidents, labour disputes, impact of the COVID-19 pandemic on operations or other risks of the mining industry, delays in obtaining government approvals or financing or incompleteness of development or construction activities, risks relating to the integration of acquisitions, to international operations, and to the prices of gold and other metals.

While the Company has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking statements, there may be other factors that cause actions, events or results not to be as anticipated, estimated or intended. There can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements. The Company expressly disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise except as required by law.

## ADDITIONAL INFORMATION

Additional information regarding the Company can be found at [www.sedar.com](http://www.sedar.com) and the Company's website [www.liononemetals.com](http://www.liononemetals.com).

**SCHEDULE "A"****LION ONE METALS LIMITED  
TENEMENT LISTING**

<b>TENEMENT DESCRIPTION</b>	<b>TENEMENT NUMBERS <sup>(1)</sup></b>	<b>PERCENTAGE INTEREST</b>	<b>CHANGES IN THE PERIOD</b>
<b>FIJI</b>			
<b>TUVATU GOLD PROJECT, VITI LEVU</b>			
Tuvatu	SML 62	100%	Additional 10-year renewable term to February 28, 2035
Tuvatu	SPL 1283	100%	
Yavuna	SPL 1296	100%	
Nagado	SPL 1465	100%	Renewed for 3-year period to March 2025
Navilawa	SPL 1512	100%	

(1) Tenured ground held in Fiji is held under Special Prospecting Licenses (SPL's) and a Special Mining License (SML).