



LION ONE METALS LIMITED

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE SIX MONTHS ENDED DECEMBER 31, 2023

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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 February 14, 2024. Set out below is a review of the activities, results of operations and financial condition of Lion One Metals Limited ("LIO", "Lion One", or the "Company") and its subsidiaries for the period ended December 31, 2023. 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 December 31, 2023 and the audited annual consolidated financial statements for the year ended June 30, 2023. 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 December 31, 2023 and the subsequent period up to February 14, 2024, 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. Alex Nichol, B. Sc., who is an officer of the Company and a Member of the Australian Institute of Geoscientists is the Qualified Person under the meaning of Canadian National Instrument 43-101, and responsible for the exploration and geology technical content of this Management's Discussion and Analysis.

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

OBJECTIVES

Lion One is focused on advancing premium quality gold assets in Fiji that have: high grades, scope, district scale, and depth potential, with access to infrastructure in a mining-friendly jurisdiction. The Company's 100% owned Tuvatu Gold Project ("Tuvatu") has received all the mandatory regulatory approvals, including a 10-year renewable mining lease Special Mining Lease (SML 62) and a 21-year surface lease, for the complete development of mining and processing operations. In August 2022, SML 62 was extended for an additional 10-year renewable term to February 28, 2035. The 384.5 hectare Tuvatu mining lease is located near its epicenter and hosts the high grade, permitted for production, Tuvatu gold resource. In May 2019, SPL 1512 was issued for the Navilawa tenement and Lion One became the first company in modern times to consolidate and carry out systematic exploration over the entire 7km diameter Navilawa Caldera. The Project area consists of four contiguous exploration licenses covering approximately 13,613 hectares.

Mineralization of the Tuvatu deposit is associated with the emplacement of an alkalic volcanic intrusive complex, with Navilawa Caldera being one of several volcanic calderas to host large mineralized alkaline gold systems, aligned along the Viti Levu Lineament, referred to as 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 several other well-known major mineralized alkaline gold systems. This variety of gold system is not prolific in number globally but are among the largest producers of gold in the world, with notable examples in the Pacific Island Arc including the Porgera (>25 million ounces gold) and Lihir (>40 million ounces gold) gold mines in Papua New Guinea, and Vatukoula in Fiji (>11 million ounces gold), only 40km from Tuvatu. A North American example is the Cripple Creek gold mine, which is the largest gold mine in the Colorado mineral belt. These deposits, like other alkaline hosted gold deposits, are associated with deep crustal magmas, characteristic alteration mineral assemblages, and are valued for their high grades and deep vertical profiles, resulting in large gold endowments.

In 2019, the Company commenced a deep diamond drilling program targeting feeder structures at depth below the known Tuvatu mineralization and discovered the Deep Feeder 500 Zone ("500 Zone"), which supports the alkaline gold model and the concept that Tuvatu has high-grade gold mineralization extending and evolving to great depths. The deep drilling program, reached depths of over 1,000m below the surface and was designed to gain a better understanding of the underlying plumbing system which served as a conduit for the gold-rich fluids from the base of the crust in that area. The Company also owns and operates a fleet of seven diamond drilling rigs capable of operating year-round through the rainy season, and a fully operational, quick-response metallurgical and geochemical laboratory at its Fiji head office close to the mine site.

The Company's objective is to achieve steady state mine and mill production at 300 tonnes per day for initial pilot processing plant by April 2024, and work towards commissioning the 500 tonnes per day processing plant by the end of September 2024. Lion One will also continue to focus on testing regional targets identified as new high-grade occurrences discovered within current exploration tenements as well as shallow resource infill drilling from the surface and grade control drilling from underground targeting areas of planned early production. During the dry seasons, the Company will also carry out a regional exploration program aimed at identifying deep high-grade and bonanza-grade resources for the eventual development of a larger and richer resource base, thereby proving the concept that the Tuvatu property has the potential to become a multi-million ounce gold camp.

HIGHLIGHTS AND SIGNIFICANT SUBSEQUENT EVENTS

Surface Development for 300TPD Pilot Plant

On Fiji Day, October 10, 2023, the Company announced that it had poured its first gold at Tuvatu. A ceremonial first gold pour was conducted on site with over 1,000 members of local communities, businesses, employees, and government officials in attendance, including the Honourable Maciu Nalusima, Acting Minister for Mineral Resources for Fiji, who officiated the gold pour ceremony on behalf of Prime Minister Sitiveni Rabuka of Fiji. Mill construction began in August 2022 and commissioning started in September 2023.

By the end of November 2023, the construction and commissioning of the 300 TPD pilot processing plant was substantially completed and handed over to the operations team. Mill activities during November and December 2023 consisted largely of start-up and campaign processing, as well as the fine tuning of the plant and the completion of various upgrades. The Tailings Storage Facility (TSF) was handed over for disposal of filtered tailings in November with some remaining work on the Stage-1 TSF completed by December 2023. The sediment control pond and stormwater diversion facilities were completed before the commencement of the rainy season.

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

Surface Development for Flotation and 500TPD Plant Upgrade

Additional in-house metallurgical testwork to improve processing is ongoing at the Lion One laboratory in Fiji. Preliminary engineering of the flotation circuit and the 500 TPD plant upgrade has also been carried out. A regrinding mill and flotation system will be added to the current process to improve recoveries in late 2024. A new primary ball mill will also be added to the 300 TPD pilot plant to upgrade mill throughput to 500 TPD. The flowsheet of the 500 TPD plant, including the addition of the regrinding mill and flotation systems, has been developed. Sizing of the major equipment has been completed. The long lead time regrinding tower mill has been purchased and was shipped to Fiji in January 2024.

Underground Mine Development

During the three-month period ended December 2023, the Company achieved the following mining physicals:

- Total tonnes mined of 44,760, with 34,200 tonnes of waste and 10,560 tonnes of mineralized material from development materials at average grade of approximately 4.0 g/t Au
- Total capital development of 446 meters
- Total operating development of 467 meters
- Decline advancement of 136 meters to 661 meters, and vertical development of 119 meters to 209 meters

During the six-month period ended December 2023, the Company achieved the following mining physicals:

- Total tonnes mined of 76,698, with 61,186 tonnes of waste and 15,513 tonnes of mineralized material development material at average grade of approximately 4.1 g/t Au
- Total capital development of 879 meters
- Total operating development of 683 meters
- Decline advancement of 288 meters to 661 meters, and vertical development of 154 meters to 209 meters

Mill Operations

During the three-month period ended December 2023, the Company achieved the following mill physicals:

- Processed 14,379 tonnes of mineralized materials at an average head grade of 4.1 Au g/t
- Poured 580 ounce ('oz') of gold doré and 64 oz of silver doré, of which 479 oz of gold and 50 oz of silver was refined
- At December 31, 2023, approximately 735 oz of gold in circuit was retained within the mill circuit as in process store of metal and 102 oz of gold doré was in inventory.
- Mill achieved overall recovery of 75.7%, with recoveries impacted by a combination of low grades and various start-up issues affecting gold recovery in the leach tanks
- The mill operated for 64 days, including 19 days of downtime in October for mechanical completion and commissioning of leaching, elution and detox circuits and remaining 9 days of down time relate to process equipment repairs and improvements

December Quarter 2023 Exploration Summary:

During the three-month period ended December 31, 2023, the Company completed 10,586.2 meters of diamond drilling in 69 completed holes, while a further 4 drill holes were still in progress. The Company is undertaking three tiers of drilling for exploration and development purposes:

- 1) shallow resource grade control drilling from surface and underground targeting areas of planned early production;
- 2) shallow resource infill drilling from surface targeting areas of planned mid-term production;
- 3) regional target areas within the Navilawa caldera, such as the new Lumuni target areas.

December 2023 Quarter Exploration Summary	
Activity	Number
# of drill holes completed	69
# of drill holes in progress at end of Quarter	4
# of meters drilled	10,586.2
# of drill core samples submitted for analysis	23,960
# of bulk density analyses from drill core	159
# of channels excavated and sampled	253
# of samples from channel sampling	1,825
# of surface rock chip samples collected	1,906
# of underground rock chip samples collected	4,386
# of samples analyzed in Lion One Laboratory	32,406

During the three-month period ended December 31, 2023, the Company continued with its exploration program to confirm the potential for a multimillion-ounce high-grade alkaline gold system. Two rigs remained focused on regional exploration drilling, three rigs are focused on infill drill programs from surface and two rigs on grade control drilling from underground in areas earmarked for near-term mining.

Exploration Highlights Tuvatu:

On October 19, 2023, the Company announced high-grade gold results from Zone 2 grade control drilling focused primarily on the Murau lode system. Highlights of the drilling (3.0 g/t cutoff) included:

- 84.96 g/t Au over 1.2m (TGC-0092, from 4.5m depth)
- 20.69 g/t Au over 4.2m (including 40.22 g/t Au over 0.9m) (TUDDH-677, from 76.5m depth)
- 13.60 g/t Au over 5.1m (including 98.87 g/t Au over 0.3m) (TUDDH-663, from 89.1m depth)
- 13.22 g/t Au over 5.1m (including 50.54 g/t Au over 0.3m) (TGC-0085, from 56.5m depth)
- 15.64 g/t Au over 3.9m (including 23.48 g/t Au over 1.2m) (TUDDH-680, from 140.9m depth)
- 38.26 g/t Au over 1.5m (including 41.99 g/t Au over 0.6m) (TUDDH-663, from 177.3m depth)
- 31.25 g/t Au over 1.2m (TUDDH-680, from 148.7m depth)
- 15.12 g/t Au over 2.1m (including 22.42 g/t Au over 1.2m) (TUDDH-678, from 135.3m depth)

Development mining of the Murau lode system commenced during the quarter and grade control drilling was conducted in advance of further mining in that area. Infill drilling was also conducted to target the up-dip and down-dip extensions of the Murau lodes.

On November 2, 2023, the Company announced high-grade gold results from Zone 5 grade control and infill drilling. Highlights of the drilling (3 g/t Au cutoff) included:

- 90.76 g/t Au over 2.4m (including 261.47 g/t Au over 0.6m) (TUDDH-659, from 221.3m depth)
- 18.56 g/t Au over 3.0m (including 101.89 g/t Au over 0.3m) (TGC-0081, from 92.1m depth)
- 86.47 g/t Au over 0.6m (TUDDH-672, from 141.1m depth)
- 11.31 g/t Au over 3.9m (including 65.29 g/t Au over 0.3 m) (TGC-0084, from 99.3m depth)
- 46.78 g/t Au over 0.6m (TUDDH-671, from 127.7m depth)

The Zone 5 grade control drilling was focused on the sections of lodes UR1, UR2, and URW3 that are scheduled for mining in early 2024, whereas the infill drilling was focused on the parts of Zone 5 that are scheduled for mining in 2024 and 2025.

On December 13, 2023 the Company announced additional high-grade gold results from Zone 5 grade control and infill drilling. Highlights of the drilling (3 g/t Au cutoff) included:

- 1,986.23 g/t Au over 0.6 m (TUDDH-696, from 206.1 m depth)
- 198.75 g/t Au over 1.5 m (including 866.25 g/t Au over 0.3 m) (TGC-0116, from 109.9 m depth)
- 83.32 g/t Au over 0.9 m (TGC-0114, from 69.0 m depth)
- 26.67 g/t Au over 2.4 m (including 135.60 g/t Au over 0.3 m) (TUDDH-688, from 247.7 m depth)
- 26.38 g/t Au over 1.8 m (including 61.48 g/t Au over 0.3 m) (TGC-0114, from 125.7 m depth)
- 7.79 g/t Au over 4.5 m (including 20.55 g/t Au over 0.9 m) (TGC-0114, from 82.2 m depth)

These exceptional drill intercepts are all located in the near surface portion of Tuvatu and are scheduled for mining in 2024 and 2025.

New Appointments

On January 3, 2024, the Company announced the appointments of Mr. Alex Nichol as Vice President Geology and Exploration and of Mr. David Towle as Mill Manager, as well as the hiring of Mr. Melvyn Levrel as Senior Exploration Geologist in Fiji. The Company also announced the retirement of Mr. Sergio Cattalani as Senior Vice President Exploration. Mr Cattalani has remained with Lion One as a Senior Geology Advisor.

Mr. Alex Nichol has extensive senior operational experience in underground geology, production, and exploration, specializing in mine start-ups and geology systems development and implementation. Prior to joining Lion One, Mr. Nichol was the Geology Superintendent at the Mt. Colin copper-gold mine in Queensland, and before that he was a Senior Underground Mine Geologist at Barrick Gold's Porgera Joint Venture in Papua New Guinea – an analogue deposit for Tuvatu. He has also held Senior Underground Mine Geologist positions at the Dugald River Mine and the Fossey Mine, as well as a Senior Mine Geologist position at Glencore's George Fisher Mine near Mount Isa, Queensland. Mr Nichol will oversee all aspects of the underground development, production, and exploration at Tuvatu, including regional exploration throughout the Navilawa Caldera. Mr. Nichol holds a Bachelor of Science in Geology from the University of Otago and is a Member of the Australian Institute of Geoscientists (MAIG).

Mr. David Towle has over 35 years of experience in mill operations and production, specializing in mill commissioning. He recently worked with IAMGOLD as a Commissioning Specialist responsible for the planning and execution of all commissioning activities at the Cote Gold Project in Ontario. He has managed all aspects of mill construction and start-up from first ore to nameplate production at numerous mines, including Pure Gold Mining's Madsen Project, Atlantic Gold's (now St. Barbara's) Touquay Mine, and Pretium Resources (now Newmont's) Brucejack Mine. He has held the roles of Mill Manager and Mill Operations Superintendent on multiple occasions and spent 18 years in mill operations at Goldcorp's (now Newmont's) Musselwhite Mine. Mr. Towle has also completed extensive managerial and technical training programs throughout his career, including Goldcorp's Supervisory Leadership Program, Harvard Management and Mentorship Program, Refinery Leadership Partners Program, and Placer Dome's Project Management Program. Mr. Towle is an expert in mill start-up and operations and that will be his focus at Lion One.

Mr. Melvyn Levrel, MAIG is an accomplished exploration geologist with 15 years of experience in mineral exploration and mining. He is an expert in Fijian geology and in exploration management in the South Pacific, having spent three years as the Fiji Country Director and Exploration Manager for Alice Queen Limited, and an additional four years managing mineral exploration and geophysics projects throughout Fiji as a Consulting Geologist. He also has six years of experience in exploration and mining in New Caledonia. Mr. Levrel has a wide range of experience in field geology, geophysics, and resource modelling, as well as a unique knowledge of the exploration techniques, history, and regulations in Fiji. As a Senior Exploration Geologist with Lion One, Mr. Levrel will be focused on the advancement of Lion One's regional exploration targets and prospects throughout the Navilawa Caldera. Mr. Levrel holds a Masters Degree in Georesources from the Polytechnic Institute of Bordeaux (Bordeaux INP) and a Bachelors Degree in Geology from the University of Brest. He is also a Member of the Australian Institute of Geoscientists (MAIG).

BACKGROUND AND CORE BUSINESS

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

The Company's primary asset is the 100% held Tuvatu Gold Project, located 17 km from the Nadi International Airport on the main island of Viti Levu in Fiji. Discovered in 1987, Tuvatu is a high-grade underground gold project situated along the Viti Levu lineament, Fiji's corridor of high-grade alkaline gold deposits. The Tuvatu resource covers a 5-hectare footprint within the 384-hectare mining lease. The project contains numerous high-grade prospects proximal to

Tuvatu, at depth, and along strike from the resource area, giving near-term production and further discovery upside on one of Fiji's largest and underexplored alkaline gold systems. The Tuvatu Project was acquired by Lion One in 2011 and has over 200,000 meters of drilling completed to date.

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

Concomitant with the mine development plan being undertaken, Lion One continues to pursue aggressive exploration drilling of newly defined feeder targets in proximity to the Tuvatu resource, including the prolific 500 Zone, as well as regional targets within the 7 km wide Navilawa caldera. Lion One believes the Tuvatu region can host multiple deep, high-grade alkaline gold systems associated with the interpreted magma chamber underlying the Navilawa Caldera.

The Company's objective is to achieve steady state mine and mill production at 300 tonnes per day for the initial pilot processing plant by April 2024, and work towards commissioning the 500 tonnes per day processing plant by the end of September 2024. Lion One will continue to focus on testing regional targets and high-grade occurrences discovered within the Company's exploration tenements, while also conducting shallow resource infill drilling from the surface and grade control drilling from underground to target areas of planned early production. During the dry seasons, the Company will also carry out a regional exploration program aimed at deep high-grade and bonanza-grade resources for the eventual development of a larger and richer resource base thereby proving the concept that the Tuvatu project has the potential to become a multi-million ounce gold camp.

Surface Development for 300TPD Pilot Plant

By the end of November 2023, the construction and commissioning of the 300 TPD pilot processing plant was substantially completed and was handed over to the operations team. A ceremonial first gold pour was conducted on site with over 1,000 members of local communities, businesses, employees, and government officials in attendance, including the Honourable Maciu Nalusima, Acting Minister for Mineral Resources for Fiji, who officiated the gold pour ceremony on behalf of Prime Minister Sitiveni Rabuka of Fiji. In addition to the start-up and campaign activities, fine tuning of the mill and upgrading was carried out during this quarter.

The tailings storage pond was handed over for disposal of filtered tailings in November 2023 with some remaining work on the Stage-1 TSF on going and completed by December 2023. The sediment control pond and stormwater diversion facilities were completed before the commencement of the rainy season.

During the quarter ended December 31, 2023, the following works were completed:

Processing Plant installation, startup and commissioning:

- Completed gold room equipment installation, startup and commissioning. Applied final epoxy coats to floors. Completed roof slab waterproofing.
- Completed installation and modification to cyanide detox reagent and lime addition systems, including tanks, dust collector, pumps, pipes and fittings.
- Started up and tested electro-winning equipment and pipelines.
- Finalized cable tray and electrical panel installation around the mill plant.
- Completed pipeline modifications of cyanide detox tanks.
- Installed solar-powered streetlights around the processing plant area.
- Tested and commissioned reagent addition, cyanide detox system and tailings filtration system.
- Completed installation of steel structure and the second thickener equipment.
- Completed painting (final coat) of steel platforms and structural steel buildings.
- Installed and commissioned an additional 1500KW diesel generator to provide standby power to the 300 TPD pilot plant and future plant expansion.
- Commissioned intensive leaching reactor.
- Commissioned electro-winning circuits for processing gold concentrate from both the intensive leaching reactor and leaching system.
- Initiated modification of air spargers and diffusion cones of the leaching tanks to improve the performance of the CIL circuit.

Miscellaneous Construction:

- Completed gold room floor, indoor and wall finishing and roof waterproofing. Installed steel structure roof and enclosure between the EW building and Gold Room building.
- Constructed and installed site fence and security gate on the west side of the process mill (entrance).
- Constructed addition septic tank to cater for site admin office. Replaced malfunctioning sewage treatment facilities. The modified sewage treatment plant was commissioned and put into operation.
- Constructed the new mill general workshop, along with waste oil and clean oil storage areas.
- Converted processing plant contractor office to mill eating facility.
- Constructed mill welding workshop at the crusher pad area.
- Demolished existing bridge and constructed 2 new culvert crossing (bridges) on the mine access road.

TSF Construction:

- South Diversion Channel (SDC): Completed bulk excavation at SDC hilltop and batter, rock breaking, anchor trenches and installation of HDPE liner.
- Sediment Control Pond (SCP): Completed filling of the SCP dam, shaping of the pond, and SCP spillway. Installed HDPE liner of the SCP.
- Completed the tailings haulage roads at the TSF area and the access road to the SCP with crushed aggregate hardstand.
- Installed a new bailey bridge on the south diversion channel to provide access to new borrow pit and topsoil disposal area.
- Commenced laying HDPE 100mm pipeline from mill pond to TSF sediment control pond.
- Commenced embankment fill for TSF Stage 2.

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

Surface Development for Flotation and 500TPD Plant Upgrade

Additional in-house metallurgical test work to improve processing is on going at the Lion One laboratory in Fiji. Preliminary engineering of the flotation circuit and 500 TPD plant upgrade has been carried out. A regrinding mill and flotation system will be added to the current process to improve recovery. A new primary ball mill will be added to the 300 TPD pilot plant to upgrade mill throughput to 500 TPD. The flowsheet of the 500 TPD plant, including the addition of the regrinding mill and flotation systems, has been developed. Sizing of the major equipment has been completed. The long lead time regrinding tower mill has been purchased and was shipped to Fiji in January 2024.

Underground Mine Development

	Quarter July to September 2023	Quarter October to December 2023	Year to Date July to December 2023
Mineralized Material Mined (in tonnes)	4,953 tonnes at 4.3 Au g/t	10,560 tonnes at 4.0 Au g/t	15,513 tonnes at 4.1 Au g/t
Waste Material Mined (in tonnes)	26,169	34,200	60,369
Capital Development (in meters)	433	446	879
Decline Development (in meters)	199	121	320
Operating Development (in meters)	215	468	683

The focus of mining activities during the 300 TPD pilot plant phase of operations is the development of the underground mine with over 879 capital meters developed including 320 m for the decline, with the goal of advancing the main decline to the 500 Zone as quickly as is safely possible. A secondary goal during this phase of operations is the development of as many stope access points as feasible in advance of the plant expansion to 500 TPD. A significant portion of the material mined during the 300 TPD pilot plant phase of operations has been lower grade 4 g/t Au development material, with 15,513 tonnes mined during the six-month period ending on December 31, 2023. The Company has also mined 60,369 tonnes of waste material for the six-month period ending on December 31, 2023, which includes a 31% increase between the three-month period ending September 30, 2023 and the three-month period ending December 31, 2023. At December 31, 2023, there was 1,026 tonnes of mineralized materials in inventory at an average grade of 5 g/t Au.

As mine development has progressed at Tuvatu, additional mineralization has been discovered in areas in Zone 2 that were not previously expected to be mineralized. This includes mineralization associated with stockwork veining as well as entirely new mineralized lodes. Many of the development headings at Tuvatu have been found to contain low-grade gold mineralization. This low-grade development material is ideal for use as feed stock to test the different gold recovery circuits during the initial stages of plant operation. Processing the development material also serves to offset costs during mine development as this material needs to be removed regardless of whether it is mineralized. Most of the mill feed during the start-up of the 300 TPD pilot plant has therefore consisted of low-grade development material.

Mining activities at Tuvatu in 2024 will consist of a mix of handheld and mechanized mining methods. Handheld mining is ideal for narrow vein mining as it is precise and enables the effective development of narrow drives, thereby minimizing dilution. Mechanized mining produces wider voids and results in a considerably higher production rate. It is therefore the preferred alternative for wider zones of mineralization that are not sensitive to dilution. At Tuvatu there are areas more suitable for handheld mining and others more suitable for mechanized mining. The mining method employed will be tailored to the style of mineralization being extracted. Mine development is proceeding in a manner designed to preserve the optionality of switching between mining methods as appropriate. To date, development mining at Tuvatu has progressed using both handheld and mechanized mining, yet production mining has been limited to handheld methods. Mechanized production is scheduled to start in March 2024. Production mining refers to the mining of production stopes through which most of the mineralized material will be extracted, whereas development mining refers to all the supporting development required to access the production stopes, such as the declines, access drives, crosscuts, ventilation rises, and so on. While the primary mining objective during the 300 TPD pilot plant stage is development, mine production is anticipated to steadily increase as production mining is introduced and as the number of available production areas increases ahead of the plant expansion to 500 TPD.

Mill Operations

	Quarter July to September 2023	Quarter October to December 2023	Year to Date July to December 2023
Mineralized material processed (tonnes)	108	14,379	14,487
Gold head grade (g/t)	2.3	4.1	4.1
Recovery (%)	n/a	75.7	75.7
Gold doré poured (oz)	-	580	580
Gold production (oz)	-	479	479
Gold doré at December 31, 2023 (oz)	-	102	102
Gold in mill circuit at December 31, 2023 (oz)	-	735	735

During the three-month period ended December 31, 2023, the Company milled 14,379 tonnes of mineralized material at average head grade of 4.1 g/t Au to produce 580 oz of gold doré and 64oz of silver doré. At December 31, 2023, 102 oz of gold doré was in inventory, while 479 oz of gold and 50 oz of silver was refined. The overall recovery rate for the quarter was 75.7%. The recovery rates were impacted by a combination of low grades and various start-up issues affecting gold recovery in the leach tanks.

During the three-month period ended December 31, 2023, the mill operated for 64 days, including 19 days of downtime in October for mechanical completion and commissioning of leaching, elution and detox circuits and remaining 9 days of down time relate to process equipment repairs and improvements. The focus of mill operations during the 300 TPD pilot plant stage is on determining the best methods and parameters required to maximize gold recovery from each type of gold mineralization at Tuvatu. Mill operations to date have consisted of a start-up period and a campaign period with feed from different areas within Zone 2 and Zone 5. During the start-up period of operations from late October to early December 2023, predominantly low grade material was put through the mill.

This is typical of mill start-ups and is done while identifying and resolving any start-up issues that may be present before ramping up production. It also serves to build the in-process store of gold that is retained within the plant. During the subsequent campaign periods of operation, the focus changed to the metallurgical variability of the gold mineralization. Several different types of mineralization have been identified at Tuvatu, including three different types within Zone 2 and Zone 5. Due to the complexity of the deposit, additional variability in mineralization is anticipated as development progresses deeper into the mine. The campaign period of operations, which began in mid-December, has consisted of processing separate batches of material from specific parts of Zone 2 and Zone 5 to determine how the plant responds in each case. The knowledge gained from these campaigns will be applied to maximize gold recovery from the larger production stopes in these areas.

Gold recovery rates during the start-up and campaign periods have been in line with expectations. In addition to the start-up and campaign activities, mill commissioning and upgrading has been carried out. Commissioning of both the

continuous gravity concentrator and the intensive leach circuit was on hold due to a delayed shipment of component parts from suppliers. Similarly, the blowers supplied to aerate the CIL tanks and cyanide detoxification circuit were found to be undersized by the supplier. New blowers were ordered in January 2024 and will be installed by April 2024, along with new air spargers and diffusion cones to improve the performance of the CIL circuit.

The mill expansion to 500 TPD is scheduled to be complete by the end of September 2024. The expansion consists of three main components: a tower mill, a flotation circuit, and a third ball mill. The purpose of the tower mill is to produce a finer grind of concentrates from the continuous gravity concentrator, thereby increasing recoveries. The flotation circuit is also being added to maximize recoveries, while the third ball mill is required to increase the milling capacity of the plant. Construction is pending for the flotation circuit and the third ball mill. All three mill components are targeted for completion and commissioning by the end September 2024, which is a year ahead of the originally scheduled completion date of September 2025.

EXPLORATION PROGRAM

During the quarter ended December 31, 2023, the Company completed 10,586.20 meters of diamond drilling in 69 completed holes, while a further 4 drill holes were still in progress. The Company is undertaking three tiers of drilling for exploration and development purposes:

- 1) shallow resource grade control drilling from surface and underground targeting areas of planned early production;
- 2) shallow resource infill drilling from surface targeting areas of planned mid-term production;
- 3) regional target areas within the Navilawa caldera, such as the new Lumuni target area.

Regional drill programs requiring access to remote parts of the Navilawa caldera (SPL1512) were interrupted during the wet season (November to March) but resumed during the dry season beginning in April 2023.

Diamond Drilling

The Company continues to advance its deposit-scale and regional diamond drilling program to demonstrate that the project has the potential to become a multi-million ounces gold camp, consistent with Tuvatu as an example of an alkaline gold mineralizing system. Alkaline gold systems typically have large gold endowments due to their high grade and deep vertical extents. Initially, Lion One intersected high grade gold mineralization in TUDDH493 late in 2019, and then once again returned very high-grade intersections in hole TUDDH500 and its two wedges in mid-2020 thereby discovering the 500 Feeder Zone. On June 6, 2022, the Company announced the discovery of a new major portion of the 500 Zone gold feeder including 20.86 g/t Au over 75.9m, from 443.4 to 519.3m from Hole TUG-141. TUG-141 was the longest high-grade intercept yet recorded at Tuvatu and the Company followed it up with holes TUDDH-601, with 12.22 g/t Au over 54.90m from 576.1-631.0m, and TUDDH608, with 17.52 g/t Au over 23.7m at from 594.5-618.2m. Predominant vein minerals included a combination of quartz, biotite, potassium-rich feldspar, hydrothermal apatite, epidote, a vanadium-rich hydrothermal mica called roscoelite, characteristic of alkaline gold mineralized systems, as well as late-stage carbonate minerals. Gold occurs as native free Au, as well as in association with pyrite, lesser chalcopyrite, sphalerite, galena, trace tetrahedrite, and minor telluride minerals. The mineral textures observed reflect rapid deposition of gold from a metal-saturated ore-forming colloid or fluid; a process referred to as "flashing". Such rapid gold-deposition can result from sudden pressure drops or a sudden change in physico-chemical conditions which destabilizes the fluid triggering the rapid precipitation of metals, and are known to generate very high grades in epithermal gold systems. Tuvatu is a low-sulphur system, with sulphide minerals accounting for less than 5% overall, and include pyrite (2 generations), lesser marcasite, sphalerite, chalcopyrite, and traces of galena, arsenopyrite, tetrahedrite, and bornite.

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

Infill/Definition/Grade Control Drilling

Two phases of infill drilling have been carried out at Tuvatu with the aim of infilling areas within the current resource and thus augmenting the data density, to further improve the resolution of the geological model in portions of the deposit scheduled for earliest production. Phase 1 infill drilling began in June 2021 and was completed over Zone 2 in mid-February 2022, adding over 8,400m of new data from drill core, including 7,475m of new drilling and 955m of sampling of previously unsampled historic drill core. Multiple bonanza-grade intercepts have been returned from this program, which is aimed at a thorough re-appraisal of the database in portions of the resource earmarked for earliest production (news release dated February 23, 2022). Following the success of the Phase 1 Program, the Company started the

Phase 2 Infill Drill Program in February 2022, which was planned for a total of 8,200m of diamond drilling from both surface and underground.

On May 31, 2022, the Company announced the first 11 holes for the Phase 2 infill program on Zone 5, representing 2,375m of diamond drilling, which include significant new intercepts of high- to bonanza-grade Au mineralization that was not known to occur as part of the existing resource model. The Phase 2 infill drill program, as per Phase 1, was designed to confirm the location, size, and continuity of the known mineralized lodes, in portions of the orebody slated for early production (news release dated May 31, 2022). On September 8, 2022, the Company announced the results from 20 additional drill holes, as part of ongoing Phase 2 infill drilling, including 3,900m of diamond drilling in Zone 5. The additional data outlines high-grade to bonanza-grade mineralized lode swarms less than 100m from surface.

The mineralization from the Phase 2 drilling is a highly significant development, as it represents a substantive addition of Au mineralization at grades well in excess of the average resource grade, intersected at relatively shallow levels in the orebody.

In addition to the ongoing infill drilling program, the Company commenced a grade control program from underground in September 2022 targeting areas of planned early production from Zones 2 and 5, and from the start of October 2022 to the end of September 2023 had completed a total of 10,857.1m in 103 diamond drill holes for grade control, and 6,663.6m in 36 diamond drill holes for infill drilling, with three additional grade control and two additional infill holes in progress at the end of the quarter.

Zone 5 Grade Control Drilling

The Zone 5 area of the Tuvatu deposit consists of the upper portion of a series of closely spaced lode systems. The lode systems targeted by the most recent grade control drilling in Zone 5 are the UR1, UR2, and URW3 lodes. These three lodes are located just east of the historical exploration decline, strike approximately N-S, and dip sub-vertically to steeply east, similar to the URW1 lodes. As currently modelled, the UR1, UR2, and URW3 lodes have vertical extents ranging from approximately 700m to approximately 900m, and strike lengths ranging from 300m to 600m. All three of the lodes are open both along strike and at depth. Grade control drilling in the Zone 5 area has been conducted from the historical exploration decline and has been designed to target a 60m strike section within the overall 300m to 600m strike length of these lodes.

Zone 5 is located along the main north-south corridor of Tuvatu and represents the shallower portions of the UR lodes, occurring between the surface and the exploration decline. It encompasses a series of closely spaced, narrow, high-grade to locally bonanza-grade vein arrays that strike approximately north-south to northeast-southwest and dip sub-vertically to steeply east. The lodes in the center of the corridor (UR1, UR2, UR3, URW2, URW3) are very closely spaced and strike north-south. They have an east-west width of approximately 75m and a strike length of approximately 600m. The lodes in the east and southeast (UR4, UR5, UR6, UR7, UR8) strike approximately northeast-southwest, are slightly wider spaced, and fan out to the east. They have a northwest-southeast width of approximately 250m and a strike length of approximately 600m.

The lodes within the main corridor at Tuvatu have a vertical extent in excess of 1,000m and appear to coalesce at approximately 450m depth where they transition to Zone 500 – the very high-grade feeder zone at Tuvatu. Zone 5 is located approximately 250m directly above Zone 500. The results returned from Zone 5 drilling therefore represent high-grade mineralization that is the direct vertical upward extension of the Zone 500 feeder zone. The region between Zone 5 and Zone 500 has only been tested by relatively wide-spaced exploration drilling.

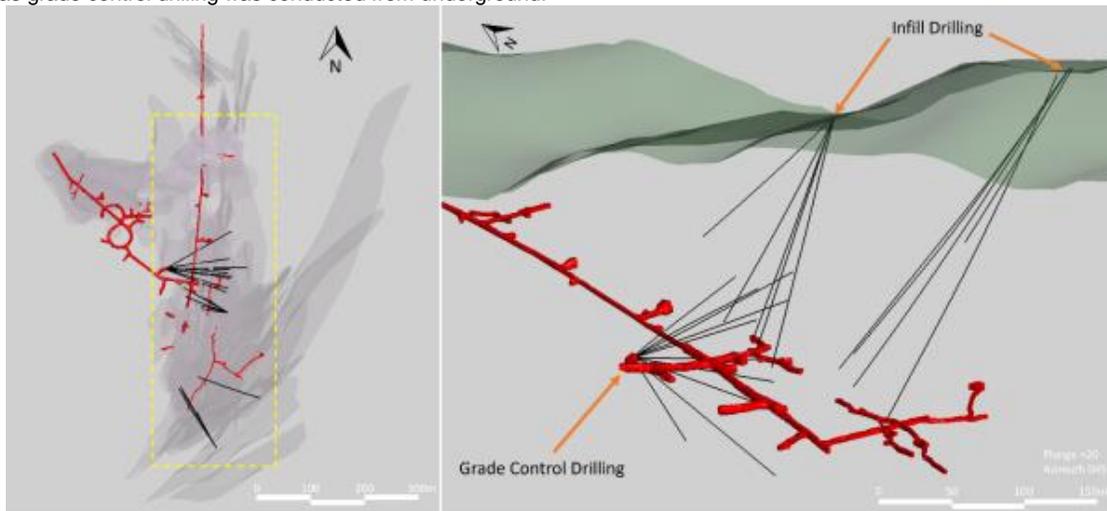
On November 2, 2023, the Company announced high-grade gold results from Zone 5 grade control and infill drilling.

Highlights of the Zone 5 drilling included (3 g/t Au cutoff):

- 90.76 g/t Au over 2.4 m (including 261.47 g/t Au over 0.6 m) (TUDDH-659, from 221.3 m depth)
- 18.56 g/t Au over 3.0 m (including 101.89 g/t Au over 0.3 m) (TGC-0081, from 92.1 m depth)
- 86.47 g/t Au over 0.6 m (TUDDH-672, from 141.1 m depth)
- 11.31 g/t Au over 3.9 m (including 65.29 g/t Au over 0.3 m) (TGC-0084, from 99.3 m depth)
- 46.78 g/t Au over 0.6 m (TUDDH-671, from 127.7 m depth)
- 38.75 g/t Au over 0.6 m (including 64.10 g/t Au over 0.3 m) (TGC-0107, from 136.2 m depth)
- 16.60 g/t Au over 1.2 m (including 24.37 g/t Au over 0.6 m) (TGC-0101, from 125.7 m depth)
- 31.56 g/t Au over 0.6 m (TUDDH-676, from 158.9 m depth)
- 51.76 g/t Au over 0.3 m (TUDDH-665, from 260.3 m depth)

The zone 5 grade control drilling was focused on the sections of lodes UR1, UR2, and URW3 that are scheduled for mining in early 2024, whereas the infill drilling was focused on the parts of Zone 5 that are scheduled for mining in 2024 and 2025. Previous results from Zone 5 are available in the news releases dated June 14, 2023 and August 10, 2023.

Figure 1. Location of Zone 5 Infill and Grade Control Drillholes. Left image: Plan view of Tuvatu showing Zone 5 infill and grade control drillholes in relation to the mineralized lodes at Tuvatu. Drillholes are shown in black, mineralized lodes in pale grey, and underground developments in red. The yellow dashed square represents the area illustrated in the image on the right. Right image: Oblique view of Zone 5 infill and grade control drilling looking approximately northeast. Infill drilling was conducted from surface whereas grade control drilling was conducted from underground.



A total of 10 grade control and 10 infill drillholes were included in this release. The grade control drill program was conducted from underground and targeted the UR1, UR2, and URW3 lodes. The program was designed to provide a detailed understanding of the mineralization and geometry of these lodes both above and below the current underground developments. The grade control drillholes reported were drilled on 20m centers, with follow-up drilling planned to increase drill density to 10m centers in advance of mining. The area targeted by these grade control drillholes is outside the current PEA mine plan but is being brought into the mine plan for 2024 based on drilling results. This part of Zone 5 is currently scheduled for mining in 2024.

The infill drill program was conducted from surface and was designed to target the portions of lodes UR1 to UR7 located between the surface and the current underground developments. The purpose of the infill drill program is to increase knowledge and grade continuity in this area, and to further de-risk this portion of the deposit, which is scheduled for mining in 2024 and 2025. High-grade intercepts from the Zone 5 grade control drilling reported on November 2, 2023 are shown in Figure 2 and 3.

Figure 2. Location of High-Grade Gold Intercepts from Zone 5 Grade Control Drilling, 3.0 g/t cutoff. High-grade gold intervals from Zone 5 grade control drillholes. The grade control drilling targeted sections of the UR1, UR2, and URW3 lodes above and below current underground developments, shown in grey. Composite intervals with grades between 3 and 10 g/t gold are shown in orange, grades between 10 and 30 g/t gold are shown in red, and grades over 30 g/t gold are shown in purple. Select high-grade intervals are identified. View is looking north.

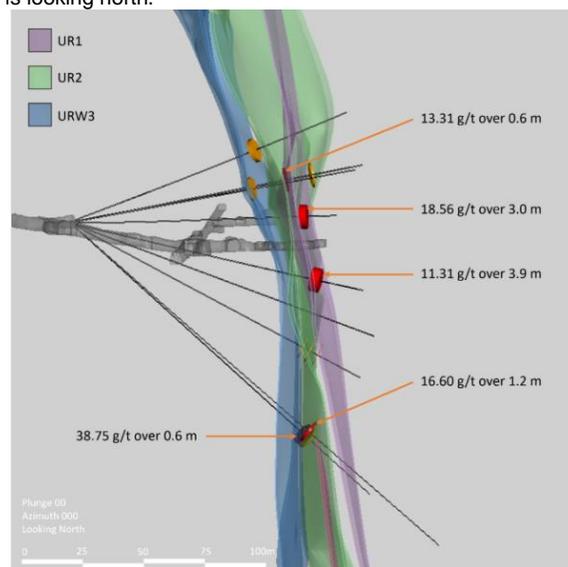
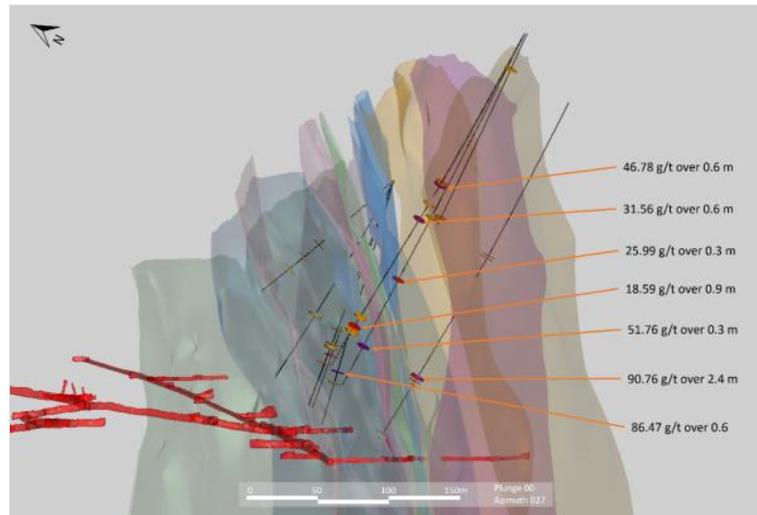


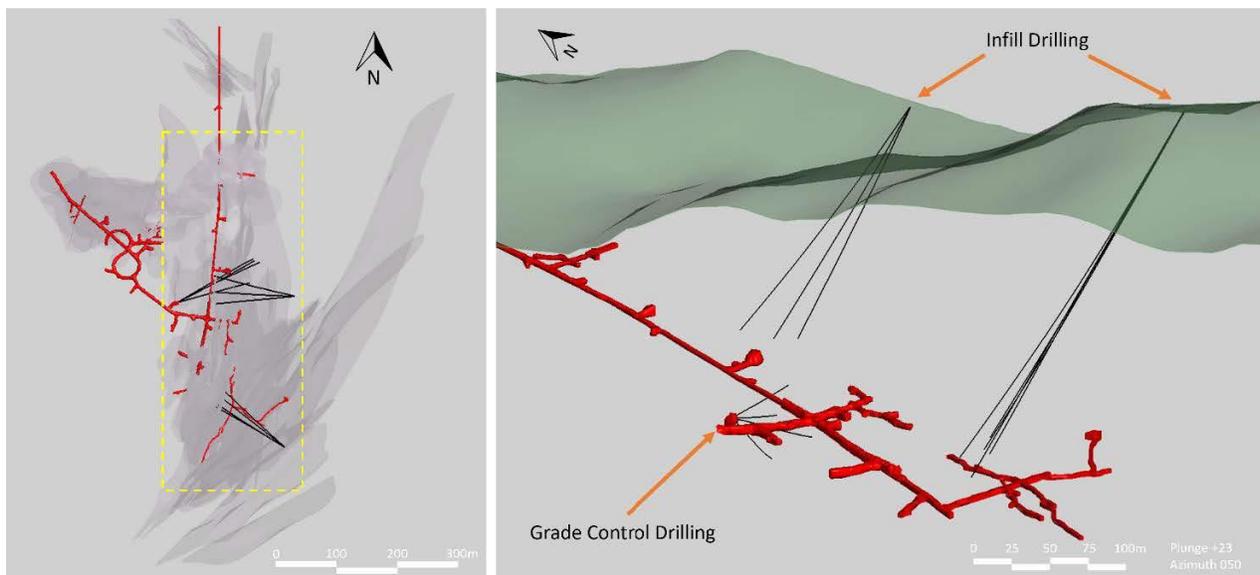
Figure 3. Location of High-Grade Gold Intercepts from Zone 5 Infill Drilling, 3.0 g/t cutoff. High-grade gold intervals from Zone 5 infill drillholes. Composite intervals with grades between 3 and 10 g/t gold are shown in orange, intervals with grades between 10 and 30 g/t gold are shown in red, and intervals over 30 g/t gold are shown in purple. Select high-grade intervals are identified. View is looking approximately NNE.



On December 13, 2023 the Company announced additional high-grade gold results from Zone 5 grade control and infill drilling. Highlights of Zone 5 drilling included (3 g/t Au cutoff):

- 1986.23 g/t Au over 0.6 m (TUDDH-696, from 206.1 m depth)
- 198.75 g/t Au over 1.5 m (including 866.25 g/t Au over 0.3 m) (TGC-0116, from 109.9 m depth)
- 83.32 g/t Au over 0.9 m (TGC-0114, from 69.0 m depth)
- 26.67 g/t Au over 2.4 m (including 135.60 g/t Au over 0.3 m) (TUDDH-688, from 247.7 m depth)
- 93.56 g/t Au over 0.6 m (TUDDH-681, from 138.0 m depth)
- 26.38 g/t Au over 1.8 m (including 61.48 g/t Au over 0.3 m) (TGC-0114, from 125.7 m depth)
- 7.79 g/t Au over 4.5 m (including 20.55 g/t Au over 0.9 m) (TGC-0114, from 82.2 m depth)
- 52.36 g/t Au over 0.6 m (TUDDH-696, from 192.9 m depth)
- 25.46 g/t Au over 1.2 m (TUDDH-696, from 203.4 m depth)
- 25.90 g/t Au over 0.9 m (TUDDH-692, from 226.0 m depth)

Figure 4. Location of Zone 5 Infill and Grade Control Drillholes Reported on December 13, 2023. Left image: Plan view of Tuvatu showing Zone 5 infill and grade control drillholes in relation to the mineralized lodes at Tuvatu. Drillholes are shown in black, mineralized lodes in pale grey, and underground developments in red. The yellow dashed square represents the area illustrated in the image on the right. Right image: Oblique view of Zone 5 infill and grade control drilling looking approximately northeast. Infill drilling was conducted from surface whereas grade control drilling was conducted from underground.



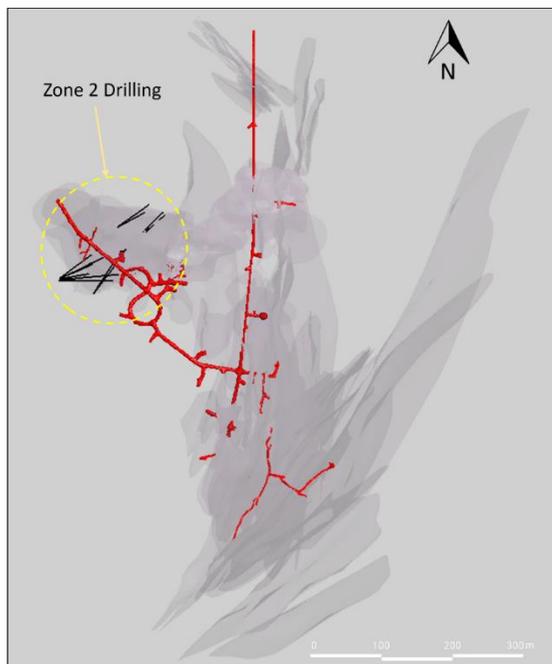
Zone 2 Grade Control Drilling

On October 19, 2023, the Company announced high-grade gold results from Zone 2 grade control and infill drilling (Figure 5). This drilling focused primarily on the Murau lode system (Figure 8). Mining of the Murau lode system commenced during the quarter and grade control drilling was conducted in advance of further mining in this area. Infill drilling was conducted to target the up-dip and down-dip extensions of the Murau lodes. The results reported on October 19, 2023 represent material that was scheduled to be mined in late 2023 and throughout 2024.

Highlights of Zone 2 drilling (3.0 g/t cutoff):

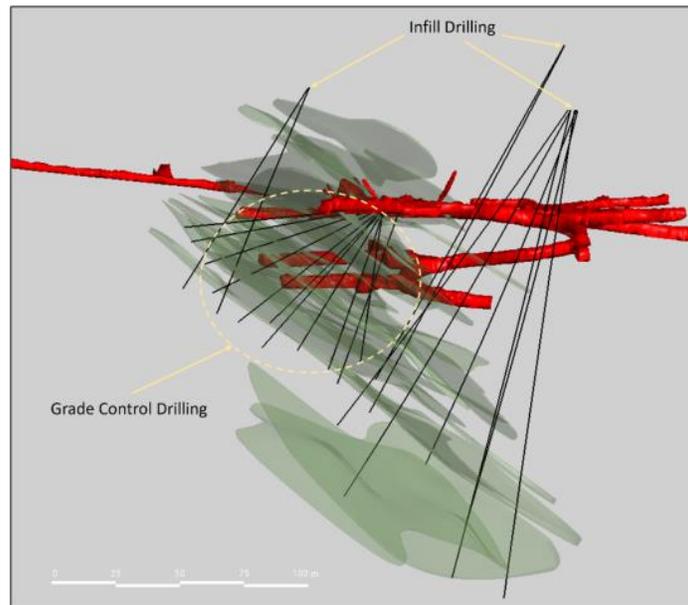
- 84.96 g/t Au over 1.2m (TGC-0092, from 4.5m depth)
- 20.69 g/t Au over 4.2m (including 40.22 g/t Au over 0.9m) (TUDDH-677, from 76.5m depth)
- 13.60 g/t Au over 5.1m (including 98.87 g/t Au over 0.3m) (TUDDH-663, from 89.1m depth)
- 13.22 g/t Au over 5.1m (including 50.54 g/t Au over 0.3m) (TGC-0085, from 56.5m depth)
- 15.64 g/t Au over 3.9m (including 23.48 g/t Au over 1.2m) (TUDDH-680, from 140.9m depth)
- 38.26 g/t Au over 1.5m (including 41.99 g/t Au over 0.6m) (TUDDH-663, from 177.3m depth)
- 34.77 g/t Au over 0.9m (including 35.67 g/t Au over 0.3m) (TUDDH-680, from 146.6m depth)
- 31.25 g/t Au over 1.2m (TUDDH-680, from 148.7m depth)
- 15.12 g/t Au over 2.1m (including 22.42 g/t Au over 1.2m) (TUDDH-678, from 135.3m depth)
- 13.61 g/t Au over 2.1m (including 42.48 g/t Au over 0.6m) (TUDDH-666, from 184.6m depth)
- 11.19 g/t Au over 2.4m (including 30.75 g/t Au over 0.6m) (TGC-0090, from 45.3m depth)
- 9.26 g/t Au over 2.7m (including 13.11 g/t Au over 0.9m) (TGC-0089, from 48.8m depth)
- 82.33 g/t Au over 0.3m (TGC-0092, from 28.2m depth)

Figure 5. Location of Zone 2 Grade Control and Infill Drillholes. Plan view of Tuvatu showing the Zone 2 grade control and infill drillholes included in this news release in relation to the mineralized lodes at Tuvatu. Drillholes are shown in black, mineralized lodes in grey, and underground developments in red.



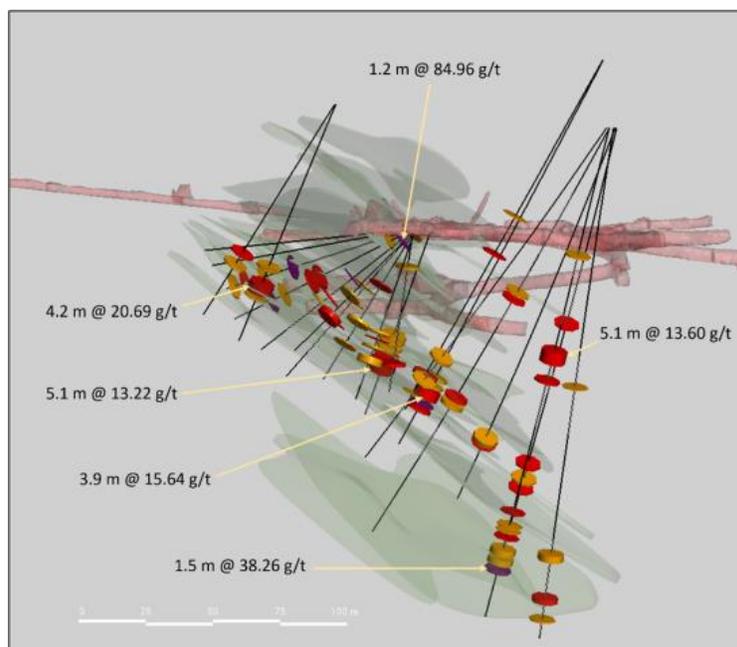
The Murau lodes are located within the Zone 2 area of Tuvatu, along the upper portion of the western decline in the northwest part of the deposit (Figure 6). The Zone 2 area encompasses a number of distinct lode systems, including the URW1, URA1, and Murau lode systems. The Zone 2 area was the first to commence mining at Tuvatu and mining has occurred in all three of these lode systems. The Murau lode system is modelled as a series of stacked relatively flat lying lodes that strike approximately east-west and dip moderately to the south. The portion of the Murau lode system that is currently targeted for mining consists of a vertical extent of 55m, an east-west strike length of 110m, and a down-dip extension of 100m.

Figure 6. Murau Lode System. Oblique section of the Murau lode system in relation to the infill and grade control drillholes reported here. View is to the ESE and slightly down dip along the Murau lodes. The stacked nature of the Murau lodes is visible in the image. Grade control drilling is focused on near-term mining whereas infill drilling is focused on the up-dip and down-dip extensions of the lodes.



The Murau infill drill program was conducted from surface and was designed to target the up-dip and down-dip extension of the Murau lodes on approximately 20m centers. The goal of the program is to provide an increased understanding of the system's mineralization and geometry in these areas. The grade control drill program was conducted from underground on 5-10m centers and was designed to provide much higher resolution of the Murau lode system in advance of mine development and extraction. The location of high-grade intercepts is shown in Figure 9. The Zone 2 infill and grade control drill programs are ongoing. Previous drill results from the Zone 2 area are in news releases dated September 14, 2023, June 14, 2023, and April 25, 2023.

Figure 7. Location of High-Grade Intercepts from Zone 2 Infill and Grade Control Drilling, 3.0 g/t Au cutoff. Oblique section view of the Murau lode system highlighting the high-grade intercepts from the Zone 2 infill and grade control drill program in the Murau system. View is to the ESE and slightly down dip along the Murau lodes. Downhole composite intervals with grades between 3 and 10 g/t Au are shown in orange, intervals with grades between 10 and 30 g/t Au are shown in red, and intervals over 30 g/t Au are shown in purple. Select high-grade intervals are identified. Grades shown are gold grades in g/t.



Navilawa Tenement and Exploration Program

In May 2019, SPL 1512 was issued for the Navilawa tenement for a 5-year term renewable in 2024. The tenement area directly adjoins the northern boundary of Lion One's tenements at Tuvatu, which consolidates ownership of the entire Navilawa mineral complex under a contiguous 13,613 hectare tenement package with Tuvatu's 384.5 hectare Mining Lease (SML 62) and mining and processing site, at its center. This is the first time that modern, systematic exploration has been able to be undertaken over the entire area. The Navilawa area has over 10 well defined prospects including the Kingston, Banana Creek, Matanavatu, and Tuvatu North. Some of the most significant historic results returned were surface rock chip samples of 46.30 g/t Au from Banana Creek; 176.27 g/t Au from the Kingston, and 8.50 g/t Au from Tuvatu North. Although little systematic historical exploration has previously 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. Previous efforts have been primarily focused at Banana Creek, where the Company's team has completed two drill holes totaling 1,458.7m.

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

The new structure is characterized by an intense zone of veining on a lithological contact between monzonite and andesite, with two significant N-S and NE-SW oriented structural intersections. The lithological contact and structural intersections observed in the Batiri Vein are comparable to the lithological contact and structural intersections observed from deep extensional drilling in the 500 Zone below the Tuvatu resource where Lion One reported the longest and highest-grade intercepts yet recovered at Tuvatu, including 20.86 g/t Au over 75.90m from TUG 141 and 12.22 g/t Au over 54.90m including 20.10m @ 23.03 g/t Au from TUDDH 601. In August 2022, the Company mobilized a drill rig to this occurrence to test the Batiri Creek discovery. A three-hole program was planned with only two holes completed (TUDDH-611 and 614), with a third hole (TUDDH-615) abandoned due to extreme wet conditions. The highlights include 5.04 g/t Au over 0.3m in hole TUDDH-614.

Following the wet season which typically ends in late March-early April, a dedicated mapping/sampling program occurs, aiming to identify additional areas for follow-up by diamond drilling. For 2023, the regional mapping/sampling program commenced late April, and to the end of September, a total of 3,955 regional samples had been added to the database.

In August 24, 2023, the Company announced the discovery of a new mineralized structure carrying bonanza grade gold 1 km to the north of the company's Tuvatu Alkaline Gold Project and has been named the Lumuni occurrence. The structure is located 1 km north of Tuvatu, approximately along strike from the NS-trending lodes (UR1, UR2, and UR3). Highlights of Lumuni channel sampling:

- 66.83 g/t Au over 0.7m (CH3850)
- 48.45 g/t Au over 0.7m (including 92.55 g/t Au over 0.3m) (CH3851)
- 15.18 g/t Au over 1.1m (including 31.25 g/t Au over 0.3m) (CH3849)
- 14.66 g/t Au over 1.1m (including 16.78 g/t Au over 0.7m) (CH3855)
- 17.04 g/t Au over 0.6m (including 30.59 g/t Au over 0.3m) (CH3853)
- 10.30 g/t Au over 0.9m (including 13.89 g/t Au over 0.6m) (CH3852)

The continuity of the high-grade material is notable including the fact that a traceable lode of high to very-high grade material can be followed along at surface. Moreover, the high-grade samples coincide with a steeply dipping resistivity low which is compelling as it provides the Company with immediate drill targets to pursue. The Company has added Lumuni to the growing list of high-priority regional exploration targets.

EXPLORATION AND EVALUATION ASSETS

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

SML 62 is a designated area within the original boundaries of the Company's SPLs 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 the current NI 43-101 resource and multiple high-grade prospects in 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.

In 2019, the Company purchased drilling equipment from Geodrill, a Fijian drilling company, and employed several experienced drillers and offsidors from Geodrill. This strategic acquisition ensured the Company has readily available, cost-effective diamond drilling capabilities by operating these drills "in-house". In 2020-2021, the Company purchased three additional deep capacity diamond drill rigs. In March 2022, the Company purchased two additional deep capacity rigs which were delivered to Fiji in September 2022.

The Company has encountered multiple high-grade intercepts from its high-grade feeder diamond drill program since 2020, which supports the alkaline gold model and the concept that Tuvatu has high-grade gold mineralization extending and evolving at great depths. The Company has drilled to depths in excess and 1,000m below surface, with the aim to gain a better understanding of the underlying plumbing system that provided a conduit for the gold-rich fluids to rise from the base of the crust to surface in the Tuvatu area. Alkaline-hosted gold deposits are known to extend to great depths, so there are many areas to explore. The Company is actively engaging in infill and grade control drilling from surface and underground targeting areas of planned early production. Additional sampling, resampling and relogging of earlier diamond drill holes is also ongoing, as is trenching, mapping, and sampling within the Company's tenement holding.

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

In 2019, the Company completed a specialized stream sediment sampling program using the BLEG ("Bulk Leach Extractable Gold") technique over the entire project area. The results from that BLEG sampling program indicate an extensive anomalous area within the northern part of the Navilawa caldera. Furthermore, to better define the underlying structural controls that host the high-grade vein network in the Navilawa Caldera, an initial controlled source audio-magnetotelluric ("CSAMT") geophysical program was also completed late in 2019. Following the interpretation of this CSAMT program, the deep drilling program was expanded to include targets identified from that survey. The Company also implemented a regional drill program aimed at drill-testing some of the anomalies derived from previous geophysical and geochemical survey results. In 2022-23, the Company carried out a second CSAMT geophysical survey designed to infill and add detail and resolution to the existing CSAMT results. The new CSAMT data will help the Company to identify and refine drill targets underlying those prospects to drill test select targets in the future. Interpretation of the combined 2019, 2022, and 2023 CSAMT data was still outstanding as of December 31, 2023.

The Company holds four exploration licenses (SPL's) for the Tuvatu properties. Under the terms of the SPL's, the Company is required to spend a minimum threshold of expenditures on each of the licenses.

SPL	Issued	Expiry Date	Bond (Fijian \$)	Bond (Canadian \$)	Expenditure Requirement (Fijian \$)	Expenditure Requirement (Canadian \$)
1283	Aug. 24, 2020	Aug. 23, 2025	158,180	94,933	1,400,000	840,223
1296	Aug. 24, 2020	Aug. 23, 2025	158,180	94,933	1,600,000	960,254
1465	Mar. 5, 2022	Mar. 4, 2025	67,979	40,798	679,789	407,981
1512	May 14, 2019	May 13, 2024	633,223	380,034	15,333,305	9,202,421

Expenditures incurred on the Fiji properties are as follows:

	June 30, 2022	Additions	June 30, 2023	Transfer to Mineral Property	Additions	December 31, 2023
Acquisition costs	\$ 21,915,063	\$ -	\$ 21,915,063	\$(21,915,063)	\$ -	\$ -
Camp costs and field supplies	2,074,471	3,861,858	5,936,329	(5,832,859)	290,537	394,007
Consulting fees	5,047,075	4,017,388	9,064,463	(9,090,900)	192,283	165,846
Depreciation	3,026,073	2,171,249	5,197,322	(2,757,005)	369,285	2,809,602
Development, dewatering, geology and environmental	5,871,955	20,328,082	26,200,037	(23,420,402)	175,039	2,954,674
Drilling	6,858,433	1,717,199	8,575,632	(7,840,356)	150,105	885,381
Office administration and professional fees	7,894,808	5,052,195	12,947,003	(8,909,065)	462,562	4,500,500
Permitting and community consults	2,072,895	715,145	2,788,040	(2,532,156)	175,254	431,138
Site works and road building	4,715,593	184,249	4,899,842	(3,388,991)	33,274	1,544,125
Salaries and wages	11,268,271	4,666,404	15,934,675	(13,585,525)	701,812	3,050,962
Sample preparation, assaying and analysis	3,693,858	1,586,419	5,280,277	(4,499,721)	67,922	848,478
Technical reports	1,556,022	335,774	1,891,796	(889,628)	-	1,002,168
Travel	1,516,502	837,843	2,354,345	(1,587,328)	97,523	864,540
Vehicle and transportation	2,401,674	634,424	3,036,098	(894,612)	214,224	2,355,710
Capitalized finance cost	-	1,412,422	1,412,422	(1,412,422)	-	-
Write-off of exploration assets	(771,648)	-	(771,648)	-	-	(771,648)
Cumulative foreign currency translation adjustment	(3,733,082)	351,170	(3,381,912)	2,863,446	677,855	159,389
	<u>\$ 75,407,963</u>	<u>\$ 47,871,821</u>	<u>\$ 123,279,784</u>	<u>\$(105,692,587)</u>	<u>\$ 3,607,675</u>	<u>\$ 21,194,872</u>

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

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 2019-2023 diamond drilling programs. 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

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

Selected Quarterly Results

	December 31, 2023	September 30, 2023	June 30, 2023	March 31, 2023
Total assets	\$ 216,484,066	\$ 209,570,987	\$ 208,116,895	\$ 182,661,161
Exploration and evaluation assets	21,194,872	19,136,657	123,279,784	107,873,845
Mineral property, plant and equipment	166,097,457	150,201,436	30,998,185	14,493,079
Working capital	18,984,800	31,105,048	45,424,078	37,135,946
Revenue	1,306,090	-	-	-
Interest income	178,885	389,757	757,612	259,126
Net gain (loss) for the period	(6,359,344)	(1,261,480)	339,941	(968,786)
Comprehensive income (loss) for the period	(3,489,138)	(1,996,884)	(3,162,743)	(1,050,924)
Basic and diluted loss per share	(0.03)	(0.01)	0.00	(0.01)

	December 31, 2022	September 30, 2022	June 30, 2022	March 31, 2022
Total assets	\$ 147,640,714	\$ 147,162,124	\$ 131,275,674	\$ 133,027,838
Exploration and evaluation assets	95,845,120	84,781,639	75,407,963	73,635,449
Property and equipment	14,420,998	11,782,254	10,294,938	9,693,494
Working capital	20,861,205	32,337,138	36,645,040	43,308,352
Interest income	219,863	169,649	119,254	49,419
Net loss for the period	(782,767)	(1,238,814)	(545,663)	(809,577)
Comprehensive income (loss) for the period	1,249,957	612,072	(2,465,557)	(764,120)
Basic and diluted loss per share	0.00	(0.01)	(0.01)	(0.01)

The focus of the Company over the periods presented has been the exploration and development of its Tuvatu Project. On September 30, 2023, the Company reclassified capitalized costs from exploration and evaluation assets to mineral property, plant and equipment and as the Company moved into mineral property development stage. Over the past two years, the Company completed multiple financings (\$13 million private placement in September 2022, a \$33 million financing in February 2023 comprised of \$30 million Tranche 1 loan facility and completion of \$3 million private placement, and \$27 million financing in May 2023), which has increased the total assets and funds available to accelerate the development of Tuvatu project resulting in increases in exploration and evaluations assets and property and equipment, offset by declines in working capital. Interest income has risen since March 2022 to June 2023, due to rising interest rates coupled with higher cash and cash equivalents balances from equity raises and loan facility proceeds. During the quarter ended in December 2023, the 300TPD pilot plant was commissioned resulting in gold revenues and mine operating losses due to ramp up and commissioning coupled with low grade feed of mineralized material from development. The differential between net and comprehensive loss in each period reflects the translation adjustment of the assets and liabilities of the Company's subsidiary, Lion One PTE Limited, which is denominated in Fijian dollars.

Financial Highlights

	Quarter July to September 2023	Quarter October to December 2023	Year to Date July to December 2023
Gold (oz) sold	-	479	479
Average realized selling price Gold (oz)	-	\$ 2,723	\$2,723
Cash Cost per oz (per oz produced)*	-	\$ 7,194	\$ 7,194
Revenue – Gold and Silver Sales		\$1,306,090	\$1,306,090
Production Costs incl. royalties/refining and transport		(2,499,152)	(2,499,152)
Inventory NRV Adjustment**		(3,138,676)	(3,138,676)
Mine Operating Loss***		(4,331,738)	(4,331,738)

*Cash operating cost is a non-IFRS measure with no standard definition under IFRS and is calculated using ounces produced. See the "Non-IFRS financial performance measures"

** The Company provided an inventory net realizable value adjustment for \$3,138,676 to reduce the work-in-process inventory by \$2,779,297, finished goods by \$261,034 and mineralized materials by \$98,345.

*** Proceeds before intended use under IAS 16, Property, Plant and Equipment - (effective for annual periods beginning on or after January 1, 2022), this amendment prohibits deducting from the cost of property, plant and equipment amounts received from selling items produced while preparing the asset for its intended use during development stage. Instead, the Company recognizes such sale proceeds and related cost in profit or loss.

Results of Operations for the six months ended December 31, 2023 compared to 2022

The comprehensive loss for the six months ended December 31, 2023 was \$5,486,022 (2022 – gain of \$1,862,029). Significant changes to the comprehensive loss are explained as follows:

- Revenue recognized of \$1,306,090 (2022 - \$Nil), the Company had its first metal sales in December 2023. For further revenue please refer to Note 12 of the unaudited condensed consolidated interim financial statements for the six months ended December 31, 2023.
- Cost of sales recognized of \$5,637,828 (2022 - \$Nil), of which \$2,499,152 relates to the Company's first gold sales during the quarter and recorded the related costs of producing this gold as cost of sales and \$3,138,676 relates to net realizable value adjustment for work in process, finished goods and mineralized materials. Cost of production during the ramp-up phase are not necessarily indicative of costs to be expected after reaching sustained production at 300TPD. For further revenue please refer to Note 13 of the unaudited condensed consolidated interim financial statements for the six months ended December 31, 2023.
- General and administrative expenses increased by \$480,070 to \$1,950,868 (2022 - \$1,470,798) primarily due to higher head count, legal fees and consulting fees with higher level of corporate activities compared to prior year period.
- Interest and finance expense increased by \$1,057,960 to \$1,061,759 (2022 - \$3,799) primarily due to the recognition of accretion and interest expense for the financing facility to the statement of loss and comprehensive loss as the 300 TPD mine and mill was commissioned in the current period.
- Share-based payments expense decreased to \$1,100,654 (2022 - \$1,024,028) due to the timing of employee stock options granted in December 2023.
- During the period ended December 31, 2023, the Company recognized a foreign exchange translation gain of \$2,134,802 on its net assets denominated in Fijian dollars reflecting a strengthening of the Fijian dollar against the Canadian dollar since June 30, 2023. A foreign exchange translation gain of \$3,883,610 was recognized in the comparative period.

Results of Operations for the three months ended December 31, 2023 compared to 2022

The comprehensive loss for the three months ended December 31, 2023 was \$3,489,138 (2022 – gain of \$1,249,957). Significant changes to the comprehensive loss are explained as follows:

- Revenue recognized of \$1,306,090 (2022 - \$Nil), the Company had its first metal sales in December 2023. For further revenue please refer to Note 12 of the unaudited condensed consolidated interim financial statements for the six months ended December 31, 2023.
- Cost of sales recognized of \$5,637,828 (2022 - \$Nil), of which \$2,499,152 relates to the Company's first gold sales during the quarter and recorded the related costs of producing this gold as cost of sales and \$3,138,676 relates to net realizable value adjustment for work in process, finished goods and mineralized materials. Cost of production during the ramp-up phase are not necessarily indicative of costs to be expected after reaching sustained production at 300TPD. For further revenue please refer to Note 13 of the unaudited condensed consolidated interim financial statements for the six months ended December 31, 2023.
- General and administrative expenses increased by \$347,366 to \$1,095,721 (2022 - \$748,355) primarily due to higher head count, legal fees and consulting fees with higher level of corporate activities compared to prior year period.
- Interest and finance expense increased by \$1,026,321 to \$1,027,791 (2022 - \$1,470) primarily due to the recognition of accretion and interest expense for the financing facility to the statement of loss and comprehensive loss as the 300 TPD mine and mill was commissioned in the current period.

- Share-based payments expense decreased to \$940,533 (2022 - \$226,134) due to the timing of employee stock options granted in December 2023.
- During the period ended December 31, 2023, the Company recognized a foreign exchange translation gain of \$2,870,206 on its net assets denominated in Fijian dollars reflecting a strengthening of the Fijian dollar against the Canadian dollar since June 30, 2023. A foreign exchange translation gain of \$2,032,724 was recognized in the comparative period.

Cash flows for the six months ended December 31, 2023 compared to 2022

Cash, cash equivalent and short-term investments have decreased by \$31,944,626 to \$13,449,744 at December 31, 2023 from a balance of \$45,394,370 as at June 30, 2023.

Cash outflows from operating activities increased by \$8,816,128 to \$11,829,200 (2022 – \$3,013,072). This is primarily due to a build up in inventory as 300TPD pilot plant was commissioned and an increase in VAT receivables as the Fijian Government increased the Valued Added Taxes ("VAT") rate for all supplies from 9% to 15% on August 1, 2023, offset by increase in accounts payable due to higher expenditures.

Cash outflows from investing activities decreased by \$2,978,620 to \$12,640,218 (2022 - \$15,618,838) due primarily to increase in purchases of mining and process plant equipment and offset by decrease in purchases of exploration expenditures and increase of short-term investment redemptions in the current year period.

Cash inflows from financing activities decreased by \$4,420,217 to \$7,640,159 (2022 - \$12,060,376) due to net cash proceeds on December 2023 Tranche 2 – loan facility and net proceeds of \$116,250 from stock option exercised compared to prior year period due to net cash proceeds from the September 28, 2022 bought deal.

Financial Position

Cash, cash equivalents and short-term investments have decreased by \$31,944,626 to \$13,449,744 as at December 31, 2023 from a balance of \$45,394,370 as at June 30, 2023, due primarily to expenditures on exploration and evaluation assets and mineral property, plant and equipment and a build up of inventory and VAT receivables during the current period.

Shareholders' equity decreased by \$4,090,209 to \$170,961,052 (June 30, 2023 – \$175,051,261) primarily due to mine operating loss and higher interest and accretion expenses, which were previously capitalized during the 300TPD construction stage.

LIQUIDITY AND CAPITAL RESOURCES

As at December 31, 2023, the Company had a working capital of \$18,984,800 including cash and cash equivalents of \$13,449,744 as compared to working capital of \$45,424,078 including cash, cash equivalents and short-term investments of \$45,394,370 as at June 30, 2023. The Company believes it has adequate financial resources available for the next twelve months. On February 14, 2024, the Company closed a public offering for gross proceeds of \$12,075,000 and on January 3, 2024, the Company received US\$1,840,000 (\$2,433,584) net of 2% closing fee from Tranche 2 of its Financing Facility.

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 mine 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 condensed consolidated financial statements for the period ended December 31, 2023. The preparation of the condensed consolidated interim financial statements requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported expenses during the 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 condensed consolidated interim financial statements for the period ended December 31, 2023.

Impairment of non-current assets

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

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 of cash, cash equivalents, short term investments, receivables, deposits, accounts payable and accrued liabilities, lease liability, loan facility and accrued interest. 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. The fair value of long-term liabilities are initially recorded at fair value and subsequently carried at amortized cost using rates comparable to market interest rates.

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 ("VAT") 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 December 31, 2023, the Company had a working capital of \$18,984,800.

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 has cash balances, investment-grade short-term deposit certificates issued by its banking institution and long-term debt under the loan facility. The Company periodically monitors the investments it makes and is satisfied with the credit ratings of its banks. Advances under the loan facility will bear interest at the 3 month SOFR +8% for Tranche 1 and +10% for Tranche 2/3. The Company manages this risk by monitoring fluctuations in SOFR and in the event 3-month SOFR is in excess of 5%, the Company has the option to pay that portion of the interest attributable to Term SOFR that exceeds 5% by issuing shares of the Company subject to the approval of the TSXV.

b) Foreign currency risk

The Company's property exploration work occurs in Fiji and is conducted in Canadian dollars and Fijian dollars. A portion of the Company's financial assets (liabilities) and other assets are denominated in US dollars and Australian dollars. As such, the Company is exposed to foreign currency risk in fluctuations.

c) Price risk

The Company is exposed to price risk with respect to commodity and equity prices. The Company closely monitors commodity prices to determine the appropriate strategic action to be taken by the Company.

BALANCE SHEET ARRANGEMENTS

At December 31, 2023, 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 condensed consolidated interim financial statements include the financial statements of Lion One Metals Limited and its 100% owned subsidiaries American Eagle Resources Inc. (Canada), Laimes International Inc. (BVI), Auksas Inc. (BVI), Lion One Limited (Fiji), Lion One Australia Pty Ltd. (Australia) and Piche Resources Pty Ltd. (Australia).

Key management personnel comprise of the: Chief Executive Officer, Managing Director, Chief Financial Officer, Chief Operating Officer, Senior Vice President Exploration and Vice President, Corporate Secretary of the Company, members of the Board of Directors and related companies. The remuneration of the key management personnel is as follows for the period ended December 31:

	2023	2022
Payments to key management personnel:		
Cash compensation expensed to management fees, professional fees, investor relations, directors' fees and consulting fees	\$ 466,500	\$ 355,211
Cash compensation capitalized to mineral property, plant and equipment and exploration and evaluation assets	287,260	260,000
Share-based payments	395,175	1,133,288

During the period ended December 31, 2023, the Company paid \$90,000 (2022 - \$90,000) in rent to Cabrera Capital Corp. ("Cabrera"), a company controlled by Walter Berukoff, the CEO and director of the Company. As at December 31, 2023, the Company had a lease liability of \$512,622 (June 30, 2023 - \$549,197) due to Cabrera equal to the present value of office space lease payments over the term of the lease. The Company has a payable of \$145,133 (June 30, 2023 - \$Nil)

The Company had 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. On April 1, 2023, the Cabrera management and corporate services agreement was renewed for an additional 5-year term.

During the period ended December 31, 2023, the Company paid \$93,609 (2022 - \$128,990) in rent to Lions Den (Fiji) Pte Limited, a company controlled by Walter Berukoff, the CEO and director of the Company, for short-term and long-term accommodations including utilities in Fiji, and has a receivable of \$8,260 (June 30, 2023 - receivable \$6,590).

During the period ended December 31, 2023, the Company has a payable of \$19,104 (June 30, 2023 – \$Nil) in royalty payment to Laimes Global, Inc, a company controlled by Walter Berukoff, the CEO and director of the Company.

During the period ended December 31, 2023, the Company paid professional fees of \$21,174 (2022 - \$16,057) to a management services company owned by David McArthur, a director of the Company's subsidiary, Lion One Australia Pty Ltd. As at December 31, 2023, the Company had a payable of \$3,960 (June 30, 2023 - \$7,756).

During the period ended December 31, 2023, the Company has a payable of \$5,750 to directors of the Company for directors' fees (June 30, 2023 - \$Nil)

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 condensed consolidated interim 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 December 31, 2023. 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.

NON-IFRS PERFORMANCE MEASURES

The Company provides some non-IFRS measures as supplementary information that management believes may be useful to investors to explain the Company's financial results.

Cash operating cost

"Cash operating cost per ounce produced" and "total cash cost per ounce sold" are common financial performance measures in the gold mining industry but with no standard meaning under IFRS. Management believes that, in addition to conventional measures prepared in accordance with IFRS, certain investors use this information to evaluate the Company's performance and ability to generate cash flow. Accordingly, it is intended to provide additional information and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with IFRS. The measure, along with sales, is considered to be a key indicator of a Company's ability to generate earnings and cash flow from its mining operations.

Cash cost figures are calculated in accordance with a standard developed by The Gold Institute, which was a worldwide association of suppliers of gold and gold products and included leading North American gold producers. The Gold Institute ceased operations in 2002, but the standard is the accepted standard of reporting cash cost of production in North-America. Adoption of the standard is voluntary and the cost measures presented may not be comparable to other similarly titled measures of other companies. Other companies may calculate these measures differently. Cash operating cost per ounce produced and tonne processed are derived from mining operating costs such as mining, processing, mine site general and administrative expenses. Total cash cost per ounce sold represents mining operations expenses plus royalties and selling expenses divided by ounces sold.

OUTSTANDING SHARE DATA

As at December 31, 2023 and February 14, 2024, the balance of common shares, stock options, warrants and compensation units were issued and outstanding as follows:

	Balance	Balance
	December 31, 2023	February 14, 2024
Common Shares	206,400,241	230,550,241
Warrants	38,682,087	50,757,087
Stock Options	16,954,999	17,454,999
Compensation Options	2,795,880	4,244,880

INFORMATION REGARDING FORWARD LOOKING STATEMENTS

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

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

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

ADDITIONAL INFORMATION

Additional information regarding the Company can be found at www.sedar.com and the Company's website www.liononemetals.com.

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%	
Yavuna	SPL 1296	100%	
Nagado	SPL 1465	100%	
Navilawa	SPL 1512	100%	

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