



LION ONE METALS LIMITED

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE PERIOD ENDED SEPTEMBER 30, 2020

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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 November 12, 2020. 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 September 30, 2020. The following discussion of performance, financial condition and future prospects should be read in conjunction with the Company's unaudited condensed consolidated interim financial statements for the period ended September 30, 2020 and the audited annual consolidated financial statements for the year ended June 30, 2020. 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 three month period ended September 30, 2020 and the subsequent period up to November 12, 2020, 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. 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 technical content of this Management's Discussion and Analysis.

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 and the Company's website www.liononemetals.com.

HIGHLIGHTS AND SIGNIFICANT SUBSEQUENT EVENTS**▪ Continued advancement and major expansion of the Tuvatu Gold Project in Fiji**

The Company will continue to expand its exploration efforts to prove that the project has the potential to become 10 to 20 million ounces gold camp, which is consistent with how Tuvatu fits into an alkaline gold model. This program will include deep drilling, further geophysics, mapping and sampling, and targeted exploration of other prospects generated in 2019 - 2020 and before. Four diamond drill rigs have been mobilized and two new underground drill rigs to be delivered in early 2021 have been acquired to drill at depth below Tuvatu and Tuvatu West themselves, and to target many of the numerous prospects elsewhere within the project area. With the ongoing operation of the existing drill rigs in Lion One's fleet and the acquisition of two new underground drill rigs, the Company expects to substantially increase its annual meters drilled, ensuring that many of the targets identified in 2019 and 2020 are tested.

▪ 2020 - 2021 drill campaign and new drill rigs purchased

On April 30, 2020, the Company announced that three diamond drill rigs are being mobilized in preparation for the Company's 2020 dry season exploration campaign at the Tuvatu Alkaline Gold Project. The three drill rigs focused on exciting new targets, new potentially mineralized structural zones, and depth extensions of known gold lode mineralization.

- Drill Rig #1: this Company-owned diamond drill rig has been operational throughout the last seasonal wet season in Fiji, and is still drill testing down dip extensions at Tuvatu and Tuvatu West. This rig has a depth capability of approximately 1,500m using NQ-sized core;
- Drill Rig #2: this Company-owned underground diamond drill rig has been reconditioned to drill from the surface and was subsequently mobilized to the Kingston-Biliwi prospect 2km north of Tuvatu in the tenement acquired in mid-2019 (SPL1512) covering the northern half of the Navilawa caldera. The rig is currently in the Banana Creek area drilling shallow holes beneath surface geochemical anomalies to help determine the orientation of the numerous structure identified during the mapping and trenching program. This rig has a depth capability of 250 meters drilling NQ-sized core;
- Drill Rig #3: the Company purchased a new diamond drill rig in late April 2020, which was delivered to site in August 2020. The rig has recently commenced drilling. This drill rig is designated to target depth extensions of the Tuvatu resource as well as new targets within the SPL1512 tenement including Banana Creek, a Tuvatu-style target displaying multiple high-grade outcropping lodes. This drill rig has a depth capability of approximately 1,500m depth using NQ-sized core;
- 4th Drill Rig: the Company has also contracted a fourth diamond drill rig to undertake targeted drilling on some of the many rock chip and bench surface geochemical anomalies throughout the project area. The drill rig is currently drilling in the Banana Creek area within the Navilawa tenement SPL1512; and
- 5th and 6th Drill Rigs: on November 4, 2020, Company ordered two new underground diamond drill rigs, which are expected to be delivered to site in January 2021. Both rigs have depth capacities in excess of 1,000m in NQ sized core. The acquisition of these deep capacity diamond drill rigs will enable the Company to continue drilling over the wet season by using the existing exploration decline. By drilling from underground, the Company can drill all year round, and also reduce the length of the drill holes when targeting the deep feeder structures which have recently been intersected in TUDDH493, TUDDH500, and the wedges off TUDDH500.

▪ September Quarter 2020 Exploration Logistic Summary:

During the September 2020 Quarter, the Company completed 2,650.81 meters of diamond drilling in nine completed holes, whilst two further drill holes were in progress at Quarter's end. 1,344.5 meters of drilling was completed on the Tuvatu mining lease SML62, whilst 1,306.31 meters were completed on exploration license SPL1512.

September 2020 Quarter Exploration Summary	
Activity	Number
# of drill holes completed	9
# of drill holes in progress at end of Quarter	4
# of meters drilled	2,650.81
# of drill core samples submitted for analysis	2,055
# of bulk density analyses from drill core	0
# of channels excavated and sampled	307
# of samples from channel sampling	1,859
# of rock chip samples collected	2,328
# of samples analyses in Lion One Laboratory	5,669

▪ **Deep drilling at Tuvatu confirms high-grade feeder**

During the quarter ended September 30, 2020, the Company continued with its accelerated exploration program to confirm the potential of this large mineralized alkaline system to host multi-millions gold ounces. The Company's Drill rig #1 resumed deep drilling under the main Tuvatu lode system with TUDDH500, targeting the feeder structure of the main Tuvatu mineralization.

On July 24, 2020, the Company announced that diamond drill hole TUDDH500 has intersected high-grade feeder style mineralization beneath Tuvatu (news release dated July 24, 2020). Initial assays were completed using the fire assay method, but the Company has also completed gravimetric analysis on any sample returning greater than 10g/t Au. The gravimetric results were released on August 17th 2020, with high-grade intervals encountered in hole TUDDH500 include 2.0m grading 46.70g/t Au and 12.7m grading 55.43g/t Au including sub-intervals of 4.7m grading 144.81g/t Au with an exceptionally high-grade core of 0.9m grading 582.33g/t Au.

On August 17, 2020, the Company announced that it has completed diamond drill hole TUDDH500 to a depth of 863.4m and had commenced drilling a daughter wedge hole beginning at approximately 400m depth to retest the newly discovered high-grade feeder.

On August 31, 2020, the Company announced the results from the first wedged daughter hole from parent hole, TUDDH500. TUDDH500w1 was wedged from 392.5 meters downhole and was terminated at 709 meters, having intersected the main targeted ore zone. High-grade intervals from this wedge include 85.7 g/t Au over 3.3m including two narrower intervals of 305.0 g/t Au over 0.3m and 255.0 g/t Au over 0.6m.

On November 4, 2020, the Company also announced the results from the second wedged daughter hole from parent hole, TUDDH500. TUDDH500w2 was wedged from 381.5 meters downhole and was terminated in difficult ground conditions at 808.1 meters. The mineralized intercepts encountered in TUDDH500w2 provide Lion One with valuable information about the orientation of the newly discovered high-grade structure beneath the Tuvatu lode system.

Numerous mineralized intercepts were encountered in TUDDH500w2 between down hole depths of 601m and 764m. These include short high-grade intervals of 0.9m grading 21.37 g/t Au, 1.5m grading 25.64 g/t Au and 0.5m grading 35.11 g/t Au. Given the length over which gold-bearing intervals were encountered and the presence of many shorter, high-grade intercepts, Lion One has interpreted that TUDDH500w2 was drilled parallel to and in the hanging wall of the high-grade structure intersected in holes TUDDH500 and TUDDH500w1. It is possible that hole TUDDHw2 may have cut through the high-grade zone if it had successfully continued to its targeted depth of 900m. The completion of TUDDH500w2 has confirmed an east-northeast and near vertical orientation of the high-grade structure.

▪ **Discovery of Tuvatu style lodes at Banana Creek**

The Company announced the discovery of Tuvatu style lodes at Banana Creek, approximately 3 km northeast of the Tuvatu resource (news release dated July 20, 2020). The Banana Creek project area is a new, high-priority greenfields target situated within Lion One's Navilawa tenement (SPL1512). Rig #2 has initiated drilling new targets within this Navilawa license area.

- **Surface exploration at Tuvatu and Navilawa based on high-grade sampling**

Once access into the northern parts of the project area was possible following the end of the wet season in late April, the Company continued its extensive surface exploration program over new target areas on Tuvatu SPL 1283 and 1296, and Navilawa SPL 1512. This program is not only focusing on mineralized targets identified by earlier work and strike extensions of those targets, but new targets exposed and generated whilst opening up tracks and access in the Navilawa tenement SPL1512.

On February 19, 2020, the Company announced that the recent surface sampling at its new Navilawa exploration license had returned high-grade gold assays. Prospecting has focussed on extending existing surface anomalies and to follow up on strong bulk leach extractable gold ("BLEG") stream sediment samples collected in 2019. The program of surface sampling and mapping to extend the anomalies is ongoing.

- **Technical Report Update demonstrates potential near-term development and production**

On September 25, 2020, 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 PEA for Tuvatu demonstrates robust economic potential for a low-cost, high-grade gold operation with low upfront capital costs, enabling rapid payback of capital even at a gold price of USD \$1,400 per ounce; at the same time as the Company focuses upon Tuvatu's potential for near-term development and production opportunity, with further exploration and expansion potential as we continue our current drill programs to extend the known mineralization of Tuvatu and the surrounding Navilawa Caldera.

PEA Highlights (all amounts are quoted in USD utilizing a base case gold price of \$1,400 per oz):

- Pre-tax Net Present Value ("NPV") of \$155.8 million (5% discount rate)
- Pre-tax Internal Rate of Return ("IRR") of 60.3%
- Operating costs of \$503 per oz; All-in sustaining costs of \$586 per oz (pre-tax)
- 1.5 year payback period (pre-tax) on \$66.8 million
- Gold production of 331,369 oz at an average grade of 8.6 g/t Au

A PEA is preliminary in nature and includes Inferred Mineral Resources that are considered too speculative geologically to have economic considerations applied to them that would enable them to be categorized as Mineral Reserves. Furthermore, there is no certainty that the PEA will be realized. Mineral Resources that are not Mineral Reserves do not have demonstrated economic viability.

The PEA is filed on the Company's profile at www.sedar.com.

- **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, and any related adverse public health developments, 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 34 cases of COVID-19, with 2 fatalities attributed to the virus. To date, the impact of COVID-19 to Lion One's activities has been minimal as the Company acted quickly to establish clear policy guidelines for the health and safety of its employees and consultants, and thus has experienced only a small decrease in productivity. The Company continues to monitor the situation in Fiji, and whilst the health and safety of its employees remains the highest priority, work activities have continued with little disruption. 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.

Though COVID-19 has restricted the movement of some of the management team and consultants into Fiji, the Company has continued its exploration program with little interruption. In actual fact, due to the acceleration of its exploration program, Lion One has increased its workforce in 2020 by 30% due to the additional drilling teams for the rigs, and laboratory staff to cater for the increased number of samples forwarded from the field team.

▪ **Completed \$39.7 million equity private placement and strong financial position as at September 2020**

The Company completed a private placement on August 21, 2020 for gross proceeds of \$39.7 million and is well capitalized to continue exploration work on the Navilawa alkaline gold system while simultaneously advancing development planning for the Tuvatu project. The Company's working capital at September 30, 2020 is \$55.6 million and on October 13, 2020 upon 100% of the \$1.20 warrants exercised from December 2019 private placement, the Company's working capital is approximately \$66 million.

▪ **Exercised acceleration right for \$1.20 warrants issued on December 6, 2019**

On August 25, 2020 the Company announced that it has elected to accelerate the expiry date of the outstanding \$1.20 common share purchase warrants originally issued by the Company as part of its \$11.5 million private placement of units which closed on December 6, 2019. On October 13, 2020, the Company announced that a total of 14,375,000 warrants representing 100% of the \$1.20 warrants issued in connection with the December 2019 private placement were exercised for gross proceeds of approximately \$17.3 million.

OBJECTIVES AND OUTLOOK

Lion One is focused on advancing premium quality gold assets in Fiji that have the world class attributes of: high grades, scope, district scale, and depth potential, with access to infrastructure in a mining-friendly jurisdiction. The Tuvatu Gold Project has received all of the mandatory regulatory approvals, including a 10-year renewable mining lease and a 21-year surface lease, for the complete development of mining and processing operations at Tuvatu. The Company will continue to advance its exploration program to add further high-grade resources in its effort to develop a world class alkaline gold project.

In light of the Company's understanding of the alkaline model and the way Tuvatu fits into that model type, the Company will continue to expand its exploration efforts to prove the concept that the project has the potential to become 10 to 20 million ounces gold camp. This program will include deep drilling, further geophysics, mapping and sampling, and targeted exploration of other prospects generated in 2019 to 2020 and before. Four diamond drill rigs have been mobilized to drill at depth below Tuvatu and Tuvatu West themselves, but also to target many of the numerous prospects elsewhere within the project area. With the ongoing operation of the existing drill rigs in Lion One's fleet and the acquisition of two new underground drill rigs to be delivered in early 2021, the Company expects to substantially increase its annual meters drilled, ensuring that many of the targets identified in 2019 and 2020 are tested.

The Company's has encountered multiple high-grade intercepts from its high-grade feeder diamond drill program, which supports the alkaline gold model and the concept that Tuvatu has high-grade Au mineralization extending and evolving at great depths. The Company will continue this deep hole drill program, up to depths of 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 is targeting the root feeder or feeders that gave rise to the Tuvatu lode complex. Alkaline hosted gold deposits are known to extend to great depths, so there are many areas to explore.

Additional sampling, resampling and relogging of earlier diamond drill holes is ongoing. Trenching, mapping and sampling within the Company's tenement holding is continuing. A number of access tracks into the Navilawa tenement (SPL1512) have been completed and sampling of prospective zones continues with numerous additional targets identified to date.

In 2019, the Company also completed a specialized stream sediment sampling program using a BLEG technique over the entire concession area. The results from that BLEG sampling program indicates an extensive anomalous area within the northern part of the Navilawa caldera and where the Company will explore for extensions of this robust gold system.

To better define the underlying structural controls that hosts the high-grade vein network in the Navilawa Caldera, an initial CSAMT geophysical program was also completed in November 2019. Following the interpretation of the CSAMT program, the deep drilling program has been expanded to include targets identified from that survey. Lion One believes the Tuvatu region can host a prolific, deep, high-grade alkaline gold system associated with the interpreted underlying magma chamber beneath the Navilawa Caldera.

Drill targets are quickly emerging at Navilawa. The two holes at Tuvatu West appear to have encountered high level splay structures, possibly above a deeper feeder structure and more holes are planned beneath Tuvatu itself where the company has intersected very high grade feeder structures. The Company plans to continue drilling at much deeper level at Tuvatu to prove the concept of the Navilawa Caldera hosting many millions of ounces of gold.

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 ("Tuvatu"), 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. Tuvatu is situated with 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 on one of Fiji's largest and underexplored alkaline gold systems. The Tuvatu Project was acquired by Lion One in 2011 and has around 100,000 meters of drilling completed to date in addition to 1,600 meters of underground development.

In November 2017, the Company became the successful tenderer to acquire the Navilawa exploration tenement directly adjoining the northern boundaries of Lion One's Special Prospecting Licenses (SPL 1283 and 1296) and Mining Lease areas (SML 62) covering the Tuvatu gold project. 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.

In January 2019, the Company purchased all of the drilling equipment from Geodrill, a Fijian drilling company, which included one surface diamond drilling rig and one underground drilling rig, with a full parts inventory and vehicle fleet. The Company previously utilized Geodrill's equipment and personnel for the majority of the diamond drilling and geotechnical drilling undertaken at Tuvatu since 2012. Lion One has also employed several experienced drillers from Geodrill. This strategic acquisition ensures the Company has available, cost effective diamond drilling capabilities well into the future. Operating these drills "in-house" enables the Company to significantly reduce drilling costs, a huge benefit to the Company's ability to implement cost-effective exploration. The Company purchased its third diamond drill rig, with the capabilities to drill beyond 1,000 meters below the surface in 2020. The rig was delivered to Fiji in August 2020 and commissioned in September.

Technical Report and PEA Update for the Tuvatu Gold Project

An updated PEA and Technical Report was completed in September 2020. The Report has been prepared in connection with the Company's Annual Information Form for the year ended June 30, 2020. The Report represents an update of the Project to comply with applicable disclosure regulations and is not the attainment of a new milestone for the development of the Project. In particular, the mineral resource estimate used in the PEA is from 2018 and does not include any drilling completed by the Company in its 2019 - 2020 drill programs. Furthermore, the potential development model set out in the PEA is confined to the mineral resource area inside the permitted mine lease (SML 62) and does not reflect the expanded Project area following the grant of the adjoining Navilawa Caldera tenement (SPL 1512) in 2019.

The Tuvatu project demonstrates robust economic potential for a low-cost, high-grade gold operation with low upfront capital costs, enabling rapid payback of capital even at a gold price of USD \$1,400 per ounce. The Tuvatu project has an estimated cash costs of USD \$503 per Au ounce and all-in-sustaining costs of USD \$586 per Au ounce over the first five years of its initial mine life. Projected production of 331,369 Au ounces at head grades of 8.6 g/t. The project generates net cash flow after tax of USD \$160.8 million over its five year production life and an IRR of 51% (after tax).

A PEA should not be considered a prefeasibility or feasibility study, as the economics and technical viability of the Project have not been demonstrated at this time. A PEA is preliminary in nature and includes Inferred Mineral Resources that are considered too speculative geologically to have economic considerations applied to them that would enable them to be categorized as Mineral Reserves. Furthermore, there is no certainty that the conclusions or results reported in the Technical 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.

PEA Summary (all amounts are quoted in USD utilizing a base case gold price of \$1,400 per oz):

Production Mine Life (Years)	5
Total Au Produced (oz)	331,369
Average Au Annual Production (oz)	77,969
Average Au Head Grade LOM (g/t)	8.6
Total Mill Feed Mined (tonnes)	1,384,000
Nominal Production Rate (tonnes/annum)	330,000
Average Gold Recovery	87.3%

Summary Economics at USD \$1,400 per oz Gold:

Total Initial LOM Revenue (USD millions)	\$463.9
Total LOM Pre-Tax Cash Flow (USD millions)	\$202.8
Average Annual Pre-Tax Cash Flow (USD millions)	\$47.7
Total LOM After-Tax Cash Flow (USD millions)	\$160.8
Average Annual After-Tax Cash Flow (USD millions)	\$37.8

Cash Costs USD per oz Au (Pre-tax)	\$503
All-In Sustaining Cash Costs USD per oz Au (Pre-tax)	\$586
All-In Costs USD per oz Au (Pre-tax) including initial capital costs	\$788

Pre-Tax NPV (USD millions, 5% discount rate)	\$155.8
Pre-Tax IRR	60.3%
Pre-Tax Payback (Years)	1.5
After-Tax NPV (USD millions, 5% discount rate)	\$121.7
After-Tax IRR	50.9%
After-Tax Payback (Years)	1.7

Production Summary:

		Year 1	Year 2	Year 3	Year 4	Year 5	Totals
Total Mill Feed Mined	T	330,000	331,000	330,000	330,000	63,000	1,384,000
Gold Grade Milled	g/t	7.60	8.93	10.49	7.70	6.42	8.57
Gold Milled	Oz	80,588	94,985	111,238	81,643	13,078	381,532
Gold Recovery	%	86.5	87.5	87.5	87.5	87.5	87.3
Gold Recovered, including refining loss	Oz	69,359	82,696	96,847	71,081	11,385	331,369

Note: Numbers may not total due to rounding

Cash Flow Summary at USD \$1,400 per oz Gold:

Project Cash Flow	USD millions	USD/t mill feed	USD/oz Au
Mine Operating Costs	65.39	47.24	197.33
Processing Cost	58.64	42.37	176.97
G&A and Site Service Cost	11.66	8.43	35.20
Smelting and Refining Costs	0.96	0.70	2.91
Royalties	30.15	21.79	91.00
Total Cash Operating Cost	166.81	120.52	503.40
Revenue (at Au USD \$1,400 oz)	463.92	335.18	1,400.00
Operating Cash Flow	297.11	214.66	896.60
Initial Capital Cost	66.82	48.28	201.65
Sustaining Capital Costs	27.44	19.83	82.82
Total Capital Cost	94.27	68.11	284.47
All in Sustaining Cost (Pre-tax)	194.26	140.35	586.22
All in Costs (Pre-tax)	261.08	188.63	787.88
Estimated Income Tax	42.02	30.36	126.82
All in Sustaining Cost (After-tax)	236.28	170.71	713.04
All in Costs (After-tax)	303.10	218.99	914.69

Note: Numbers may not total due to rounding

Sensitivity of Pre-tax and After-tax NPV and IRR to Variations in Gold Price:

Tetra Tech prepared an economic evaluation of the Project using the gold price of USD \$1,400/oz (base case), the following financial parameters were calculated:

- Pre-tax IRR of 60.3% and After-tax IRR of 50.9%
- Pre-tax NPV of USD155.8 million and After-tax NPV of USD121.7 million (5% discount rate)
- 1.5-year payback (pre-tax) and 1.7-year (after-tax) on USD66.8 million of initial capital

The economic evaluation of the Project includes a sensitivity analysis to variations in gold price (see table below). At USD \$2,000 per Au oz, the following financial parameters were calculated:

- Pre-tax IRR of 99.3% and After-tax IRR of 85.0%
- Pre-tax NPV of USD307.9 million and After-tax NPV of USD243.4 million (5% discount rate)
- 0.88-year payback (pre-tax) and 1.04 year (after-tax) on USD66.8 million of initial capital

Gold Price (USD/oz)	Pre-Tax NPV5% (USD millions)	Pre-Tax IRR	After-Tax NPV5% (USD millions)	After-Tax IRR	Payback (After-tax years)	Pre-Tax Cash Flow undiscounted (USD millions)	After-Tax Cash Flow undiscounted (USD millions)
1,000	54.4	27.1%	40.0	22.1%	2.61	79.0	61.1
1,200	105.1	44.7%	80.9	37.4%	2.09	140.9	111.1
1,400	155.8	60.3%	121.7	50.9%	1.67	202.8	160.8
1,600	206.5	74.4%	162.2	63.2%	1.38	264.7	210.3
1,800	257.2	87.3%	202.8	74.5%	1.19	326.6	259.9
2,000	307.9	99.3%	243.4	85.0%	1.04	388.5	309.4
2,200	358.7	110.5%	284.0	94.9%	0.91	450.4	358.9
2,400	409.4	121.1%	324.5	104.3%	0.80	512.3	408.4

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 2019-2020 diamond drilling program.

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
3.0	1,007,000	8.5	274,600	1,325,000	9.0	384,000
5.0	687,000	10.60	234,300	788,000	12.5	317,500

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. The PEA is preliminary in nature and uses Inferred mineral resources.

Capital Cost Estimates

Tetra Tech prepared a capital cost estimate for the PEA with inputs from Entech, Wood, and Lion One. Tetra Tech established the capital cost estimate using a hierarchical work breakdown structure. The accuracy range of the estimate is +35%/-30%. The base currency of the estimate is Canadian dollars. The total estimated initial capital cost for the design, construction, installation, and commissioning of the Project is USD \$66.8 million (CAD \$89.1 million), including an average contingency of approximately 16% of the total direct costs. See Estimated Capital Costs table below:

Estimated Initial Capital Costs

Direct Costs	USD (millions)
Underground Mining	20.8
Process	13.7
Tailings Storage Facility	4.1
Overall Site	3.2
On-site Infrastructure	1.8
Direct Costs Subtotal	43.6
Project Indirect Costs	11.5
Owner's Costs	4.8
Indirect Costs Subtotal	16.3
Contingencies	6.9
Total Capital Costs	\$66.8

Operating Cost Estimates

The on-site average operating costs, at a mill feed rate of 1,000 t/d were estimated to be USD\$97.35/t (CDN\$129.81/t) of material processed. The operating costs are defined as the direct operating costs including mining, processing, site servicing, and G&A costs, including related freight costs.

The cost estimates in this section are based on the consumable prices and labour salaries/wages from Q2 2020, or information from Tetra Tech and other consulting firms' in-house database. The expected accuracy range of the operating cost estimate is +35%/-30%. It is assumed that operation personnel will reside in towns or villages nearby. There will be no accommodation or catering services provided at site. Personnel will be bussed to site by the Owner. The operating costs exclude shipping and refining charges for the doré produced; these costs are included in the financial analysis.

Operating Cost Estimate (USD per tonne milled)

Description	Operating Cost (\$ per tonne)
Mining**	47.24
Process	41.49
Reclaim Water Handling	0.30
G&A	6.66
Site Services	1.66
Total Operating Cost Estimate *	\$ 97.35

Notes: *Numbers may not total due to rounding.

**LOM average, excluding pre-production related costs.

Qualified Persons

A summary of the Qualified Persons responsible for the PEA Report is listed below. The updates include geological exploration, mine plan, metallurgical test work, process design, infrastructure, capital and operating cost estimates, and project economic analysis. Lion One commissioned a team of Mineral Resource estimate and engineering independent consultants to complete this Technical Report in accordance with NI 43-101 Standards of Disclosure for Mineral Projects. The independent consulting firms are listed below:

- Mining Associates Pty Ltd. (MA) – Geology and Mineral Resource estimate and related information
- GeoSpy Pty Ltd. (GeoSpy) – Geology and exploration
- Entech Pty Ltd. (Entec) – Mining and mining-related operations, underground geotechnical investigations, mining-related capital and operating cost estimates
- Tetra Tech Canada Inc. (Tetra Tech) – Metallurgical test work review, process and process-related cost estimates, G&A and surface service operating cost estimates, site infrastructures (excluding site geotechnical investigation and TSF), and environment
- Wood PLC (Wood) – Site geotechnical investigation and TSF

EXPLORATION PROGRAM

Diamond Drilling

The Company continues its diamond drilling with 3 of its own drill rigs and 1 contract drill rig during the September 2020 Quarter where it completed 2,650.81 meters of diamond drilling in nine completed holes, whilst four further drill holes were in progress at Quarter's end. 1,344.5 meters of drilling were completed on the Tuvalu mining lease SML62, whilst 1,306.31 meters were completed on exploration license SPL1512. The Company intends to accelerate the drilling advance in subsequent quarters with the acquisition of two additional new underground drill rigs set to be delivered in January 2021. *TUDDH500*

High-grade mineralization encountered in hole TUDDH500 displays characteristics typical of feeder style mineralization in alkaline gold systems. Predominant vein minerals include a combination of quartz, potassium-rich hydrothermal feldspar called adularia and carbonate minerals. The dark gray host monzonite wall-rock is also flooded with these minerals generating lighter shades of gray. Vugs or open spaces are evident in some veins. Green, vanadium-rich mica called roscoelite has been spotted in some veins. Native gold occurs as fine-grained aggregates that appear to clump together forming larger particles. This may reflect rapid, colloidal deposition of gold from a gold-saturated ore-forming fluid. Such rapid gold-deposition can generate very high grades in alkaline gold systems. Sulphide minerals include minor pyrite and traces of galena, sphalerite and chalcophyrite.

Mineralization in hole TUDDH500 displays many diagnostic characteristics of feeder style mineralization from an alkaline gold system. Notably, textures of gold suggest rapid deposition from what was possibly a gold-saturated mineral-forming fluid. This is encouraging, as it suggests the Company is now in the right part of the system to find more such mineralization.

Table 1: Significant Results from Drill hole TUDDH500

Drill Hole	From (m)	To (m)	Drilled Interval (m)	Au (g/t)
TUDDH500	506.35	506.75	0.40	2.53
	511.15	512.17	1.02	2.09
including	511.15	511.45	0.30	5.38
	558.00	560.00	2.0	46.70
including	559.00	559.50	0.5	144.00
	571.00	583.70	12.7	55.43
including	579.00	583.70	4.7	144.81
and	582.80	583.70	0.9	582.33
and	582.80	583.10	0.3	1,400.00
	659.00	660.50	1.5	1.94
	671.30	671.60	0.3	10.55
	764.00	765.00	1.0	1.70

Table 1 above highlights the final gravimetric assay results from both high-grade intervals encountered between down hole depths of 558.0m and 583.4m and display significant increases in grade over the initial fire assay-atomic absorption ("AA") results. These samples have been assayed at Lion One's own geochemical and metallurgical laboratory in Fiji, but duplicate samples will also be shipped to ALS Chemex in Australia for screen fire assay. The true widths of the intercepts listed above have not been determined. No previous drilling has been undertaken in this area below the known deposit thus making interpretation difficult at this stage.

Hole TUDDH500 was completed to a final depth of 863.4m at which point, it had passed through the entirety of the targeted controlled source audio-magnetotelluric ("CSAMT") gradient that appears to highlight the location of the feeder zone. Multiple intervals of typical Tuvatu-style lode mineralization and associated alteration were noted during geologic logging of this hole.

Lion One believes that the reason the feeder zone was encountered higher than anticipated in hole TUDDH500 is because the new interpretation puts the top of the hole in the footwall of the structure that hosts the high-grade feeder. After it passed through the feeder, the hole then encountered multiple Tuvatu lodes that apparently occupy splay structures residing in the hanging wall of the feeder structure. Also, initial structural orientation data gathered from the feeder zone suggests it may have a more northeast orientation making it oblique to the Tuvatu lodes, most of which have a more north-south orientation.

TUDDH500w1

Lion One made the decision that further information is needed about the orientation of the high-grade feeder zone so that future drill holes can be better planned. To get immediate data input, the first daughter wedge hole TUDDH500w1 was drilled from TUDDH500 beginning at 392.5m depth, and terminating at 709m. A wedge hole is drilled by setting a steel wedge inside the mother hole thus deflecting the drill bit outward into the wall of the hole. In this case, Lion One expected the daughter wedge hole to pass through the high-grade zone within a few meters of the mother hole providing enough separation to get valuable information about the true orientation of this important zone. Significant results from the first wedged daughter hole include:

Table 2: Significant Results from Drill hole TUDDH500w1

Drill Hole	From (m)	To (m)	Drilled Interval (m)	Au (g/t)
TUDDH500w1	508.40	509.90	1.5	4.60
including	508.40	508.70	0.3	16.43
	562.00	562.60	0.6	6.75
including	562.00	562.30	0.3	12.51
	580.90	581.80	0.9	9.30
including	580.90	581.50	0.6	12.84
	591.60	594.90	3.3	85.70
including	592.20	592.50	0.3	305.00
and	594.00	594.60	0.6	255.00
including	594.30	594.60	0.3	304.50
	620.00	622.00	2.0	1.00
	632.00	632.50	0.5	6.43

The results in Table 2 above highlight the fire assay (with AA finish) results and gravimetric results from the intervals with visible gold at 508 – 509m and 590 – 600m downhole. These samples have been assayed at Lion One's own geochemical and metallurgical laboratory in Fiji, but duplicate samples will also be shipped to ALS Chemex in Australia for screen fire assay. All samples with assay results >10g/t Au were then systematically assayed by gravimetric analysis at the Lion One laboratory.

TUDDH500w2

Lion One recently completed a second daughter wedge hole, TUDDH500w2, drilled from mother hole TUDDH500. Due to mechanical issues with the drill assigned to this hole, and parts supply issues due to COVID-19, its completion was delayed for several weeks. This wedge hole exited TUDDH500 at a depth of 381.5m and drilled to a depth of 808.1m where the hole was lost in bad ground. Nevertheless, the numerous mineralized intercepts encountered in TUDDH500w2 provide Lion One with valuable information about the orientation of the newly discovered high-grade structure beneath the Tuvatu lode system.

Numerous mineralized intercepts were encountered in TUDDH500w2 between down hole depths of 601m and 764 m (please refer to the table below). These include short high-grade intervals of 0.9m grading 21.37 g/t Au, 1.5m grading 25.64 g/t Au and 0.5m grading 35.11 g/t Au. Given the remarkable length, 163m, over which gold-bearing intervals were encountered and the presence of multiple short, high-grade intercepts, Lion One is of the opinion that TUDDH500w2 drilled parallel to and in the hanging wall of the high-grade structure intersected in holes TUDDH500 and TUDDH500w1. It is possible that hole TUDDHw2 may have cut through the high-grade zone if it had successfully continued to its targeted depth of 900m. The terminus of hole TUDDH500w2 was positioned approximately 11m southwest of hole TUDDH500, thereby confirming an east-northeast and near vertical orientation of the high-grade structure.

Table 3: Significant Au intercepts in hole TUDDHw2:

Drill Hole	From (m)	To (m)	Drilled Interval (m)	Au (g/t)
TUDDH500w2	601.00	609.50	8.5	3.14
including	604.00	607.00	3.0	6.36
	612.00	614.00	2.0	2.69
	625.50	629.00	3.5	2.36
	633.00	634.00	1.0	2.08
	665.80	668.50	2.7	8.15
including	665.80	666.70	0.9	21.37
	669.50	671.00	1.5	5.28
	674.00	680.50	6.5	7.32
including	674.00	674.50	0.5	67.40
	685.50	687.00	1.5	3.67
	750.10	755.50	5.4	5.32
including	752.00	752.50	0.5	35.11
	757.00	759.50	2.5	4.48
including	757.00	758.00	1.0	8.12
	763.00	764.00	1.0	1.79

The true widths of all the intercepts listed above have not been determined. No previous drilling has been undertaken in this area below the known deposit thus making interpretation difficult at this stage.

The Company will continue to drill additional deep holes to gain a better understanding of the underlying plumbing system that introduced the gold-rich fluids and further delineate the root feeder or feeders that gave rise to the Tuvatu lode complex. Alkaline gold deposits are known to extend to great depths, so there are many areas to explore.

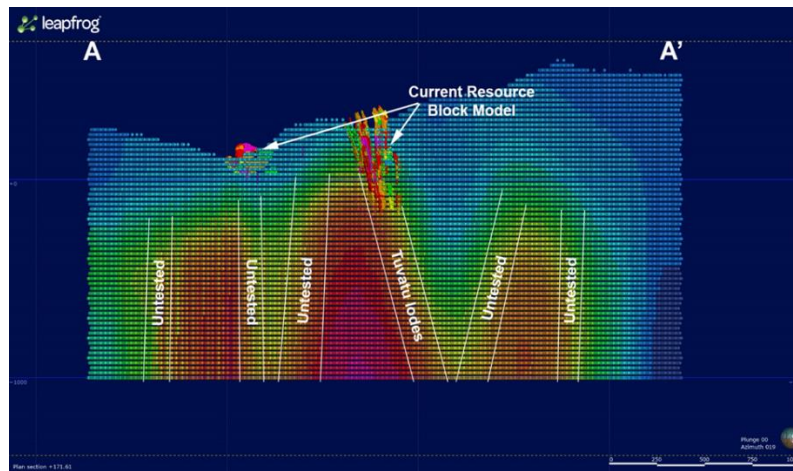
TUDDH496 and TUDDH497

On July 20, 2020, the Company announced that it had recently completed two holes, TUDDH496 and TUDDH497, both north-oriented, at the western extremity of the Tuvatu West lode network in an area underlain by a profound CSAMT resistivity gradient thought to be a major, deep-rooted structural zone that may have allowed mineralizing fluids to ascend near surface. Hole TUDDH496, inclined at -55 degrees, encountered numerous mineralized intervals between 72.10 and 312.66 m (see Table 4), the most significant of which include 0.73 m grading 6.86 g/t Au beginning at 267.20 m and 1.8 m grading 6.41 g/t Au. Hole TUDDH497, drilled from the same pad at a somewhat steeper inclination of -62 degrees, similarly encountered numerous mineralized intervals between 31.00 and 417.60 m, the most significant of which include 3.00 m grading 6.19 g/t Au beginning at 304.50 m and 1.27 m grading 4.41 g/t Au beginning at 357.63 m. Given the broad distribution of numerous mineralized structures in these holes, Lion One believes these intercepts are a high-level expression of a deeper gold system underlying this area. Further drilling is needed at a deeper level, perhaps 200 meters vertically below these intercepts to determine how these multiple mineralized structures might come together into a feeder zone.

Table 4: Drill Hole Results from TUDDH496 and TUDDH497
(true widths still to be determined because of limited drilling in the area and depth below existing drilling makes interpretation difficult at this stage of exploration)

Drill Hole	From (m)	To (m)	Drilled Interval (m)	Au (g/t)
TUDDH496	72.1	72.6	0.5	1.12
	123	123.2	0.2	4.78
	194.5	195.9	1.4	2.31
	196.9	197.7	0.8	1.87
	233	233.9	0.9	1.59
including	233	233.3	0.3	3.94
	267.2	267.93	0.73	6.86
including	267.2	267.65	0.45	10.04
	272.6	273.4	0.8	1.08
	276.52	277.6	1.08	2.5
	288.25	288.45	0.2	1.88
	291	291.4	0.4	8.08
	293.85	295.65	1.8	6.41
including	293.85	294.15	0.3	22.76
and	295.37	295.65	0.28	16.13
	305.9	306.5	0.6	7.75
	312.45	313.32	0.87	1.61
including	312.45	312.66	0.21	3.92
TUDDH497	31	31.5	0.5	2.61
	135.8	136.5	0.7	1.33
	279.7	280	0.3	2.07
	284.5	285	0.5	1.34
	304.5	307.5	3.0	6.19
including	306.5	307	0.5	13.53
	308.5	309.5	1.0	1.8
	336.13	337.94	1.81	2.04
	357.63	358.9	1.27	4.41
	374.55	374.86	0.31	12.82
	391.77	392.22	0.45	1.8
	408.75	409.05	0.3	1.45
	416.6	417.6	1.0	1.24
	429.4	430.2	0.8	2.05
including	429.9	430.2	0.3	4.54
	452.8	453.1	0.3	8.94
	549	551	2.0	1.1

Figure 1: Interpreted CSAMT Section across existing Tuvatu resource highlighting (as the ellipse) the target area beneath Tuvatu West where TUDDH500, 500w1 and TUDDH500w2 have been drilled, on the depth extension, untested parts of the CSAMT structural geophysical target

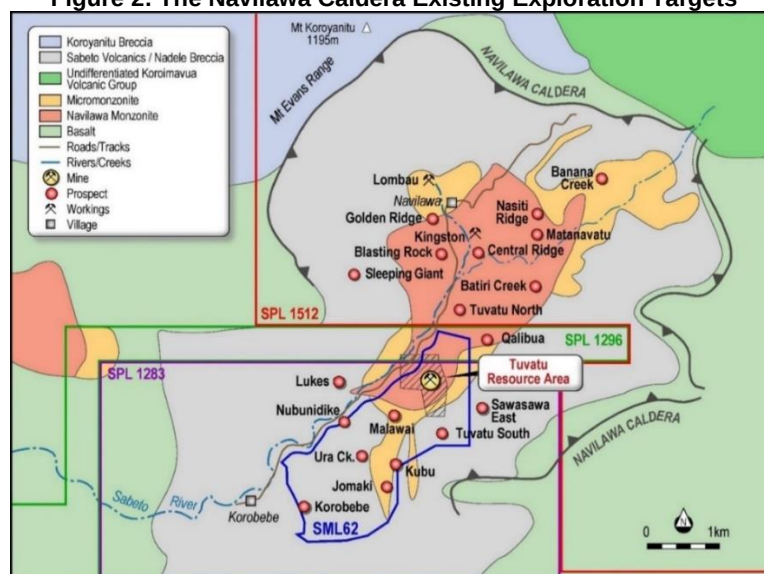


Navilawa Tenement and Exploration Program

The Company was notified in November 2017 by Fiji's Ministry of Lands and Natural Resources that it was the successful tenderer to acquire the Navilawa exploration. Following extensive discussions with landowners and finalization of access agreements in May 2019, SPL 1512 was issued for the Navilawa tenement for a 5-year term renewable in 2024. The Navilawa prospect area directly adjoins the northern boundary of Lion One's tenements at Tuvatu, which consolidates ownership of the entire Navilawa mineral complex under a 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 the entire volcanic complex has been held by a single tenement holder, and will be the first time modern, systematic exploration has targeted the entire area.

The Navilawa area has at least 10 well defined prospects including the Kingston, 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, and 8.50 g/t Au from Tuvatu North, where a rock chip sample was taken from just inside Lion One's existing tenement SPL 1296 and adjacent to the Tuvatu resource. Although little systematic historical exploration has been 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. Mapping, sampling and geophysics clearly demonstrates that the Tuvatu gold deposit extends north into the Navilawa tenement area. Current programs on the Navilawa tenement SPL1512 are discussed below. Lion One has progressively opened up access tracks through the area and has continued the geological mapping, trenching and sampling program.

Figure 2: The Navilawa Caldera Existing Exploration Targets



Lion One continued its aggressive opening of roads and excavation of trench cuts within the large Navilawa tenement situated north of the Tuvatu mining license. 1859 channel rock chip samples were collected during the September Quarter from 307 benches and trenches in this area. At present, efforts have been focused at Banana Creek, located approximately 3 km northeast of the Tuvatu resource, where the Company's team has continued to discover multiple outcropping lodes of similar nature to those seen at Tuvatu. Recent assay results including multiple high-grade results from the current benching and mapping program are presented in the table below. Results from outcropping lodes include 39.74 g/t Au over 0.60 m, 17.37 g/t Au over 0.45 m, 10.82 g/t Au over 0.70 m and 12.71 g/t Au over 0.40 m at Banana Creek and its access and 31.22 g/t Au over 0.80 m at the nearby Vunilolo prospect. Systematic sampling of newly discovered structures continues.

Table 5: Gold results from rock chip Bench sampling on Navilawa Tenement (SPL1512)

Bench number	Coordinates		From	To	Interval	Au (g/t)	Prospect
Bench 1716	3922769	1876793	0.85	1.75	0.9	6.26	Kingston
including			1.5	1.75	0.25	11.69	
Bench 1737	3922706	1877072	2.8	3.8	1	1.36	Central Ridge
			4.3	4.9	0.6	7.53	
			4.9	5.9	1	1.14	
			6.9	7.4	0.5	2.55	
Bench 1741	3922708	1877030	0.61	0.82	0.21	5.17	Kingston
			1.2	1.32	0.12	6.3	
			1.55	1.75	0.2	8.92	
Bench 1866	3923325	1878650	0.7	1.3	0.6	39.74	Banana Creek
Bench 1867	3923328	1878645	0.7	1.4	0.7	1.69	Banana Creek
			2.6	3.5	0.9	5.37	
Bench 1886	3923424	1877539	1.5	2.4	0.9	5.45	ObaRidge/ BananaCk access
			2.6	3.1	0.5	1.55	
Bench 1887	3923424	1877555	2.3	2.76	0.46	15.37	ObaRidge/ BananaCk access
Bench 1888	3923414	1878509	1.6	5.3	3.7	3.96	ObaRidge/ BananaCk access
Including			2.8	3.5	0.7	10.82	
And			4.8	5.3	0.5	8.69	
Bench 1897	3923433	1878602	6.5	7.0	0.5	1.42	ObaRidge/ BananaCk access
			7.0	7.3	0.3	4.83	
Bench 1908	3923332	1878663	0	3.97	3.97	8.66	ObaRidge/ BananaCk access
Including			1.3	1.7	0.4	12.71	
Bench 1909	3923328	1878660	0	1.4	1.4	6.75	Republic Ridge
Including	3923328	1878660	0.7	1.4	0.7	11.58	
Bench 1934	3923365	1878794	0.55	1.35	0.8	31.22	Vunilolo

Lion One's small diamond drill rig drilled new targets within the Navilawa tenement at Biliwi, where high-grade samples were collected early in 2020. The third diamond drill rig which arrived to site in mid-August 2020, has also commenced drilling here as part of the Tuvatu step-out and feeder test program.

Mine Development Optimization / Surface Development

During the quarter ended September 30, 2020, the Company continued working on mining development optimization and process plant designs. In November 2020, the Company started the excavation at the main mine portal area to expand the portal platform and stabilize the batter around the portal entrance. The detailed engineering design of the initial tailing's facilities storage, including the tailings dam, pond lining, foundation drainage, sediment control pond and upstream diversion ditches, is in progress and scheduled to be completed in December 2020.

\$39.7 million Private Placement

On August 21, 2020, the Company completed a \$39,697,458 "bought deal" brokered private placement and concurrent non-brokered private placement of an aggregate of (i) 13,521,610 units (the "Tranche 1 Units") of the Company at a price of C\$1.70 per Tranche 1 Unit (the "Tranche 1 Price") for gross proceeds of C\$22,986,737, including the exercise in full of the underwriters' option with respect to Tranche 1 Units, and (ii) 8,151,571 units (the "Tranche 2 Units" and together with the Tranche 1 Units, the "Units") of the Company at a price of C\$2.05 per Tranche 2 Unit (the "Tranche 2 Price") for gross proceeds of C\$16,710,721, including a partial exercise of the underwriters' option with respect to Tranche 2 Units (the "Offering").

Each Tranche 1 Unit is comprised of one common share (a "Common Share") in the capital of the Company and one-half (1/2) of one common share purchase warrant (each whole common share purchase warrant attaching to a Tranche 1 Unit, a "Tranche 1 Warrant") of the Company. The Company issued 6,760,805 Tranche 1 share purchase warrants and each Tranche 1 Warrant shall be exercisable to acquire one Common Share (a "Warrant Share") at a price per Warrant Share of C\$2.35 for a period of 12 months from the closing date of the Offering.

Each Tranche 2 Unit will consist of one Common Share and one-half (1/2) of one common share purchase warrant (each whole common share purchase warrant attaching to a Tranche 2 Unit, a "Tranche 2 Warrant") of the Company. The Company issued 4,075,786 Tranche 2 share purchase warrants and each Tranche 2 Warrant shall be exercisable to acquire one Warrant Share at a price per Warrant Share of C\$2.75 for a period of 12 months from the closing date of the Offering.

In connection with the Offering, the Underwriters received a cash commission of 6.0% of the gross proceeds of the Offering and 1,303,009 of non-transferable compensation options (the "Compensation Options") as is equal to 6.0% of the aggregate number of Tranche 1 Units and Tranche 2 Units sold under the Offering. Each Compensation Option is exercisable into one Common Share of the Company at the Tranche 1 Price or the Tranche 2 Price, as applicable, for a period of 24 months from the closing date of the Offering. All securities issued under the Offering will be subject to a hold period expiring December 22, 2020 in accordance with applicable securities laws and policies of the TSX-V.

Exercised acceleration right for \$1.20 warrants issued on December 6, 2019

On August 25, 2020 the Company announced that it has elected to accelerate the expiry date of the outstanding \$1.20 common share purchase warrants originally issued by the Company as part of its \$11.5 million private placement of units which closed on December 6, 2019. Pursuant to the terms of the Warrants, the Company can accelerate the expiry date of the Warrants if the closing price of the Company's common shares listed on the TSX Venture Exchange remain higher than \$1.65 for 20 consecutive trading days. As of the close of market on August 24, 2020, the Company's common shares have closed at a price higher than \$1.65 for 20 consecutive trading days. As a result, the Company exercised the acceleration right relating to the Warrants, with the expiry date of the outstanding Warrants being accelerated to October 7, 2020. On October 13, 2020, the Company announced that a total of 14,375,000 warrants representing 100% of the \$1.20 warrants issued in connection with the December 2019 private placement for gross proceeds of approximately \$17.25 million.

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 has also submitted its Rehabilitation and Closure Plan for the operation as required by the regulators. 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 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 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 2017 for a 3 year term and SPL 1512 Navilawa tenement was issued in 2019 for a 5 year term. In February 2020, the Company submitted the renewal applications for SPL 1283/1296 to the MRD. In September 2020, the Company was notified that the SPL 1283/1296 renewal was approved and the expiration date is August 23, 2025. The expenditure requirement for the 5 year period ending on August 23, 2025 for SPL 1283 and SPL 1296 is FJD\$1,400,000 and FJD\$1,600,000 respectively. No additional bonds will be required over the 5 year period for SPL 1283/1296. In August 2020, the Company submitted the renewal application for SPL 1465 and the renewal is still in process. The MRD has confirmed that SPL 1465 remains in good standing.

The Company has commenced a deep diamond drilling program targeting feeder structures at depth below the known mineralization. In other mineralized alkaline gold systems around the world, these feeder structures often run hundreds or thousands of g/t gold. Following the interpretation of the CSAMT geophysical program, the deep drilling program will be expanded to include targets identified from that survey.

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

Expenditures incurred on the Fiji properties are as follows:

	June 30, 2019	Additions	June 30, 2020	Additions	September 30, 2020
Acquisition costs	\$21,915,063	\$ -	\$ 21,915,063	\$ -	\$ 21,915,063
Camp costs and field supplies	1,361,984	145,473	1,507,457	81,163	1,588,620
Consulting fees	3,147,203	471,191	3,618,394	150,733	3,769,127
Depreciation	1,192,534	313,851	1,506,385	181,959	1,688,344
Dewatering and environmental	2,011,572	624,707	2,636,279	226,806	2,863,085
Drilling	4,864,911	416,768	5,281,679	246,451	5,528,130
Fiji office administration	5,157,789	710,570	5,868,359	201,377	6,069,736
Permitting and community consults	1,172,178	194,003	1,366,181	27,458	1,393,639
Site works and road building	3,616,688	276,476	3,893,164	59,405	3,952,569
Salaries and wages	7,848,372	940,746	8,789,118	239,258	9,028,376
Sample preparation, assaying	1,946,821	244,281	2,191,102	141,305	2,332,407
Technical reports	1,406,209	(6,404)	1,399,805	-	1,399,805
Travel	1,283,067	82,348	1,365,415	204	1,365,619
Vehicle and transportation	877,356	298,004	1,175,360	141,592	1,316,952
Write-off of exploration assets	(771,648)	-	(771,648)	-	(771,648)
Cumulative foreign currency translation adjustment	(1,182,889)	1,078,393	(104,496)	(204,723)	(309,219)
	\$55,847,210	\$ 5,790,407	\$ 61,637,617	\$ 1,492,988	\$ 63,130,605

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

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 of Quarterly Results

	September 30, 2020	June 30, 2020	March 31, 2020	December 31, 2019
Total assets	\$ 127,062,746	\$ 83,012,964	\$ 82,306,227	\$ 81,764,902
Exploration and evaluation assets	63,130,605	61,637,617	59,641,197	57,772,643
Working capital	55,638,207	13,012,110	15,037,590	16,034,937
Interest income	135,149	57,252	97,804	62,790
Net loss for the period	(753,761)	(986,687)	(562,334)	(516,269)
Comprehensive (loss) income for the period	(936,056)	(453,799)	457,228	(412,889)
Basic and diluted loss per share	(0.01)	(0.02)	(0.00)	(0.00)

	September 30, 2019	June 30, 2019	March 31, 2019	December 31, 2018
Total assets	\$ 71,353,995	\$ 71,878,306	\$ 73,438,486	\$ 74,888,943
Exploration and evaluation assets	56,786,168	56,352,590	56,659,758	55,820,584
Working capital	7,314,817	9,135,456	10,659,737	12,683,843
Interest income	47,980	55,640	74,158	90,165
Net loss for the period	(658,532)	(607,303)	(716,282)	(324,952)
Comprehensive (loss) income for the period	(1,270,075)	(2,055,616)	(1,637,431)	2,005,370
Basic and diluted loss per share	(0.01)	(0.01)	(0.01)	(0.00)

The focus of the Company over the periods presented has 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 denominated in Fijian dollars and Lion One Australia Pty Ltd., which is denominated in Australian dollars.

Results of Operations for the quarter ended September 30, 2020 compared to 2019

The comprehensive loss for the three months ended September 30, 2020 was \$936,056 (2019 – loss of \$1,270,075). Significant changes to the comprehensive loss are explained as follows:

- Investor relations increased by \$58,871 to \$218,619 (2019 - \$159,748) due to market awareness program initiated in 2020 and increased attendance at online investor conferences compared to prior period.
- Professional fees increased by \$18,358 to \$102,665 (2019 - \$84,307) due to a higher level of corporate development activities in the current period.
- Share-based payments expense of \$234,559 (2019 - \$76,657) has increased due to the employee stock options granted in June 2020.
- Shareholder communications and filings expense increased by \$20,320 due primarily to the costs related to the acceleration of warrants, whereby that the Company elected to accelerate the expiry date of the outstanding \$1.20 common share purchase warrants originally issued by the Company as part of its \$11.5 million private placement of units which closed on December 6, 2019.
- During the three-month period ended September 30, 2020, the Company recognized a foreign exchange translation loss of \$182,295 on its net assets denominated in Fijian and Australian dollars reflecting a weakening of the Fijian dollar which was offset by strengthening of the Australian dollar against the Canadian dollar since June 30, 2020. A foreign exchange loss of \$611,543 was recognized in the comparative period.

Cash flows for the period ended September 30, 2020 compared to 2019

Cash, cash equivalent and short term investments have increased by \$42,597,657 to \$55,854,257 at September 30, 2020 from a balance of \$13,256,600 as at June 30, 2020.

Cash outflows from operating activities decreased by \$536,332 to \$527,638 (2019 – \$8,694 inflows). This is primarily due to the timing of VAT collections in prior year.

Cash outflows from investing activities increased to \$11,543,896 (2019 - \$1,073,234) due to purchase of \$10,000,000 guaranteed investment certificates and higher level of Tuvatu Gold Property development activities in the current year period.

Cash inflows from financing activities increased to \$44,556,280 (2019 - \$45,000 outflows) due to \$37,000,980 net cash proceeds from issuance of shares for August 2020 private placement equity raise, \$7,123,800 from warrants exercised and \$401,500 from exercise of broker compensation warrants.

Financial Position

Cash, cash equivalents and short term investments have increased by \$42,597,657 to \$55,854,257 as at September 30, 2020 from a balance of \$13,256,600 as at June 30, 2020, due to August 2020 private placement equity financing and warrants exercised from December 2019 private placement equity financing.

Shareholders' equity increased by \$44,000,127 to 126,070,461 (2020 - 82,068,334) due primarily to the August 2019 private placement equity financing and warrants exercised from December 2019 equity private placement equity financing.

LIQUIDITY AND CAPITAL RESOURCES

As at September 30, 2020, the Company had a working capital of \$55,638,207 including cash, cash equivalents and short term investments of \$55,854,257 as compared to working capital of \$13,012,110 including cash, cash equivalents and short term investments of \$13,256,600 as at June 30, 2020. 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, 2020. 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 audited consolidated financial statements for the year ended September 30, 2020.

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, 2020, 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, 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, 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 September 30, 2020, the Company had working capital of \$55,638,207 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, 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 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. Management believes the foreign currency risk is low given the low value of monetary assets (liabilities) denominated in foreign currencies.

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, 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, 2020. 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 September 30, 2020, 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 Development Officer, and Vice President and Corporate Secretary of the Company. The remuneration of the key management personnel is as follows:

	2020	2019
Payments to key management personnel:		
Cash compensation expensed to management fees, professional fees, investor relations and consulting fees	\$ 142,903	\$ 151,686
Cash compensation capitalized to exploration and evaluation assets	65,585	87,777
Share-based payments	125,699	76,518

During the period ended September 30, 2020, the Company paid \$45,000 (2019 - \$45,000) in rent to Cabrera Capital Corp. ("Cabrera"), a company controlled by a director of the Company. As at September 30, 2020, the Company had a payable of \$38,079 (2019 - \$43,743) due to Cabrera and a lease liability of \$406,633 (2019 - \$547,906) due to Cabrera equal to the present value of office space lease payments over the term of the lease.

During the period ended September 30, 2020, the Company paid professional services fees of \$8,576 (2019 - \$8,148) to a management services company owned by a director of the Company's subsidiary.

During the period ended September 30, 2020, the Company paid directors' fees of \$5,750 (2019 - \$5,750) to non-executive board members.

As at September 30, 2020, the Company has a payable of \$9,584 (2019 - \$45,204) due to Red Lion Management Ltd., a company controlled by a director of the Company, for expenses incurred on behalf of the Company payable due to related parties are unsecured, non-interest bearing, and are due on demand.

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.

OUTSTANDING SHARE DATA

As at September 30, 2020 and November 12, 2020, the balance of common shares, stock options, warrants and broker compensation units were issued and outstanding as follows:

	Balance	Balance
	September 30, 2020	November 12, 2020
Common Shares	147,407,728	155,368,478
Stock Options	8,211,540	8,181,540
Warrants	19,169,216	11,238,466
Compensation Units	1,404,884	1,404,884

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

TENEMENT DESCRIPTION	TENEMENT NUMBERS ⁽¹⁾	PERCENTAGE INTEREST	CHANGES IN THE PERIOD
FIJI			
TUVATU GOLD PROJECT, VITI LEVU			
Tuvatu	SML 62	100%	
Tuvatu	SPL 1283	100%	Renewal approved September 2020, extension to August 23, 2025
Yavuna	SPL 1296	100%	Renewal approved September 2020, extension to August 23, 2025
Nagado	SPL 1465	100%	Renewal application has been submitted in accordance with statutory requirements, and renewal is pending.
Navilawa	SPL 1512	100%	

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