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LION ONE ANNOUNCES REVISED NI 43-101 RESOURCE ESTIMATE: INCREASED TONNAGE AND GRADES AT THE TUVATU GOLD PROJECT, FIJI

Lion One Metals Limited (TSX-V: LIO) (FSE: LY1) (LOMLF: OTCQX) (ASX: LLO) ("Lion One" or the **"Company")** provides the following amended version of the announcement released on 5 June 2014 in relation to the results of an updated NI 43-101 compliant mineral resource estimate for the Tuvatu Gold Project ("Tuvatu").

At a 3.0 gram cutoff, the **indicated resource** has increased by 90 percent over the previous estimate in 2010 (TSX-V Market Release 1 October, 2010) to **1,102,000 tonnes at 8.46 grams per tonne (g/t) for 300,000 oz. Au**, while the grade of the **inferred resource** has increased by 31 percent to **1,506,000 tonnes at 9.67 g/t for 468,000 oz. Au** (see Table 1).

Table 1: Resource Summary, Tuvatu Gold Project

Cutoff Grade g/t	5.0	3.0	2.0	1.0

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

The updated estimate was completed by Mining Associates Pty Ltd. of Brisbane, Australia, and will be included in a technical report prepared under National Instrumental (NI) 43-101 and JORC 2012, to be filed on SEDAR within 45 days.

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Summary of Material Information

Per the 2012 JORC reporting guidelines, the following is a summary of material information used to estimate the Mineral Resource. A more detailed description of the information is contained in the attached table.

Drilling/Information Data

The Lion One's database was supplied with the following information:

Master Database Structure

Table Name	Description	Record Count
Assay	Assay intervals and associated gold and silver results	71,633
Collar	Collar information associated with drill type and location	1,131
Lithology	Logged lithological units	9,152
SG Data	Bulk Density data from drill core samples	1,955
Survey	Down hole survey data	4,054
Weathering	Logged oxidation codes	48,871
Site_Tags	Interpreted veins identification tags from site	1,833

In total, there are 375 diamond drill holes (surface and underground) and 218 reverse circulation drill holes in the Lion One database. A total of 626 mineralised samples from channels and costeans, 699 mineralised samples from the reverse circulation drill holes, and a further 2,232 mineralised samples from the diamond drilling, were used in the resource estimates.

Sampling/Assaying

Sample intervals were marked up on site. Half core of mineralised intervals was cut by diamond saw and sampled for assay.

Drilling by Lion One was diamond core drilling from surface and the following procedures were used:

- Drill core was digitally photographed and placed onto the database.
- Core was logged manually onto log sheets and all data entered into the database.
- Information included hole number, date drilled, name of driller/company, location, coordinates, core recovery, lithology, structure, RQD values, alteration, gangue minerals, sulphide minerals, mineralisation, sample numbers, intervals samples, analytical values, comments, date logged and by whom. Specific gravity of selected intervals and lithologies were measured.
- A summary log was prepared after the hole was logged.

Drill core was cut in half with a core saw for sampling and half-core samples were dispatched to the ALS sample preparation facility in Suva, Fiji. Samples were first crushed and pulverised at Suva, Fiji prior to analysis at ALS Minerals, an independent and qualified analytical laboratory in Brisbane, Australia. Gold is determined by fire assay and silver by Aqua regia digestion and AAS. Consistent with industry standard practice, sample standards and blanks and other control methods are used to ensure quality control.

All analysis in the exploration programs by Lion One was carried out by ALS Minerals at their laboratories in Brisbane, Australia. Gold was analysed by fire assay with a 30gram charge and AAS finish. Samples with higher grade gold (greater than 3g/t Au) were re-assayed. Silver was analysed by Aqua regia digestion and AAS.

Exploration samples were analysed for 33 elements using a four acid digestion and Inductively Coupled Plasma Atomic Emission Spectrometry (ICP-AES).

Certified reference materials ("CRM"), blanks, and field duplicates samples were inserted prior to shipment from site to monitor the quality control of the data. MA understands that 3 CRM samples were inserted every 100 samples and 2 field duplicates were inserted in every batch of 100 samples. MA received and reviewed QAQC summary reports (for CRM's, field duplicates, and assay laboratory duplicates) from rOREdata Pty Ltd database consultants for Lion One.

Geology/Geological Interpretation

Tuvatu is one of several gold prospects known from the Sabeto area of north-western Viti Levu. Other gold and gold copper prospects in the local region are at Vuda, Navilawa (Kingston Mine and Banana Creek) and Nawainiu Creek, all associated with known or presumed centres of volcanic activity and/or volcanic core complexes within the shoshonitic Koroimavua Volcanic Group of late Miocene to early Pliocene age.

Basal units of the Sabeto Volcanics (part of the Late Miocene-Early Pliocene Koroimavua Volcanic Group) unconformably overlie Nadele Breccia in the Sabeto Valley. Members of the Sabeto Volcanics found outcropping in the area have shoshonitic affinities and include andesitic and biotite-bearing dacitic lithic and crystal tuffs, grits, agglomerates and minor flows. Shoshonites belonging to the Koroimavua Volcanic Group have been age dated at 5.88Ma.

The volcaniclastic units were subsequently intruded by a monzonitic stock. Mapping by Emperor Geologists indicated that it is a composite intrusive body with several different phases of intrusion associated with it. The monzonite within the Tuvatu prospect area is locally brecciated and varies in grain size. A series of pegmatite dykes, andesitic dykes and stocks have also intruded the area. The monzonite has been dated at 4.85Ma and is interpreted to be co-magmatic with the volcanic units of the Koroimavua Volcanic Group. It probably represents the root of a caldera and is elongate in a northeast-southwest orientation.

Locally the geology is structurally complex with the area cut by a 60m wide east-west striking fault zone referred to as the Core Shed Fault which is exposed near the portal of the decline and can be traced for over 5km along strike. Additional westerly striking structures locally offset veins.

Mineralisation is structurally controlled and occurs as sets and networks of narrow veins and cracks, with individual veins generally ranging from 1mm to 200mm wide. Zones of veining which comprise the lodes may be up to 5m wide. The main mineralised zone (Upper Ridges) comprises eleven principal lodes with a strike length in excess of 500m and a vertical extent of more than 300m. Another major zone of mineralisation (Murau) strikes east-west and consists of two major lodes with a mapped strike length in excess of 400m.

Although gold mineralisation is primarily hosted in monzonite it can also occur in the volcanic units. Veins are narrow, generally less than 1m up to a maximum of 7m, and ore grades are erratic. Lode mineralogy is varied, with most veins containing quartz, pyrite, and base metal sulphides.

Database

The data verification involved database integrity checking, site visit, and independent sample collection.

Lion One provided Mining Associates (MA) with a large amount of data relating to the Project. Lion One's current drill hole database, historic block models and geological wireframes were used, as were reports on resource estimation. MA also accessed archived data used for resource estimation in 2000 and 2009.

MA was provided with an export of Lion One's current drill hole database in MS Access format. The database contained tables for Collar details, Collar metadata, downhole surveys, assays, weathering, lithology, alteration, geotech, SG data and lode tags.

MS Access queries were used to perform basic validation checks, and holes were then loaded into Surpac for a second round of validation.

Sample assay data from diamond (surface plus underground, all dates) and RC drilling were compared statistically by the following method:

1. Raw sample data composited downhole to 1m intervals to create comparable samples of identical volume (reduce effects of sample volume variance).
2. 1m composites were restricted to cover the same area (roughly corresponding to the 2000 resource model extents) as a crude method of compensating for possible spatial clustering of data. The following spatial filtering methods were used:
   a) Boundary drawn in plan view to cover extent of most RC drilling;
   b) DD data restricted in z extent to cover the same depth range as RC data;
   c) DD and RC data restricted to depths >20m below surface (to reduce effects of shallow RC drilling near-surface);
   d) Data plotted north and south of 3920700N, which marks the approximate limit of clustered high grade DD intercepts.
3. Q-Q (percentile) plots generated for RC versus DD data above a cut-off of 1g/t Au for each of the spatial filters described above. Cut-off was used to compensate for the effects of mostly selective sampling of DD holes.

Cut-Off Grades

Lower cut off grades have been reported at 1, 2, 3 and 5g/t Au.

Capping is the process of reducing the grade of the outlier sample to a value that is representative of the surrounding grade distribution. Reducing the value of an outlier sample grade minimises the overestimation of adjacent blocks in the vicinity of an outlier grade value. At no stage are sample grades removed from the database if grade capping is applied.

Veins with more that contain more than 50 intercepts were assess for outliers, via histograms log probability plots and metal loss. Veins with less than 50 intercepts were considered unreliable representations of the distribution, and the grade cap was selected at the 97.5^{th} percentile which often resulted in only one value being capped.

Metallurgical and Mining Assumptions

The assumption has been made that the majority of Tuvatu will be mined as narrow vein, high grade underground mine. There will be little internal dilution.

A minimum mining width of 1.2metres has been used. Extensive metallurgical testwork has been completed since 1999, the most recent by Lion One in 2012. Processing will include crushing, grinding, gravity separation, flotation and leaching.

Classification

Based on the study herein reported, delineated mineralisation of the Tuvatu Resource is classified as a resource according to the definitions from CIM Definition Standards (2010):

"A Mineral Resource is a concentration or occurrence of diamonds, natural solid inorganic material, or natural solid fossilised organic material including base and precious metals, coal, and industrial minerals in or on the Earth's crust, in such form and quantity and of such a grade or quality, that it has reasonable prospects for economic extraction. The location, quantity, grade, geological characteristics and continuity of a Mineral Resource are known, estimated or interpreted from specific geological evidence and knowledge."

For the classification of Mineral Resources for the Project, the following definitions were adopted and applied to each domain separately:

Measured Mineral Resource

No measured mineral resources are defined at Tuvatu. The underground development sampling shows highly variable grades over short (3m) distances, indicating that local estimation of grades will be difficult.

Indicated Mineral Resource

Defined as those portions of the deposit for which grade, quantity and densities can be estimated with confidence sufficient to allow the appropriate applicator of technical and economic parameters to support mine planning and evaluation of economic viability. The indicated portions of the resource are based on detailed geological information gathered from surface and underground drilling, underground workings and mapping. The prescribed drill spacing required was 25m x 25m and can demonstrate a high level of confidence in the geological continuity of the mineralisation. Estimation statistics were used to guide the decision, Krige variances of block within the indicated category fall within the range of 0.15 to 0.4 and must not exceed 0.5. A few higher variance blocks may be included if a structural trend is present. The majority of blocks must have a sample location within 40m; the average distance to nearest samples for all indicated blocks is 20m. Blocks are in informed by minimum of 6 vein composites.

Inferred Mineral Resource

Defined as those portions of the deposit which quantity and grade can be estimated on the basis of geological evidence and limited sampling, providing reasonably assumed continuity of quantity and grade. The estimates are based on geological evidence gathered from drill holes. The estimate inferred resource is defined with a drill spacing of greater than 25m x 25m. The inferred potions of the deposit are sampled with a fewer number of intersections but demonstrating a reasonable level of geological confidence. Inferred resources have an average distance to the nearest sample of 30m and are informed by an average of 4 vein intercepts.

About Tuvatu

The 10,565 hectare Tuvatu alkali epithermal Gold Project consists of three tenements located in the upper reaches of Sabeto Valley approximately 24 kilometres ("km") north east of Nadi on the west coast of Viti Levu, 15 km from the Nadi International Airport.

The deposit is hosted in a sequence of volcanic units intruded by a monzonite intrusive complex. Gold mineralization is dominantly hosted in the monzonite units but also occurs in the adjacent volcanics. The mineralization is structurally-controlled and is considered to have a close association with the emplacement of the monzonite intrusive body, occurring as sets and networks of narrow veins and cracks, with individual veins as modelled in the estimate ranging from 0.04 to 9 meters ("m") true width with a mean thickness of 1.1 m. Lode mineralogy is varied, with most veins containing quartz, pyrite, and base metal sulphides. A high portion of the gold mineralization in the deposit occurs as either free gold amenable to gravity processing, or is contained in quartz or pyrite composite particles that can be extracted by simple floatation followed by leaching. The free gold present is both fine and coarse grains although sample assay repeatability is very good suggesting most is fine grained. Mineralization contains low values of potentially deleterious elements such as arsenic, selenium, and uranium.

The main mineralized zone (Upper Ridges) comprises eleven principal lodes with a strike length in excess of 500 m and a vertical depth of more than 300 m. Another major zone of mineralization (Murau) strikes east-west and consists of two major lodes with a mapped strike length in excess of 800 m. A total of 39 different lode structures were identified in the resource area including 11 lodes in the Upper Ridges area, 3 lodes in the Murau area, 4 lodes in the West area, 2 lodes in the Tuvatu area and the stockwork veins in the SKL area. A minimum of 5 intercepts are needed for a vein to be defined. Multiple other lodes having been identified but require additional drilling for inclusion in future, revised resource estimates. Minimum 1.2 m thicknesses were modeled for the mineralized structures, with associated dilution included.

The grade-block model resource was estimated for each vein individually using Ordinary Kriging of width and grade, the later using accumulations from core, and much lesser RC drill hole data. 284 core holes and 81 RC holes have been completed on the property. Grades were capped for each modelled structure, using 99^{th} to 97.5^{th} percentiles. Bulk densities of 2.54 and 2.61 for ore and waste respectively were used. A total of 1,341 m of decline, strike and rise development have also been undertaken in the project area, including a 600 m exploration decline.

"We are pleased with these significant increases in tonnage, grade, and ounces within this resource estimate," said Lion One Chairman and CEO Walter Berukoff. "Most of this resource is situated within 200 meters of surface, with several target zones identified for further resource potential. We remain focused on continual exploration and securing a Mining License for Tuvatu."

Quality Control

The assay analyses performed during Lion One's drilling programs are subject to a formal quality assurance and quality control (QA/QC) program. Diamond drill core was logged and sampled on site at Tuvatu by Company staff with samples delivered by the Company to the facilities of Australian Laboratory Services (ALS) Pty. Ltd., an independent accredited analytical laboratory. Samples are first prepared and crushed at the ALS facility in Suva, Fiji, before being shipped to Brisbane, Australia for assay analysis. Samples are subjected to fire assay with atomic absorption finish for gold and 33 elements by four acid digest, with Inductively Coupled Plasma Spectrometry (ICP-AES). Standard reference materials, blanks, and field duplicates samples are inserted prior to shipment from site to monitor the quality control of the data. Samples with higher grade gold (greater than 3 grams per tonne) are reassayed using a gravimetric and/or pulps and metallic procedure.

Qualified Persons

The summary review of geology, resource models and estimates and the site visit were conducted by Mr. Ian Taylor, BSc (Hons) MAusIMM (CP) who visited the site from the 25th to 28th February 2014. Mr. Taylor viewed the geological setting, located some drill collars, inspected drill core, and sample storage.

Mr. Taylor has sufficient experience which is relevant to the Tuvatu style of mineralization and deposits under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves' (Australia) and is a Qualified Person as defined in NI43-101 (Canada). He is a Member of The Australasian Institute of Mining and Metallurgy (Melbourne). Mr. Taylor is employed by Mining Associates Pty Ltd of Brisbane, Australia. The information contained in this release has been reviewed and approved by Rob McLeod, P.Geo, a consultant to the Company and a Qualified Person as defined by NI 43-101.

Competent Person Statement

The information in this report that relates to Exploration Results and Mineral Resources is based on and fairly represents information and supporting documentation prepared by Mr. Stephen Mann, who is a Member of the Australian Institute of Mining and Metallurgy (AUSIMM). Mr. Mann has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which the Company is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves" (JORC Code). Mr. Mann is a director of Lion One Metals Limited and consents to the inclusion of the information in this announcement in the form and context in which it appears.

About Lion One Metals Limited

Lion One Metals Limited is a Canadian resource company focused on the acquisition, exploration and development of mineral projects worldwide. The Company is focused on advancing the Tuvatu Gold Project in Fiji, the Olary Creek Iron Ore Project in South Australia, and additional exploration-stage projects in Fiji, Australia, and Argentina.

For maps, diagrams, and project data please click on the following link:

www.liononemetals.com/s/Tuvatu.asp

On Behalf of the Board of Directors

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Appendix - JORC Code, 2012 Edition – Table 1

1 JORC CODE, 2012 EDITION – TABLE 1

1.1 SECTION 1 SAMPLING TECHNIQUES AND DATA

(Criteria in this section apply to all succeeding sections.)

Criteria	JORC Code explanation	Commentary
Sampling techniques	• *Nature and quality of sampling .(eg cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling.* • *Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.* • *Aspects of the determination of mineralisation that are Material to the Public Report.* • *In cases where 'industry standard' work has been done this would be relatively simple.*	• The Tuvatu deposit has been sampled by a combination of diamond and RC drill holes, with a nominal drill spacing ranging from 25 m by 25 m to 50 m by 50 m. • HQ / NQ core is cut in half using a diamond saw with one half of the core submitted for analysis. Underground BX drilling was whole core sampled. • TRM RC drilling was sampled on 1 m intervals. • Maximum HQ / NQ / BX sample interval is 2.5 m & minimum sample interval 0.3 m (note: 1 m of half HQ will weigh between 3 to 4kg)) Very few historic samples are recorded as selective 10 cm intervals. • Zones of mineralisation defined by epithermal veining and brecciation, plus or minus sulphides or iron oxides after sulphides; are sampled selectively to minimise the effects of dilution by barren host-rock. Earlier drill-programmes (TGM) did not sample non-mineralized wall-rock external to the gold-bearing veins.
Drilling techniques	• *Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).*	• Most diamond drilling has been undertaken using HQ 'standard tube' core (63.5mm diameter), although some NQ core (47.6mm diameter) has been drilled • Diamond holes were drilled from surface and underground, without RC pre-collars. • The majority of diamond drill-holes were surveyed using an Eastman downhole survey camera with survey interval of 50m. RC holes were generally not surveyed. • Due to the broken nature of the core in the quartz veins and breccias, core orientations were not attempted, and therefore no orientations are available for the Tuvatu mineralization. • Approximately 81 RC holes and 284 diamond holes have been drilled on the property by TGM and Lion One.
Drill sample recovery	• *Method of recording and assessing core and chip sample recoveries and results assessed.* • *Measures taken to maximise sample recovery and ensure representative nature of the samples.* • *Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.*	• 100% of diamond drilling conducted by both TGM Lion One has had Recovery (as a % of drilled interval) recorded. • In the absence of twinned RC and diamond drillholes, an assessment of spatially proximal RC and Diamond drillhole samples suggests good correlation up to approximately 2.5g/t Au, with diamond core samples reporting higher grades thereon. This may be related to the loss of fine material during RC drilling, however, more rigorous assessment using twinned drillhole data would be required for thorough assessment.
Logging	• *Whether core and chip samples*	• 100% of diamond drill-core at the Tuvatu project has been

Criteria	JORC Code explanation	Commentary
	have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies. • *Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.* • *The total length and percentage of the relevant intersections logged.*	logged for geological and geotechnical data (including RQD). • Logging observations for the TGM drilling include: grainsize, mineralogy, rocktype, texture, and a structural database comprising alpha angles and infill mineralogy only. • Drilling conducted by Lion One was logged for: ▪ Recovery ▪ Lithology ▪ Structure ▪ RQD ▪ Alteration ▪ Mineralogy ▪ Mineralization style
Sub-sampling techniques and sample preparation	• *If core, whether cut or sawn and whether quarter, half or all core taken.* • *If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.* • *For all sample types, the nature, quality and appropriateness of the sample preparation technique.* • *Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.* • *Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.* • *Whether sample sizes are appropriate to the grain size of the material being sampled.*	• For both TGM and Lion One diamond drilling programmes, core is sawn in half and one half (50%) is submitted for analysis. • Details of historic RC sample splitting to obtain a sample for laboratory submission are not available. • Half core sampling of diamond core is considered appropriate for the mineralisation style. • TGM samples were submitted to the laboratory at the Vatukoula Mine (Emperor Gold Mining Company, Fiji)) where the entire sample was pulverized in a ring mill. A 50g split was analysed for gold by fire assay with AAS finish. • Lion One samples were submitted to ALS (Suva, Fiji). Samples are crushed (75% passing -2mm) and a 1kg split pulverized (85% passing -75µm) at this facility and forwarded to ALS Minerals (Brisbane, Australia) where gold content was determined by 30g charge fire assay with AAS finish, and silver by Aqua Regia digestion and AAS
Quality of assay data and laboratory tests	• *The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.* • *For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.* • *Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established.*	• The assay techniques employed are considered both appropriate and the use of a 'total' assay technique (FA50) for the determination of gold content. • No details of any QA/QC procedure or its application during the TGM programmes are available. • With respect to drilling by Lion One, certified reference materials were inserted into the sample sequence at the rate of 3 per 100 samples, and 2 field duplicates were inserted in every batch of 100 samples. • Lion Ore used ten different CRM standards with seven of these submitted more than five times. 216 CRM samples were submitted in total. Field Blanks are routinely submitted. • ALS conducts routine QA/QC measures including CRM analysis, duplicate assaying, and repeats; however results of these measures have not been available for assessment.
Verification of sampling and assaying	• *The verification of significant intersections by either independent or alternative company personnel.* • *The use of twinned holes.*	• Details of any programme, or the results obtained, involving submission of samples to referee laboratories are not available. • TGM samples which returned assays >1g/t Au were

Criteria	JORC Code explanation	Commentary
	• *Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.*	routinely re-assayed. • All logging was recorded initially on paper and subsequently entered into the site drill-hole database. • Database validation steps have been undertaken, including: ▪ Missing/out of range data ▪ Data overlaps ▪ Downhole survey validation check ▪ Non-drillhole data (e.g. surface sampling) data.
Location of data points	• *Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.* • *Specification of the grid system used.* • *Quality and adequacy of topographic control.*	• With respect to TGM drilling activities, at the completion of the drill hole the collar was surveyed by site surveyors using a Leica TPS 300 theodolite. Where possible, the collar azimuth and dip was also recorded by surveyors for validation of the planned orientation and downhole survey data. • All data at Tuvatu project is stored as Fiji Map Grid (Datum WGS72). • Topographic control is via a Digital Elevation Model (DEM) from Stereo Satellite imagery, including contouring at 1.0m increments.
Data spacing and distribution	• *Data spacing for reporting of Exploration Results.* • *Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.* • *Whether sample compositing has been applied.*	• The drill hole spacing is a function of both surface and underground drilling and ranges from 25 x 25m to 50 x 50m. • The mineralised domains for Tuvatu have demonstrated sufficient continuity in both geology and grade to support the definition of Mineral Resources and Reserves, and the classifications applied under the 2012 JORC Code
Orientation of data in relation to geological structure	• *Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.* • *If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.*	• The drilling has been targeted to intersect mineralised veins at a steep angle, although some oblique holes and shallow holes from underground have been drilled. However, this has been taken into account in such a way as to eliminate sampling bias. • No significant sample bias based on drill hole orientation is noted
Sample security	• *The measures taken to ensure sample security.*	• The chain of custody was managed by Lion One. The core is transported by independent courier (DHL) directly to the ALS-Suva, an accredited laboratory facility.
Audits or reviews	• *The results of any audits or reviews of sampling techniques and data.*	• A review of the geology and resource estimates by TGM was conducted by Andrew Vigar (Vigar and Associates) in 2000. • There has been no independent review of the drillhole sampling, logging, and interpretations conducted by Lion One. • MA loaded the data into Surpac (Surpac detects missing coordinate data, missing survey data, sample overlaps, down hole survey validation(checks for excessive deviation) and considered assay results by drill type.

1.2 SECTION 2 REPORTING OF EXPLORATION RESULTS

(Criteria listed in the preceding section also apply to this section.)

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	• *Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.* • *The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.*	• The Tuvatu project comprises three 'Special Prospecting Licences (SPL1283, 1296, 1465) which have total area of 10,565 ha, and for which Lion One has a 100% interest. • The Tuvatu deposit itself is situated on SPL1283.
Exploration done by other parties	• *Acknowledgment and appraisal of exploration by other parties.*	• Details not applicable to reporting of resources
Geology	• *Deposit type, geological setting and style of mineralisation.*	• Tuvatu deposit is one of several epithermal gold systems situated along the >250km Viti Levu lineament. • The majority of mineralization is hosted by late Miocene – early Pliocene monzonite which has intruded late-Oligocene - Middle Miocene volcanic breccia. • The Tuvatu deposit is structurally controlled and occurs as a series of sub-vertical veins, shallow dipping veins and stockworks. Individual 'lode' veins can have strike length in excess of 500m and vertical extent of more than 300m; and range from less than 1m to 7m wide. • Vein mineralogy is predominantly quartz, pyrite, and base-metal sulfides; with a high proportion of gold occurring as free gold or intimately associated with pyrite grains.
Drill hole Information	• *A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:* • *easting and northing of the drill hole collar* • *elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar* • *dip and azimuth of the hole* • *down hole length and interception depth* • *hole length.* • *If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.*	• All drill hole information was used to define the resource estimate.
Data aggregation methods	• *In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated.* • *Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.* • *The assumptions used for any reporting of metal equivalent values should be clearly*	• Details not applicable to reporting of resources

Criteria	JORC Code explanation	Commentary
	of those visits. • *If no site visits have been undertaken indicate why this is the case.*	property in February of 2014. Field exposures and numerous drill hole s were examined during this visit, and an assessment was made of the procedures for logging, sample preparation, quality control and SG measurement • Two independent samples were collected, (drill core and out crop) both returned expected gold values.
Geological interpretation	• *Confidence in (or conversely, the uncertainty of) the geological interpretation of the mineral deposit.* • *Nature of the data used and of any assumptions made.* • *The effect, if any, of alternative interpretations on Mineral Resource estimation.* • *The use of geology in guiding and controlling Mineral Resource estimation.* • *The factors affecting continuity both of grade and geology.*	• The Tuvatu deposit consists of a number of zones of low sulphidation epithermal quartz veins and spatially associated stockworks. Most of the main veins are exposed and therefore have a well-understood geometry. The veins show minor variability in orientation both along strike and down dip. • The main data used to interpret the geometry of mineralised structures has been drilling and surface mapping, aided in some places by underground development. • Structural observation of exposed mineralised veins has provided key constraints on formulation of the interpreted mineralised solids in the resource model • Mineralisation at Tuvatu occurs in multiple structures which can be discontinuous along strike and down dip.
Dimensions	• *The extent and variability of the Mineral Resource expressed as length (along strike or otherwise), plan width, and depth below surface to the upper and lower limits of the Mineral Resource.*	• The majority of the mineralisation lies within two zones of veining; The Upper Ridges zone striking NS, which has extends of 700 m, and the Murau corridor striking EW, has extents of 400 m. Additional to these areas is the western lodes, striking EW for 200m. At the intersection of the Upper Ridges and Murau lodes occur the SKL veins which are smaller shallow southerly dipping veins.
Estimation and modelling techniques	• *The nature and appropriateness of the estimation technique(s) applied and key assumptions, including treatment of extreme grade values, domaining, interpolation parameters and maximum distance of extrapolation from data points. If a computer assisted estimation method was chosen include a description of computer software and parameters used.* • *The availability of check estimates, previous estimates and/or mine production records and whether the Mineral Resource estimate takes appropriate account of such data.* • *The assumptions made regarding recovery of by-products.* • *Estimation of deleterious elements or other non-grade variables of economic significance (eg sulphur for acid mine drainage characterisation).* • *In the case of block model interpolation, the block size in relation to the average sample spacing and the search employed.* • *Any assumptions behind modelling of selective mining units.* • *Any assumptions about correlation between variables.* • *Description of how the geological interpretation was used to control the resource estimates.* • *Discussion of basis for using or not using*	• Estimation undertaken in Surpac, using ordinary kriging. (inverse distance squared and Nearest neighbour and gram metre estimates were used as validation techniques) • Kriging of 10 m x 10 m x 1 m blocks (2D grid) • Experimental Variograms were generated in Surpac. Experimental Variograms were poorly formed, due to the grade distribution expected in a narrow epithermal gold silver deposit for gold and gram metres, thickness provided neat variograms. Variogram sills were standardized to 1. Nuggets were generally moderate to low, ranging from 0.1 to 0.51, and the range of the variogram ranged from 20 m to 100m. Geometric Anisotropy was adopted in the plane of the vein and ellipsoid ratios applied to reflect directional variograms. • Estimation parameters: Veins used a max of 12 samples, minimum sample number was set to 1. Search distances reflect variogram ranges - 25 to 100 m. • No other variables were considered in this resource estimate. Not all gold assays have an associated silver assay. To obtain an estimate of silver a Co Krige would be recommended. • Block size was 10 m x 10 m x 10 m which considers vein orientations and drill pattern. (approximately 1/3 in the drill spacing, in well drilled areas) • Sub-blocking of 1.25 m x 1.25 m x 1.25 m approximating the selective mining unit. Cubic blocks were required to accommodate all vein orientations sufficiently. Ore loss and dilution have been applied to the vein; a minimum

	stated.	
Relationship between mineralisation widths and intercept lengths	• *These relationships are particularly important in the reporting of Exploration Results.* • *If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.* • *If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (eg 'down hole length, true width not known').*	• Details not applicable to reporting of resources
Diagrams	• *Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.*	• Details not applicable to reporting of resources
Balanced reporting	• *Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.*	• Details not applicable to reporting of resources
Other substantive exploration data	• *Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.*	• Details not applicable to reporting of resources
Further work	• *The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).* • *Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.*	• Details not applicable to reporting of resources

1.3 SECTION 3 ESTIMATION AND REPORTING OF MINERAL RESOURCES

(Criteria listed in section 1, and where relevant in section 2, also apply to this section.)

Criteria	JORC Code explanation	Commentary
Database integrity	• *Measures taken to ensure that data has not been corrupted by, for example, transcription or keying errors, between its initial collection and its use for Mineral Resource estimation purposes.* • *Data validation procedures used.*	• MA was provided with an export of Lion One's current drill hole database in MS Access format. • The database contained tables for Collar details, Collar metadata, downhole surveys, assays, weathering, lithology, alteration, geotech, SG data and lode tags. • MS Access queries were used to perform basic validation checks, and holes were then loaded into Surpac for a second round of validation.
Site visits	• *Comment on any site visits undertaken by the Competent Person and the outcome*	• Ian Taylor (AusIMM(CP)) of Mining Associates visited the

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	grade cutting or capping. • *The process of validation, the checking process used, the comparison of model data to drill hole data, and use of reconciliation data if available.*	mining width of 1.2m is applied (@ 0 g/t Au). • Vein wireframes were constructed empirically from drill hole intercepts greater than at 0.5g/t Au. Wireframes were generated from the mid-point of the drill hole intercepts, smoothed and gridded. Gold, vein thickness and gram metres were estimated in 2D space, resultant grids were re-folded and expanded to the thickness of the vein. The resulting wireframe solids were used to constrain the individual veins in 3D space. • High grade outliers within the vein composite data were capped. Veins with greater than 34 intercepts were individually asses for outliers; grade caps were applied as appropriate and ranged from the 97.5 percentile to the 99 percentile. Veins with less than 34 intercepts were capped at the 97.5 percentile. Metres (thickness) were not capped. (gram metres were capped) • Global mean grades for estimated blocks and drill hole samples compared well. • Ordinary krige estimates were compared to nearest neighbour and inverse distance and gram metre estimates, to assess the impact of data clustering and semivariograms. • No reconciliation data is available for the Tuvatu project as no production records are preserved.
Moisture	• *Whether the tonnages are estimated on a dry basis or with natural moisture, and the method of determination of the moisture content.*	• Tonnages are based on dry tonnes. No moisture readings have been recorded
Cut-off parameters	• *The basis of the adopted cut-off grade(s) or quality parameters applied.*	• The mineral resource is reported above 1.0 g/t Au material suitable for open pit extraction (within 75m of the surface) and 3 g/t Au for material deeper than 75m. The resource includes inferred and indicated material, assumed mining, processing and administration costs, gold price and recovery factors have been applied to the resource resulting in reasonable prospects for economic extraction.
Mining factors or assumptions	• *Assumptions made regarding possible mining methods, minimum mining dimensions and internal (or, if applicable, external) mining dilution. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider potential mining methods, but the assumptions made regarding mining methods and parameters when estimating Mineral Resources may not always be rigorous. Where this is the case, this should be reported with an explanation of the basis of the mining assumptions made.*	• Mineralisation is enriched close to surface. Lion One foresees mining via open pit and underground methods. MA notes that this is a reasonable assumption but should not be regarded as rigorous at this stage of the project. • The current mineral resource does include consideration of a minimum mining width of 1.2m and incorporates associated dilution. • The block model has been depleted 3500 tonnes at 9.06 g/t for 1020 oz due to underground development during 1997.
Metallurgical factors or assumptions	• *The basis for assumptions or predictions regarding metallurgical amenability. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider potential metallurgical methods, but the assumptions regarding metallurgical treatment processes and parameters made when reporting Mineral Resources may not always be rigorous. Where this is*	• Ore hardness is regarded as medium to hard - Work Index ~17 (maximum 20) • Coarse, free gold creates a nugget effect and must be considered in processing • 2012 metallurgical test work showed gravity recoveries averaged over 40%, and combined gravity and flotation ranged up to 94%.

Criteria	JORC Code explanation	Commentary
	the case, this should be reported with an explanation of the basis of the metallurgical assumptions made.	
Environmen-tal factors or assumptions	• *Assumptions made regarding possible waste and process residue disposal options. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider the potential environmental impacts of the mining and processing operation. While at this stage the determination of potential environmental impacts, particularly for a greenfields project, may not always be well advanced, the status of early consideration of these potential environmental impacts should be reported. Where these aspects have not been considered this should be reported with an explanation of the environmental assumptions made.*	• Fiji's Department of Environment has approved the Company's EIA for Tuvatu and has recommended that mining activities can proceed. • Preliminary investigations have identified a number of potentially suitable locations for storage of waste and tailings. Acid rock drainage testing has revealed a low potential of acid rock drainage issues on the property. • It is assumed that due to previous mining activity at the Tuvatu project that environmental impacts will be addressed with due process but should not preclude the project from progressing to potential economic extraction. • Flora and fauna assessments of the site are on-going and have raised no particularly sensitive issues.
Bulk density	• *Whether assumed or determined. If assumed, the basis for the assumptions. If determined, the method used, whether wet or dry, the frequency of the measurements, the nature, size and representativeness of the samples.* • *The bulk density for bulk material must have been measured by methods that adequately account for void spaces (vugs, porosity, etc), moisture and differences between rock and alteration zones within the deposit.* • *Discuss assumptions for bulk density estimates used in the evaluation process of the different materials.*	• For the specific gravity of rocks, an SG sample of whole core is taken within mineralised and non-mineralised zones a total of 1955 reading are in the database. • Each sample is a minimum of 1 cm long and up to 52 cm. • Average dry bulk density is 2.61 for all rocks. The majority are monzonite with an average dry bulk density of 2.61. Readings within interpreted veins average 2.57 from 181 samples. • Ore is assigned 2.57 and waste material is assigned 2.61.
Classification	• *The basis for the classification of the Mineral Resources into varying confidence categories.* • *Whether appropriate account has been taken of all relevant factors (ie relative confidence in tonnage/grade estimations, reliability of input data, confidence in continuity of geology and metal values, quality, quantity and distribution of the data).* • *Whether the result appropriately reflects the Competent Person's view of the deposit.*	• Resource classification is based data quality, drill density, number of informing samples, kriging efficiency, average distance to informing samples and vein consistency (geological continuity). • Confidence in the quality of the data justified the classification of inferred and indicated resources. • Geological continuity has been demonstrated at 50 m grid spacing over the entire strike of Tuvatu project. • Indicated resources required the distance to nearest sample to be less than 40m, the minimum informing samples be greater than 4, Kriging variance less than 60%. • These parameters were then manually refined to better reflect the competent person's view of the resource classification within each domain.
Audits or reviews	• *The results of any audits or reviews of Mineral Resource estimates.*	• No external audits or reviews of the resource estimate have been carried out to date.
Discussion of relative accuracy/ confidence	• *Where appropriate a statement of the relative accuracy and confidence level in the Mineral Resource estimate using an approach or procedure deemed appropriate by the Competent Person. For example, the application of statistical or geostatistical procedures to quantify the relative accuracy of the resource within stated confidence limits, or, if such an*	• The resource estimate has been developed from "first principals" based on a review and re-interpretation of the geological controls and drill data using Surpac. Several iterations of the Surpac models were reviewed and optimised. • The ordinary kriging result, due to the high level of smoothing, should only be regarded as a global estimate, and is suitable as a life of mine planning tool.

Criteria	JORC Code explanation	Commentary
	approach is not deemed appropriate, a qualitative discussion of the factors that could affect the relative accuracy and confidence of the estimate. • *The statement should specify whether it relates to global or local estimates, and, if local, state the relevant tonnages, which should be relevant to technical and economic evaluation. Documentation should include assumptions made and the procedures used.* • *These statements of relative accuracy and confidence of the estimate should be compared with production data, where available.*	Should local estimates be required for detailed mine scheduling techniques such conditional simulation would be required, additional drilling is also recommended. • Using the Krige variance as a guide to classification of mineral resource takes the quality and hence accuracy of the block estimates into consideration. • Detailed production data is not available for the Tuvatu project, only total development tonnes and grade. MA notes that the reported average development grade of 9.06 g/tAu is similar to the current underground indicated resource grade of 9.3 g/tAu. The mineral resource has been depleted for development.