



## **LION ONE METALS LIMITED**

**MANAGEMENT'S DISCUSSION AND ANALYSIS**

**FOR THE PERIOD ENDED SEPTEMBER 30, 2017**

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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 period ended September 30, 2017. The discussion below should be read in conjunction with the Company's unaudited condensed consolidated interim financial statements for the period ended September 30, 2017 and the audited consolidated financial statements for the year ended June 30, 2017. Those financial statements are prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board. All dollar figures included in the following Management Discussion and Analysis ("MD&A") are quoted in Canadian dollars unless otherwise indicated. This MD&A has been prepared as at November 14, 2017.

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.

Additional information related to the Company is available on SEDAR at [www.sedar.com](http://www.sedar.com) and the Company's website at [www.liononemetals.com](http://www.liononemetals.com).

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## BACKGROUND AND CORE BUSINESS

Lion One Metals Limited 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 executed a reverse takeover ("RTO") of X-Tal by American Eagle Resources Inc. ("AME") and changed its name to Lion One Metals Limited.

The Company's primary asset is the 100% held Tuvatu Gold Project ("Tuvatu"), located on the island of Viti Levu in the Republic of Fiji. The Company operates in Fiji under its wholly-owned subsidiary Lion One Limited (Fiji).

The Company's head office and principal address is 311 West 1<sup>st</sup> Street, North Vancouver, BC, V7M 1B5. The address of the registered and records office is Suite 1700 – 1055 West Hastings Street, Vancouver, BC, V6E 2E9.

The Tuvatu Gold Project is 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, low sulphidation, epithermal gold deposit situated upon the Viti Levu lineament, Fiji's own corridor of high grade gold deposits. Tuvatu is situated upon a 5 hectare footprint inside a larger 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 inside of one of Fiji's largest and underexplored volcanic goldfields.

Tuvatu was advanced by previous owners through underground exploration and development from 1997 through to the completion of a feasibility study in 2000. Acquired by Lion One in 2011, the project has over 100,000 meters of drilling completed to date in addition to 1,600 meters of underground development.

In January 2016 the Hon. Prime Minister of Fiji, Mr. V. Bainimarama, formally presented the previously granted Tuvatu Mining Lease to Lion One. This concluded the permitting process for the development of an underground gold mine and processing plant at Tuvatu, demonstrating strong government support for Fiji's 85 year-old gold mining industry.

The Company envisages a high grade, low cost, high margin underground gold mining operation at Tuvatu with estimated cash costs of US\$567 per ounce and all-in-sustaining costs of US\$779 per ounce over the first seven years of its initial mine life. Projected production of 352,931 ounces of gold at head grades of 11.30 g/t Au includes 262,000 ounces at 15.30 g/t through year three. Total capex of US\$48.6 million includes a contingency of US\$6.1 million with an 18-month preproduction schedule and 18-month payback on capital. At a US\$1,200 gold price, the project generates net cash flow of US\$112.5 million over its 6 year production life and an IRR of 52% (after tax). The Company has not based a production decision on a feasibility study of mineral reserves demonstrating economic and technical viability; as a result, there is increased uncertainty and economic and technical risks associated with its production decision. For more information please view the technical report dated June 1, 2015 "Tuvatu Gold Project Preliminary Economic Assessment", available for download on the Company website.

## COMPANY HIGHLIGHTS

During the period ended September 30, 2017, the Company continued its strategy of continued exploration, development, and de-risking of the Tuvatu Gold Project. Mine engineering and underground design development progressed alongside final detailed engineering for the Tuvatu processing plant and site infrastructure. The ongoing 2016-2017 drilling program continued with one diamond drill rig operating at surface, and one underground. Drilling continues to intersect high grade zones of mineralization proximal to, and outside the current resource area and demonstrates the project's further resource upside potential.

### *Appointment of Kevin Li, P. Eng. as Project Manager*

On September 5, 2017 the Company announced the appointment of Kevin Li, P. Eng. as Project Manager for the Tuvatu Gold Project. Mr. Li previously served as Project Controls Manager at Pretium Resources Inc. for three years during the construction of Pretium's \$1 billion Brucejack gold project in northern British Columbia. For Lion One, Mr. Li will oversee the assembly of the Tuvatu processing plant components in China, and its subsequent shipment, construction, and commissioning at the Tuvatu mine site in Fiji.

Mr. Li's career spans over 30 years with extensive experience in heavy industrial project and construction management. Mr. Li's previous experience also includes positions as the Project Manager at Monument Mining for the construction of the Selinsing gold mine expansion in Malaysia, Senior Project Scheduler at SNC-Lavalin for Barrick Gold's Pueblo Viejo gold mine in the Dominican Republic and SaskPower's Yellowhead power plant in Saskatchewan, Project Controls Manager at Fluor Canada on the Sulfolix Copper Mine in Chile, and over 13 years as the Civil and Structural Engineer and Project Manager at China's Dongfang Electric Corporation.

### *Appointment of Tony Young, CPA, CA, CPA (Illinois) as Chief Financial Officer*

On November 10, 2017, the Company announced the appointment of Mr. Tony Young, CPA, CA, CPA (Illinois), as Chief Financial Officer replacing Ms. Samantha Shorter. Mr. Young has over 17 years' experience in financial roles for mining companies operating in both Canada and Latin America. Mr. Young was most recently the Director of Finance at Red Eagle Mining Corporation, where he guided the company's transition from mine development to production, including the construction of a 1,200 tonne per day processing plant at the San Ramon gold mine in Colombia. Mr. Young was also the Corporate Controller for Luna Gold Corp. (Trek Mining Inc.), an 80,000 ounce per year gold producer with a 6,000 tonne per day processing plant in Brazil. Mr. Young was previously Senior Manager at KPMG LLP providing assurance and tax services to mining and resource-based companies in Canada. Mr. Young is a Chartered Professional Accountant and Certified Public Accountant (Illinois) and holds a Bachelor of Commerce from the University of British Columbia.

### *Surface Development*

On August 24, 2016, the Company announced the signing of a non-binding Memorandum of Understanding ("MOU") for an Engineering Procurement Construction Contract ("EPC Contract") and Vendor Financing Agreement with Ansteel-CapitalAsia Global Engineering Inc. ("Ansteel") covering a comprehensive EPC and financing package for the development of the Tuvatu Gold Project in Fiji. The scope of the EPC contract covers the design, procurement, construction, start-up testing, and commissioning of the Tuvatu gold processing plant, tailings dam and surface infrastructure. The contract stipulates that Ansteel furnish all management, administration, quality control services and all materials, equipment, machinery, tools and consumables required to construct fully operational facilities.

The Company continues to work with Ansteel to evaluate the Engineering, Procurement, and Construction (EPC) proposals for the processing plant and associated infrastructure. The evaluation process has resulted in the shortlisting of two Chinese bidders which are specialist mineral processing design and equipment supply companies. These companies will be subcontracted to Ansteel. The Company intends to finalize contract scope, deliverables, schedule and costs before year end.

On November 14, 2017, the Company announced that the bulk earthworks construction contract was awarded to A.R. Quarry and Concrete Ltd. ("ARQC"), a large reputable civil contractor based in Nadi Fiji. The bulk earthworks contract includes the excavation and fill required to construct five platforms for the run of mine ore stockpile, the crushing plant, the processing plant, the maintenance shop, and the diesel power generation plant. Additional work in the contract includes the erection of three retaining walls, construction of a lined storm water detention pond, excavation of diversion and drainage ditches and culverts, straightening of Tuvatu creek, and rerouting of 400m of the Navilawa Road. ARQC will begin mobilizing equipment and personnel immediately. The earthworks are planned to be substantially complete in Q2 2018.

The Company continues to optimize the underground mine plan. The evaluation of two competing bids from Australian underground mining contractors specializing in narrow vein mining is ongoing. The award of the mining contract will drive preproduction mining to build a large run of mine stockpile to mitigate mining risk prior to commissioning of the processing plant.

Tenders are being evaluated for the construction of the Tuvatu analytical laboratory. The lab is to be located at the Lion One compound in Nadi to expedite exploration and grade control sample assaying. Currently, all assaying is being performed in Perth, Australia or at the Vatukoula Gold Mine lab.

#### *Dewatering, Decline, Drilling*

The Company has now completed dewatering of the existing exploration decline down to its bottom. A slippage was encountered at the 560m level which was removed with a new LHD loader that was purchased from Yantai Xingye Machinery Co Ltd. in China. The dewatering pumps will now only be used intermittently to maintain the water level at the decline bottom. Ground water entry into the decline has not shown any significant increase. Minor ground support work is ongoing in the newly dewatered section.

The decline was completed in the year 2000 by Emperor Gold Mines, comprising 1,430 meters of underground development including drives, cross cuts and raises. In conjunction with the dewatering, ventilation fans and lighting have been installed and are running 24 hours per day. Minor slippage inside the Core Shed Fault area 140m inside the decline was cleared and reinforced to ensure permanent and safe access past that area to areas further down the decline for future drilling and development programs. The rehabilitation of this area has been approved by Mine Inspectors from Fiji's Mineral Resource Department.

#### *Diamond Drilling*

The Company commenced drilling at Tuvatu in October 2016 with one surface rig, followed by the addition of an underground rig in March 2017. A total of 13,946.5 meters of diamond drilling has been completed for this program consisting of 11,195.8m from 67 surface drill holes, and 1684.19m from 16 underground drill holes. An additional 1,066.5m of drilling has been completed in 42 holes for geotechnical purposes in the area of the proposed processing plant and onsite proposed office, and to confirm stability of the monzonite host rock underground.

The infill drilling results announced November 23, 2016, December 21, 2016, February 14, 2017, August 22, 2017, and October 17, 2017 further confirm the high grades and continuity of near surface mineralization at Tuvatu. The Company's objective with the ongoing drilling program is to extend the existing zones of mineralization and increase confidence in the resource ahead of mine development at Tuvatu.

The Drilling Program results from October 2016 to June 2017 are summarized in Table 1. The diamond drill results and drill hole details for the Quarter Ended September 2017 are summarized in Table 2 and Table 3. As the diamond drilling program is ongoing, the Company continues to receive additional drilling results at this time.

**Table 1: Tuvatu Drilling Results - October 2016 to June 2017 Program**

Drill Hole	From (m)	To (m)	Interval (m)	Au (g/t)	Zone
<b>TUDDH 406</b>	48.42	51.3	2.88	5.3	GRF/ SKL 2
	70.93	71.23	0.3	23.3	SKL 4
	72.3	73.55	1.25	10.16	SKL 4
	96.1	104.51	8.41	71.41	UR 2
including	96.1	100.66	4.56	126.67	UR 2
and	102.71	104.51	1.8	12.58	UR 2
	116.55	117.27	0.72	36.2	SKL 8
<b>TUDDH 407</b>	53.57	61.6	8.03	4.68	SKL 3/4
including	55.76	61.6	5.84	6.26	SKL 3/4
	71.43	75.48	4.05	12.32	SKL 6
<b>TUDDH 408</b>	41.6	41.9	0.3	76.6	SKL 4/ Snake
	63.49	63.8	0.31	6.69	Nasivi
	88.04	91.07	3.03	3.35	Murau 2
<b>TUDDH 409</b>	78.93	85.7	6.77	7.83	Murau 1
including	80.78	84.7	3.92	12.54	Murau 1
	91.4	94.8	3.4	4.59	Murau 1 split
<b>TUDDH410</b>	86.94	89.36	2.42	24.07	Murau 1 HW
	124.2	125.7	1.5	9.16	Murau 1 FW2
<b>TUDDH 412</b>	48.46	49.85	1.39	8.46	Tuvatu 2
<b>TUDDH 418</b>	201.3	202.6	1.3	13.02	Murau 3
	171.2	171.49	0.29	16.6	URW 3
<b>TUDDH 419</b>	32.83	41.9	9.07	14.89	UR 2
including	36.33	41.9	5.57	21.04	UR 2
	71.36	72.8	1.44	19.65	SKL 3
	83.66	85.78	2.12	14.28	SKL 5
	103.18	103.64	0.46	14	SKL 7
<b>TUDDH 420</b>	75.19	76.5	1.31	11.57	SKL 3
<b>TUDDH 421</b>	115.23	117.15	1.92	16.89	UR 4
<b>TUDDH 425</b>	46.35	49.2	2.85	19.78	UR 2
<b>TUDDH 427</b>	64.67	65.11	0.44	48	SKL 4
<b>TUDDH 428</b>	191.96	195.64	3.68	5.86	UR 2

*\* True widths of the drill hole intersection have not been determined from the information available.*

**Table 2: Diamond Drill Results for Quarter Ended September 2017**

Drill Hole	From (m)	To (m)	Interval (m)	Au (g/t)
<b>TUDDH 442</b>	42.59	46.25	3.66	1.74
	<b>49.2</b>	<b>51.97</b>	<b>2.77</b>	<b>85.42</b>
	57.13	59.7	2.57	3.66
	<b>62.55</b>	<b>65.77</b>	<b>3.22</b>	<b>6.83</b>
<b>TUDDH 448</b>	8.6	9.4	0.8	8.27
	13.43	14.2	0.77	4.08
	20.8	21.23	0.43	6.48
	24.95	30.22	5.27	2.54
	41.7	42.3	0.6	2.32
	50.8	53.37	2.57	2.69
<b>TUDDH 449</b>	<b>15.1</b>	<b>18.6</b>	<b>3.5</b>	<b>6.0</b>
	33.64	34.45	0.81	2.26
<b>TUDDH 450</b>	70.54	72	1.46	1.41
<b>TUDDH 458</b>	80.2	82.7	2.5	1.39
	<b>89.7</b>	<b>90.9</b>	<b>1.2</b>	<b>10.17</b>
<b>TUDDH 461</b>	<b>58.9</b>	<b>62.3</b>	<b>3.4</b>	<b>23.24</b>
	68.6	69.28	0.68	2.1
	78.97	80.3	1.33	4.37
	82.2	82.85	0.65	2.72

**Table 3: Diamond Drill Hole Details for Quarter Ended September 2017**

Drill Hole	Northing	Easting	Depth	RL	Dip	Azimuth
<b>TUDDH 442</b>	3921026	1876471	71.7	211.5	-55	250
<b>TUDDH 448</b>	3921028	1876435	92.8	207.7	90	-
<b>TUDDH 449</b>	3921028	1876433	62.7	207.7	-60	252
<b>TUDDH 450</b>	3921050	1876444	77.6	192.3	-50	260
<b>TUDDH 458</b>	3921033	1876485	125.7	207.3	60	235
<b>TUDDH 461</b>	3921012	1876481	98.6	219.5	-65	248

On October 16, 2017, the Company announced further drilling results from three new drill holes from a new shallow zone of mineralization identified adjacent and proximal to the existing resource area at Tuvatu, including:

**11.01m @ 9.08 g/t Au from 80.79 meters**  
**4.77m @ 20.29 g/t Au from 21.50 meters**  
**4.45m @ 7.13 g/t Au from 214.45 meters**

The drill results in this area are located in the near-surface and as such provide the possibility for early development. The current drill program is focused to the north of the east-west striking Core Shed Fault, a structure which bisects the northern end of the Tuvatu resource. The recent drilling has tied together these previous results and extended the known mineralization further north and with higher-grade than that indicated by the previous work. This zone of mineralization (HT Corridor) is open to the northwest, southeast and at depth. Drilling will continue in an effort to

determine the extent of mineralization in both directions along strike, and down-dip. All intersections to date are very shallow, but depth extensions will be targeted as the program continues.

To date, this new zone of mineralization is confined to the area north of the Core Shed Fault, and has already shown the potential to extend much farther north west and south east from the area previously drilled at Tuvatu.

#### *Navilawa Tenement Tender*

On October 12, 2016, the Company announced that it had applied with Fiji's Mineral Resource Department ("MRD") for a Special Prospecting License ("SPL") for the Navilawa tenement, adjoining Lion One's Tuvatu tenements. The MRD solicited expressions of interest for the new Navilawa tenement in July and August of 2016 after the lapse and expiry of the previous holder's exploration license. The Navilawa tenement directly adjoins the northern boundary of Lion One's tenements at Tuvatu, which if combined, would consolidate ownership of the entire Navilawa mineral complex under a +30,000 hectare exploration license package with Tuvatu's 384.5 hectare Mining Lease (SML 62) and mining and processing operation, currently under development, at its center. The Company has submitted a tender for the Navilawa tenement with \$15 million of initial exploration expenditures proposed over five years.

The Navilawa project area has at least 10 well defined prospects including the Kingston Mine, Banana Creek, 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 Mine, and 8.50 g/t Au from Tuvatu North, where a rock chip sample was taken from just inside SPL 1296 and adjacent to the Tuvatu resource. Although little systematic historical exploration has been undertaken in the area, six of the 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. Mapping, sampling and geophysics clearly demonstrates that the Tuvatu gold deposit extends north into the Navilawa tenement area.

## **EXPLORATION AND EVALUATION ASSETS**

### **PROPERTIES - FIJI**

#### ***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, and prior Department of Environment approvals for the Tuvatu Environmental Impact Assessment and the Construction and Operational Environmental Management Plans. The Company signed a 21-year Surface Lease agreement with local landowners and the iTaukei Land Trust in 2014.

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 Navilawa goldfield, one of Fiji's major volcanic intrusive complexes. 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 terms of SML 62 provide for certain performance and reporting requirements. The SML has been granted for a term of ten years provided the Company complies with the terms of the lease. Extensions to the term can be applied subject to the terms of the lease and the Mining Act. SPL's 1283, 1296, and 1465 were renewed in 2013 for 3 year terms. The Company has satisfied the expenditure requirements under the current term of SPL 1283 and 1296 with renewal applications submitted to the MRD. The Company has submitted a renewal application for SPL 1465 under a reduced tenement size to focus on the core value of the tenement.

For the 12-month period ended September 30, 2017, 125 diamond drill holes have been completed at Tuvatu for a total advance of 13,946.5 meters. This includes surface diamond drill holes (67 holes for 11,195.8 meters), underground diamond drill holes (16 holes for 1684.2 meters) and geotechnical diamond drill holes (42 holes for 1066.5 meters). Of this total program, 26 diamond drill holes were drilled from the surface for a total advance of 3451.5 meters during the September 2017 Quarter. No underground drilling or geotechnical diamond drilling was completed during this quarter. The most significant results reported are included in the Table 1 and 2 above.

It takes considerable time for results to be returned, as drilling is completed and drill core is geologically and geotechnically logged, followed by sampling on site, and then followed by the receipt of a sample export licence from the government in Fiji, before the samples can then be shipped to ALS in Australia for preparation and analysis.

Consequently, and also due to the drilling of a number of priority geotechnical holes, no additional results were reported during the September 2017 Quarter.

Mapping and surface sampling has continued during the period, identifying extensions to existing and new zones of mineralization away from the current resource.

High grade, low-sulphidation gold mineralization of the Tuvatu deposit is associated with the emplacement of an alkalic volcanic intrusive complex in the Navilawa Caldera, one of several large mineralized systems aligned along the Viti Levu Lineament, Fiji's epithermal 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.

The Fijian Islands are located along the Pacific Island Arc, which hosts a number of other well-known major mineral epithermal gold deposits systems such as the Lihir, Porgera, Ok Tedi, and Wafi-Golpu gold deposits in Papua New Guinea.

On July 14, 2015, the Company published a National Instrument ("NI") 43-101 Preliminary Economic Assessment (the "PEA") for Tuvatu, prepared by independent consultants Canenco Canada Inc., AMC Consultants Pty Ltd., Knight Piésold Pty. Ltd., and Mining Associates Pty Ltd.

The PEA is based on the resource estimate contained in the technical report entitled "Tuvatu Resource Estimate" dated June 6, 2014 and prepared by Ian Taylor of Mining Associates Pty Ltd. Tuvatu hosts an indicated mineral resource of 1.1 million tonnes grading 8.46 g/t gold for 299,500 contained ounces, and an inferred mineral resource of 1.5 million tonnes grading 9.70 g/t gold for 468,000 contained ounces at a cut-off grade of 3.0 g/t Au. The resource is summarized as follows:

<b>Tuvatu Resource Summary</b>			
<b>Cutoff</b>	<b>Indicated</b>		
<b>g/t</b>	<b>tonnes</b>	<b>g/t</b>	<b>ounces</b>
1.0	1,943,000	5.61	350,300
2.0	1,435,000	7.07	326,200
3.0	1,101,000	<b>8.46</b>	299,500
5.0	683,000	11.25	247,000
<b>Cutoff</b>	<b>Inferred</b>		
<b>g/t</b>	<b>tonnes</b>	<b>g/t</b>	<b>ounces</b>
1.0	3,022,000	5.8	561,000
2.0	2,156,000	7.5	520,000
3.0	1,506,000	<b>9.7</b>	468,000
5.0	872,000	13.9	390,000

The PEA published in July 2015 provides the following highlights (US\$1,200/oz Au base case):

- Capital costs of US\$48.6 million; 15 month pre-production schedule
- 1.5 year payback, IRR of 67% (before tax), NPV5% of US\$117 million
- 352,931 oz gold production over first 7 years at average grade of 11.30 g/t gold
- Operating costs of US\$567 per oz Au; All-in sustaining costs of US\$779 per oz Au

The Company has been reviewing and enhancing a number of aspects of its 2015 study, with a view to move forward with the project as soon as possible.

The PEA is filed on the Company's profile at [www.sedar.com](http://www.sedar.com) and on the Company's website at [www.liononemetals.com](http://www.liononemetals.com).

The PEA is preliminary in nature and includes inferred mineral resources that are considered too speculative geologically to have the economic considerations applied to them that would enable them to be categorized as mineral reserves, and there is no certainty that the PEA will be realized.

Expenditures incurred on the Fiji properties are as follows:

	June 30, 2016	Additions	June 30, 2017	Additions	September 30, 2017
Acquisition costs	\$ 21,915,063	\$ -	\$ 21,915,063	\$ -	\$ 21,915,063
Camp costs and field supplies	831,136	113,083	944,219	27,543	971,762
Consulting fees	2,235,868	127,555	2,363,423	59,956	2,423,379
Depreciation	615,058	127,111	742,169	32,120	774,289
Dewatering and environmental	417,229	619,340	1,036,569	162,248	1,198,817
Drilling	2,222,866	1,895,137	4,118,003	582,662	4,700,665
Fiji office administration	1,445,291	1,519,404	2,964,695	245,214	3,209,909
Permitting and community consults	676,257	82,402	758,659	14,800	773,459
Road building and site works	690,374	52,509	742,883	21,357	764,240
Salaries and wages	4,683,597	921,238	5,604,835	290,538	5,895,373
Sample preparation, assaying	1,181,311	147,661	1,328,972	75,233	1,404,205
Technical reports	901,552	248,972	1,150,524	102,146	1,252,670
Travel	645,254	147,585	792,839	71,471	864,310
Vehicle and transportation	355,747	109,886	465,633	45,272	510,905
Write-off of exploration assets	(771,648)	-	(771,648)	-	(771,648)
Cumulative foreign currency translation adjustment	60,973	204,080	265,053	(1,079,115)	(814,062)
	<u>\$ 38,105,928</u>	<u>\$ 6,315,963</u>	<u>\$ 44,421,891</u>	<u>\$ 651,445</u>	<u>\$ 45,073,336</u>

Details regarding the expenditure commitments on the SPL's are included in the accompanying consolidated financial statements.

## PROPERTIES – AUSTRALIA

### *Olary Creek, South Australia*

The Olary Creek Project is located in South Australia 70 km southwest of Broken Hill, NSW, and 40 km south of the Barrier Highway. To the north of the area is an open access railway with direct routes to major capital cities and ports. The property is considered prospective for a range of minerals, having previously been drilled for uranium and copper, and subsequently for iron ore. The project contains several iron rich siltstone units of the Braemar Iron Formation, which are highly prospective for bulk magnetite deposits.

The Exploration Licence was renewed on the March 28<sup>th</sup>, 2017, under a new licence number 5928, after the term of the previous licence had expired.

The original exploration joint venture on the Olary Creek Project was formed in 2010 between Lion One Australia and Perth-based HJH Nominees ("HJH"). In 2011 HJH signed a farm-in agreement with Yukuang Australia (WA) Resources Pty Ltd ("Yukuang"), the Australian subsidiary of Henan Yukuang, a state-owned mineral exploration and mining company based in Henan Province, Peoples Republic of China, whereby Yukuang could earn a combined 75% interest in the iron and manganese rights. In April 2012 the HJH/Yukuang partnership reached the \$5,000,000 expenditure requirement with Lion One Australia retaining a 25% free carried interest. In July 2013 Lion One Australia exercised its preemptive right over the 22% interest held by HJH and negotiated new Farm-in, Joint Venture, and Split Commodity Agreements with Yukuang covering the iron and manganese rights. Lion One Australia now holds a 51% interest in the tenement and has retained 100% rights for all other commodities. Lion One currently retains a 47% interest in the iron ore and manganese rights on the Olary Creek Joint Venture.

The Company's 47% joint venture interest comprises a 25% interest free carried through the completion of a bankable feasibility study and the decision to mine, and a 22% participating interest. The Company holds an option to convert its 25% free carried interest, within 90 days of the decision to mine, to a 2% FOB royalty, or to a 1% FOB royalty with a \$0.50 per tonne production royalty. The 22% participating interest is an optional contributing interest. There are no current expenditure obligations for the Company's joint venture interest.

In excess of 16,000 meters of diamond and reverse circulation drilling have been carried out by the joint venture partners to test zones of outcropping iron mineralization that extend along 7.5 kilometers of strike and have been observed to improve in grade and thickness at depth. The prospective Braemar Iron Formation remains open at depth and open along strike within the tenement area.

On March 6, 2014, the Company published an initial NI 43-101 Mineral Resource Estimate for the Olary Iron Ore Project, in South Australia. The technical report "Olary Iron Project Mineral Resource Estimate, South Australia" was commissioned by joint venture partner Yukuang and completed by SRK Consulting Australasia Pty Ltd.

Highlights of the estimate include:

Olary Iron Project Resource Estimate Summary									
Category	Tonnage	Fe %	SiO <sub>2</sub> %	Al <sub>2</sub> O <sub>3</sub> %	LOI%	S%	P%	DTR%	Density
Indicated	214,000,000	26.3	40.8	6.9	3.9	0.029	0.24	26.4	3.12
Inferred	296,000,000	26.4	41.3	6.9	3.7	0.027	0.25	27.3	3.10

Table 1: Summary of Olary Iron Project Resource Estimate using cutoff grade of 20% Fe

Category	Concentrate Tonnage	DTR Concentrate Grades					
		Fe %	SiO <sub>2</sub> %	Al <sub>2</sub> O <sub>3</sub> %	LOI%	S%	P%
Indicated	57,000,000	69.6	2.9	0.3	-3.1	0.008	0.01
Inferred	81,000,000	69.8	2.6	0.2	-3.1	0.009	0.008

Table 2: Davis Tube Recovery (DTR) test results and Fe content for the magnetic concentrate for composite RC and Diamond drillhole samples at grind size of 38 microns and 10% DTR cut-off grade

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

### Qualified Persons

*Mr. Stephen Mann, who is an officer and director of the Company and a member of The Australasian Institute of Mining and Metallurgy, 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. Ian I Chang, M.A.Sc, P.Eng., 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.*

### OUTLOOK

The Company is focused on the advancement of its primary asset, the 100% owned and fully permitted Tuvatu Gold Project in Fiji. Lion One has received all of the mandatory regulatory approvals, including a 10-year renewable mining lease and 21-year surface lease, for the complete development of mining and processing operations at Tuvatu.

The Company is carrying out an extensive diamond drilling program targeting ore lodes to be developed in the first two or three years of mining. Infill and extensional holes have been drilled or planned to be drilled on lodes adjacent to the existing portal, and which can easily be accessed from that portal.

At the same time as this drilling program is undertaken, other proposed development work includes refurbishment of the existing decline, which will allow access to those mineralized zones targeted for development in the initial years as outlined in the 2015 PEA. Work will also focus on the further clearing and earthworks of the proposed processing plant area and the tailings storage facility area in preparation for proposed construction activities.

The second phase of proposed underground work includes the development of a new western portal and 500 meter decline to be driven into the central mineralized zone of the Tuvatu resource. These development activities will be undertaken in conjunction with surface and underground drilling focused Tuvatu and discussed above. Further near surface targets within the mining lease area will be explored with the potential to add low-cost ounces to the resource base.

The Company advises that it has not based a production decision 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. Historically, such projects have a much higher risk of economic and technical failure. There is no guarantee that production will begin as anticipated or at all or that anticipated production costs will be achieved. Failure to commence production would have a material adverse impact on the Company's ability to generate revenue and cash flow to fund operations. Failure to achieve the anticipated production costs would have a material adverse impact on the Company's cash flow and future profitability.

The Company further cautions that the July 2015 NI 43-101 Tuvatu PEA Technical Report is preliminary in nature. Mineral resources are not mineral reserves and do not have demonstrated economic viability. There is no certainty that the Tuvatu PEA will be realized.

## SELECTED FINANCIAL INFORMATION

### Summary of Quarterly Results

	September 30, 2017	June 30, 2017	March 31, 2017	December 31, 2016
Total assets	\$ 74,512,513	\$ 76,227,959	\$ 76,926,985	\$ 76,428,976
Exploration and evaluation assets	45,600,897	44,959,283	42,408,514	40,446,880
Working capital	25,580,311	27,760,109	31,170,889	33,019,877
Interest income	86,438	80,801	83,396	88,729
Net loss for the period	(578,733)	(611,596)	(516,263)	(560,707)
Comprehensive income (loss) for the period	(1,781,294)	(1,067,552)	72,799	(1,067,932)
Basic and diluted loss per share	(0.01)	(0.01)	(0.01)	(0.01)
	September 30, 2016	June 30, 2016	March 31, 2016	December 31, 2015
Total assets	\$ 77,160,200	\$ 41,235,619	\$ 41,716,632	\$ 42,683,320
Exploration and evaluation assets	39,886,897	38,622,183	38,835,612	39,468,218
Working capital (deficit)	34,381,357	(1,102,558)	(397,541)	334,637
Interest income	26,641	14,648	51,242	2,356
Net loss for the period	(718,678)	(1,237,850)	(304,125)	(373,784)
Comprehensive (loss) income for the period	(224,484)	(1,142,650)	(1,394,635)	1,447,823
Basic and diluted loss per share	(0.01)	(0.02)	(0.01)	(0.01)

The focus of the Company over the periods presented has consistently been the exploration and development of its Fijian exploration and evaluation assets. The differential between net and comprehensive loss in each period reflects the translation adjustment of the assets and liabilities of the Company's subsidiaries, Lion One Limited, which is maintained in Fijian dollars and Lion One Australia Pty Ltd., which is denominated in Australian dollars.

### Results of Operations for the three months ended September 30, 2017 compared to 2016

The comprehensive loss for the three month period ended September 30, 2017 was \$1,781,294 (2016 \$224,484). Significant changes to the comprehensive income are explained as follows:

- Consulting fees increased from \$15,000 in 2016 to \$21,500 in 2017 due to reinstated salaries and increased compensation to the senior management team.
- Investor relations expenses have increased by \$3,968 to \$42,681 (2016 - \$38,713) as the Company reinstated and increased investor relations staff salaries subsequent to completion of the financing.
- Management fees increased by \$45,366 to \$64,644 (2016 - \$19,278) due to additions to management and the technical team and as a result of reinstated salaries and increased compensation to the senior management team subsequent to completion of the September 2016 financing.
- Share-based payments expense of \$100,156 (2016 - \$397,533) has decreased due to the recognition of the value over the vesting period of options granted in prior periods.
- During the three months ended September 30, 2017, the Company recognized a foreign exchange loss of \$1,202,561 on its net assets denominated in Fijian and Australian dollars reflecting a weakening of the Fijian dollar and Australian dollar against the Canadian dollar since June 30, 2017. A gain of \$494,194 was recognized in the comparative period.

**Cash flows for the period ended September 30, 2017 compared to 2016**

Cash has decreased by \$2,451,229 to \$25,834,094 at September 30, 2017 from a balance of \$28,285,323 as at June 30, 2017.

Cash outflows from operating activities decreased by \$776,701 to \$439,443 (2016 – \$1,216,144). This is consistent with higher cash outflows in the prior period due to receipt of financing proceeds and settlement of accumulated payables during the prior period.

Cash outflows from investing activities of \$1,830,132 (2016 - \$415,880) materially reflect investment in the Tuvatu Gold Property.

Cash inflows from financing activities decreased to \$21,000 (2016 - \$36,214,968) due to the private placement carried out in the prior period.

**Financial Position**

Receivables increased by \$99,401 to \$328,652 (June 30, 2017 - \$229,251) due to a higher receivable of input credits under the Value-Added Tax ("VAT") program with the Government of Fiji. The Company remits its VAT return annually and anticipates recovering the VAT credits. Current liabilities decreased by \$133,513 to \$636,700 (2016 - \$770,213) due to repayment of accumulated amounts payable, including amounts due to related parties, out of financing proceeds received in the prior year.

Shareholders' equity decreased by \$1,582,085 to \$73,838,533 (2017 - \$75,420,618) which reflects the shares issued on exercise of stock option and the comprehensive loss recognized for the period offset by share-based payments.

**LIQUIDITY AND CAPITAL RESOURCES**

At September 30, 2017, the Company had a working capital of \$25,580,311 including cash of \$25,834,094 as compared to working capital of \$27,760,109 including cash of \$28,285,323 as at June 30, 2016. The Company believes it has adequate financing for the next twelve months due to net cash proceeds of \$36,195,917 raised under the private placement completed during the prior period.

The Company's continued development is contingent upon its ability to raise sufficient financing. There are no guarantees that additional sources of funding will be available to the Company; however, management is committed to pursuing all possible sources of financing in order to execute its business plan including new equity issues and debt issuances. 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.

**OUTSTANDING SHARE DATA**

At the date of this report the Company has 101,782,044 issued and outstanding common shares, 41,536,436 warrants and 6,698,333 outstanding stock options.

**OFF STATEMENT OF FINANCIAL POSITION ARRANGEMENTS**

At September 30, 2017, the Company had no material off statement of financial position 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.

**PROPOSED TRANSACTIONS**

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

**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 is comprised of Walter Berukoff, Chief Executive Officer, Hamish Greig, Vice-President, Stephen Mann, Managing Director, Ian Chang, Chief Development Officer, Samantha Shorter, Chief Financial Officer, Stephanie Martel, Vice President Administration, and Directors of the Company. The remuneration of the key management personnel is as follows:

	2017	2016
Payments to key management personnel:		
Cash compensation	\$ 231,146	\$ 106,538
Share-based payments	156,328	657,670

During the period ended September 30, 2017, the Company paid \$45,000 (2016 - \$45,000) in rent to Cabrera Capital Corp. ("Cabrera"), a company controlled by a director of the Company. As at September 30, 2017, the Company had a payable of \$63,235 due (June 30, 2017 - \$35,316) to Cabrera.

During the period ended September 30, 2017, the Company paid professional services fees of \$8,901 (2016 - \$8,908) to a management services company owned by a director of the Company's subsidiary.

During the period ended September 30, 2017, the Company paid directors' fees of \$5,750 (2016 - \$4,000) to non-executive board members.

As at September 30, 2017, the Company has a payable of \$9,542 (June 30, 2017 - \$6,100) due to Red Lion Management Ltd., a company controlled by a director of the Company, for expenses incurred on behalf of the Company. Accounts payable due to related parties are unsecured, non-interest bearing, and are due on demand.

**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, 2017. 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 period. 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 condensed consolidated interim financial statements for the period ended September 30, 2017.

*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, 2017 which discuss 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.

#### **New standards not yet adopted**

##### IFRS 9 Financial Instruments

In July 2014, the IASB issued the final version of IFRS 9, Financial Instruments ("IFRS 9") which will replace IAS 39, Financial Instruments ("IAS 39"). This standard is effective for annual periods beginning on or after January 1, 2018, and permits early adoption. IFRS 9 provides a revised model for recognition and measurement of financial instruments with two classification categories: amortized cost and fair value. As well, under the new standard a single impairment method is required, replacing the multiple impairment methods in IAS 39. IFRS 9 also includes a substantially reformed approach to hedge accounting that aligns accounting more closely with risk management. The Company is assessing IFRS 9's impact on its financial statements and has not yet determined the impact.

##### IFRS 16 Leases

In January 2016, the IASB issued IFRS 16, Leases ("IFRS 16"). This standard is effective for annual periods beginning on or after January 1, 2019, and permits early adoption provided that IFRS 15 is also adopted. The objective of IFRS 16 is to bring all leases on-balance sheet for lessees. IFRS 16 requires lessees to recognize a "right of use" asset and liability calculated using a prescribed methodology. The Company is assessing IFRS 16's impact on its financial statements and has not yet determined the impact.

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

Financial instruments of the Company comprise cash, restricted cash, receivables, deposits, and accounts payable and accrued liabilities. 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 and receivables. The Company limits exposure to credit risk on liquid financial assets through maintaining its cash with high-credit quality financial institutions.

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 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*

The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As at September 30, 2017, the Company had working capital of \$25,580,311 and believes it has adequate financing for the next twelve months.

*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 exploration work occurs in Fiji and Australia and is conducted in Canadian dollars, Australian dollars and Fijian dollars. 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.

## 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 September 30, 2017. 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.

### **Internal 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.

On April 12, 2017, the Company appointed Mr. John. F. Robinson to the Board of Directors. Mr. Robinson, CPA, CA, is an independent director and will serve on the Company's Audit Committee. Consequently, the Audit Committee is wholly independent and financially literate.

#### *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.

### **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 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 QUARTER</b>
<b>FIJI</b>			
<b>TUVATU GOLD PROJECT, VITI LEVU</b>			
Tuvatu	SML 62	100%	
Tuvatu	SPL 1283	100%	
Yavuna	SPL 1296	100%	
<b>VITI LEVU</b>			
Nagado	SPL 1465	100%	Renewal approved
<b>SOUTH AUSTRALIA</b>			
Olary Creek	EL 5928	51% <sup>(2)</sup>	
<b>ARGENTINA</b>			
<b>SIERRA CUADRADA JOINT VENTURE</b>			
Mamuny 1	15888/10	100%	
Mamuny 2	15889/10	100%	
Mamuny 3	15890/10	Under application	
Mamuny 4	15891/10	Under application	

<sup>(1)</sup> Tenured ground held in Fiji is held under Special Prospecting Licenses (SPL's) and a Special Mining License (SML), those held in Australia are held under an Exploration License (EL), and those held in Argentina are held as Manifestations.

<sup>(2)</sup> Under the Olary Creek Farm-In and Joint Venture Agreement ("Olary Creek JV"), the Company maintains a 51% ownership of the tenement. The Company has a 47% interest in the Olary Creek JV which consists of a 25% free carried interest to the decision to mine and a 22% contributing interest. Refer to the audited consolidated financial statements for the year ended June 30, 2016 for additional information as filed under the Company's profile at [www.sedar.com](http://www.sedar.com).