



LION ONE ANNOUNCES ROBUST PRELIMINARY ECONOMIC ASSESSMENT FOR HIGH GRADE GOLD OPERATION AT TUVATU PROJECT IN FIJI

North Vancouver, B.C., Canada, and Perth, Western Australia: May 31, 2015 Lion One Metals Limited (TSX-V: LIO) (ASX: LLO) (OTCQX: LOMLF) (FSE: LY1), ("Lion One" or the "Company") announces the completion of an independent Preliminary Economic Assessment ("the Study" or the "PEA") for the Company's 100% owned and fully permitted Tuvatu Gold Project located on the island of Viti Levu in Fiji ("Tuvatu" or the "Project").

"The PEA for Tuvatu demonstrates robust economic potential for a fully permitted high-grade gold operation with low capital and operating costs, enabling rapid payback of capital even at current low gold prices," stated Lion One Chairman and CEO Walter Berukoff. "We view Tuvatu as a near term development and production opportunity in Fiji's major goldfield, with long term production potential in our substantial tenement holding."

PEA Highlights (all amounts are quoted in \$USD utilizing a base case gold price of \$1,200 per oz.)

- **Pre-tax Net Present Value (NPV) of \$117 million (5% discount rate) on the initial qualified resource of the Tuvatu Project**
- **Pre-tax Internal Rate of Return (IRR) of 67%**
- **Pre-production capital costs of \$48.6 million including 14.5% contingency; first gold production following development and construction period of 15 months**
- **Operating costs of \$567 per oz.; all-in sustaining costs of \$779 per oz.**
- **1.5 year payback period, followed by production of 91,229 ounces in year 2 averaging 16.5 g/t Au, and 92,056 ounces averaging 14.44 g/t Au in year 3**
- **Gold production of 352,931 oz. at an average grade of 11.3 g/t Au; current resource of 1.1 Mt Indicated at 8.46 g/t Au (299,500 oz.) and 1.5 Mt Inferred at 9.7 g/t Au (468,000 oz.) at a cutoff grade of 3.0 g/t Au**



PEA Summary (reported in US\$)

Project Life (Years)	7.4
Total Gold Produced (oz. Au)	352,931
Average Annual Production (oz. Au)	57,320
Capital Costs (millions)	\$48.6
Average Mining Cost (per tonne)	\$76.50
Processing Costs (per tonne)	\$43.80
Mining Dilution	20%
Metallurgical Recovery	86.3%
Inferred resources as percentage of tonnage	55.1%
Inferred resources as percentage of ounces	62.7%

Summary Economics at US\$1,200 per ounce Gold

Total LOM Undiscounted Revenue	\$423,516,000
Total LOM Pre-Tax Cash Flow	\$148,726,000
Average Annual Pre-Tax Cash Flow	\$33,222,000
Total LOM After-Tax Free Cash Flow	\$112,540,000
Average Annual After-Tax Free Cash Flow	\$20,079,000

Discount Rate	5%
Pre-Tax NPV	\$116,991,000
Pre-Tax IRR	67%
Pre-Tax Payback (Years)	1.25
After-Tax NPV	\$86,542,000
After-Tax IRR	52%
After-Tax Payback (Years)	1.50

Cash Costs per oz. Au	\$567
Cash Costs per oz. Au including Sustaining Capex	\$779

Mineral Resources

The PEA is based on an Indicated and Inferred mineral resource estimate by independent Qualified Person Ian Taylor, BSc (Hons), MAusIMM(CP) of Mining Associates Pty Ltd. For further details, see the Company news release dated June 4, 2014 and the technical report released July 9, 2014. A summary of this resource (reported at a cut off grade of 3.0 g/t Au - highlighted) is as follows:

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



The summary review of geology, resource models, and estimates and the site visit were conducted by Mr. Taylor, who visited the site from Feb. 25-28th, 2014. Mr. Taylor viewed the geological setting, located some drill collars, and inspected drill core and sample storage.

Estimated Operating Costs

Operating Costs (per tonne milled)	US\$ per tonne milled
Mining Costs	76.50
Processing Costs	43.83
General & Administrative	19.49
Exploration	1.53
Direct Operating Costs before Taxes and Royalties	141.35

Operating Costs (per oz. Au)	US\$ per ounce Au
Mining Costs	243.98
Processing Costs	139.78
General & Administrative	62.16
Exploration	4.89
Refining & Transport	2.40
Royalty	114.00
Total US\$ Cash Costs	567.21

Cash Costs Including All-in Sustaining Costs	Per tonne at Mill	Per oz. recovered
Onsite Mining	76.50	243.98
On-Site Processing	43.83	139.78
G&A	19.49	62.16
Exploration	1.53	4.89
Refining	0.75	2.40
Royalties	35.76	114.00
Total Costs	117.86	567.21
Capex	66.28	211.38
All-in Cash + Sustaining Costs	244.14	778.59

Capital Costs

Pre-Production Capital	US\$ ('000s)
Capitalized Development	8,984
Mining Equipment	5,906
Processing	13,255
Infrastructure	7,578
Indirect Costs	2,564
EPC	2,064
Owner Costs	2,109
Contingency (14.5%)	6,142
Total US\$	48,603



All-inclusive pre-production capital is estimated at \$48.6 million, including \$27.6 million for the processing plant and surface infrastructure, and an added contingency and allowance for taxes and duties of \$4.7 million. A further \$26 million will be spent after the pre-production period as sustaining capital. LOM capital totals approximately \$74.6 million, or \$211 per ounce gold. Sustaining capital consists of capitalized waste development after the initial production start-up, major equipment purchases, and tailings facility development.

The capital cost (CAPEX) estimate includes all costs required to develop, sustain, and close the operation for an initial planned 6.2 year life of mine. The construction schedule is based on an approximate 15 month build period. The accuracy of this estimate is $\pm 30\%$.

The PEA is preliminary in nature and includes Inferred Mineral Resources that are considered too speculative geologically to have the economic considerations applied to them that would enable them to be categorized as Mineral Reserves, and there is no certainty that the PEA will be realized. Please see the important disclosure under "Cautionary Note Regarding the PEA" below.

Opportunities to Enhance Value

In addition to the favorable economic profile outlined in the PEA, there are numerous opportunities to enhance value in the project through further resource expansion and optimization work at Tuvatu.

- Additional infill drilling is recommended to upgrade Inferred Resources in the high grade areas of the Upper Ridges and Murau mineralized zones. It is anticipated that underground drilling in these zones could potentially extend down dip and along strike extensions of these zones and potentially increase the resource base.
- Further refinement of the processing circuit and metallurgical recoveries could enhance production values and metallurgical recoveries
- Stockpiling of mineralized material prior to processing could provide an advance source of mill feed
- Exploration outside the existing resource area but within the boundaries of the Mining Lease area has further discovery potential.

Risks

It is the conclusion of the Qualified Persons (QP) that the PEA summarized in this technical report contains adequate detail and information to support a potentially positive economic result. The PEA proposes the use of industry standard equipment and operating practices. To date, the QP's are not aware of any fatal flaws for the Project.

The most significant potential risks associated with the Project are: uncertain knowledge of some resource areas and the possible impact on mining method, dilution, scheduling, safety, etc., uncontrolled dilution, unforeseen scheduling delays, changes in regulatory environments, environmental compliance, operating and capital cost escalation, ability to raise Project financing, and gold prices. These risks are common to most mining projects, many of which can be mitigated through adequate engineering, planning, and proactive management.

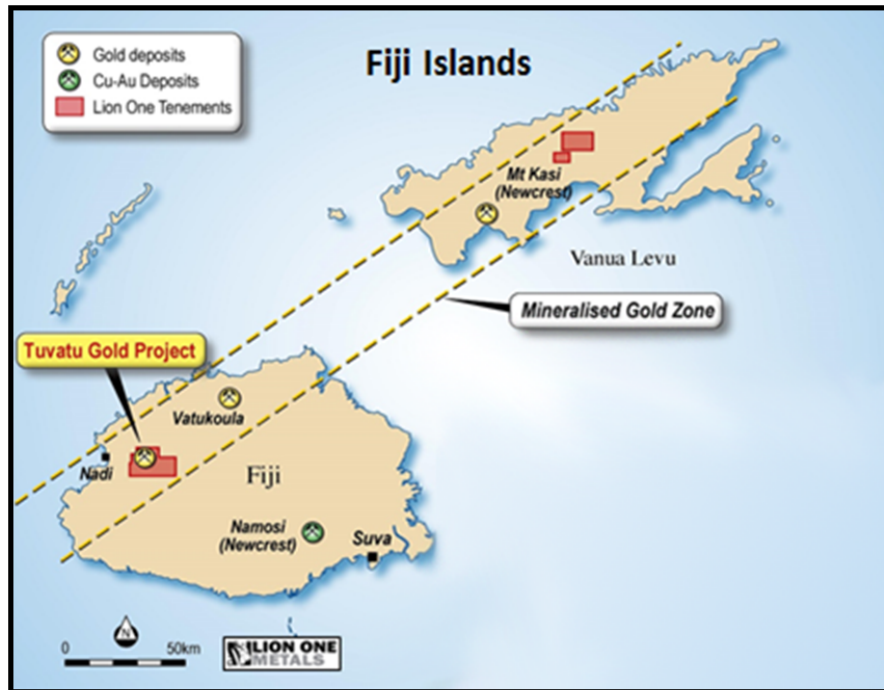


Figure 1: Fiji Projects Locality Map

Mining

Tuvatu is contemplated as an underground mine. To minimize dilution the envisaged mine plan utilizes shrinkage stoping, and produces a total of 1.13Mt of mill feed over the 6.2 year project production life. The current mine plan focuses on achieving consistent mill feed production rates and mining higher grade material early in the production schedule. The current mine plan utilizes the existing decline enabling significant reductions in pre-production time and reduced capital development costs.

The proposed processing rate of 219,000 tpa was used along with underground design and deposit constraints to generate a detailed equipment list and mining fleet suitable for the LOM plan. The capital cost for this list is based on quotations from major suppliers. Mining costs were calculated from first principles using quotes from equipment and consumables suppliers, and Fijian and ex-pat labour rates.

Mine planning, production scheduling, capital and operating cost estimation for the Tuvatu Gold Project were conducted by AMC Consultants Pty Ltd (AMC). A site visit was undertaken by David Lee, AMC Principal Mining Engineer September 9th and 10th, 2014. During the visit Mr. Lee visited the Project site and met with a number of potential suppliers and open pit mining contractors.

The Study considered Indicated and Inferred Mineral Resources. There are no Measured Mineral Resources. Inferred Mineral Resources comprise 55.1% of the mined tonnes and 62.7% of the contained ounces in the mine plan developed in this Study.

There are four main zones contained in the Mineral Resource model. Snake/Murau zone is steeply dipping and strikes east-west. The Tuvatu zone is steeply dipping and strikes north-west by south-east,



and is located north of the Coreshed Fault. The SKL zone is shallowly dipping. The Upper Ridge zone is steeply dipping, striking north-south and contains over 80% of the conceptual production ounces.

Underground

Mine access will be via two main declines from surface, with a gradient of 1:7 and dimensions of 4.5 meters wide x 4.5 meters high. Access to the ore will be made from the main decline and two internal declines. Two ventilation raises to surface are included.

Level access drives are designed at 4.0 meters wide x 4.0 meters high and drawpoints at 3.5 meters wide x 4.0 meters high. These dimensions enable use of medium sized loaders for improved productivity and truck loading close to the stopping area. The primary mining method is shrinkage stoping (airleg method) with limited breast stoping (airleg method for shallow dipping lodes).

Geotechnical and hydrogeology

AMC was engaged for geotechnical study of the Tuvatu Project. This work involved data processing from 21 resource drillholes followed by an empirical analysis for underground designs. No site visit was undertaken by the geotechnical engineer and no dedicated geotechnical holes were drilled. Expected ground conditions can be described as "fair" to "very good". The majority of ground can be characterized as "good". Where geotechnical knowledge is uncertain, further investigation will be undertaken prior to any mining.

The standard shrinkage stoping panel size is based on a 60 m level interval and 60 m strike length. Sill pillars between the stope panels should be at least 6 m high.

The recommended standard ground support for development drives in good ground is friction bolts installed on a regular pattern. Areas where ground conditions are blocky will require surface support, such as welded wire sheet mesh.

Developing through and in the vicinity of the Coreshed Fault is expected to be challenging and require heavy ground support.

The hydrogeological study was undertaken by Knight Piesold Ltd. Limited information is available on hydrogeology. The rock mass itself, particularly in the fresh rock exposed in the Upper Ridges zone, is impermeable and dry. Significant water inflows are reported from a major fault, the Coreshed Fault, located on the northern end of the mineralization.

Mine Production Schedule

The proposed underground mining schedule is shown below. Inferred Mineral Resources (IMR) comprise 55% of the material, based on tonnes, and 62.7% based on ounces.



Underground Mining Schedule

Item	Unit	Year - 1	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Total
Total										
Tonnes	Kt	22.0	140.5	172.0	198.3	196.8	197.0	167.2	31.7	1,125.5
Grade	g/t	7.38	16.36	16.49	14.44	8.57	7.11	7.49	6.87	11.30
Contained Ounces	Koz	5.2	73.9	91.2	92.1	54.3	45.0	40.3	7.0	409.0
Indicated										
Tonnes	Kt	16.3	68.9	65.7	61.9	75.6	111.2	93.6	12.4	505.6
Grade	g/t	7.41	14.21	13.47	9.42	8.17	7.10	7.45	6.18	9.39
Contained Ounces	Koz	3.9	31.5	28.5	18.7	19.8	25.4	22.4	2.5	152.7
Inferred										
Tonnes	Kt	5.7	71.6	106.3	136.4	121.3	85.8	73.5	19.2	619.9
Grade	g/t	7.29	18.42	18.36	16.72	8.83	7.11	7.55	7.33	12.86
Contained Ounces	Koz	1.3	42.4	62.8	73.3	34.4	19.6	17.9	4.5	256.3
Inferred Mineral Resources of mined tonnes										55.1%
Inferred Mineral Resources of contained ounces										62.7%

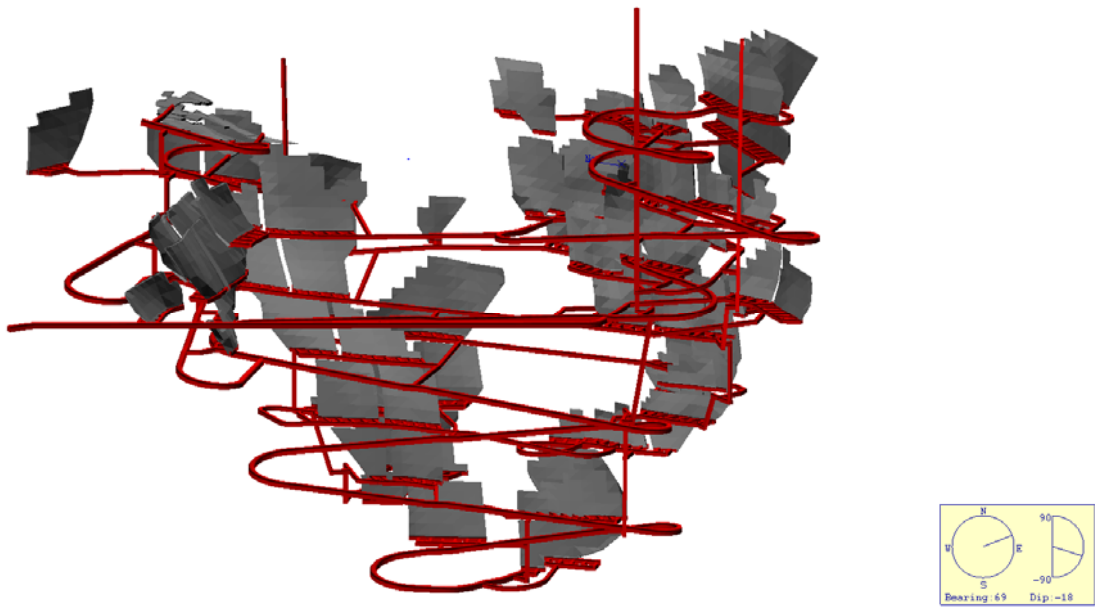


Figure 2: Tuvatu Mine Plan



Economic Analysis

A discounted cash flow model was prepared based on the mining schedule and estimated capital and operating costs. The early mine operating costs (pre-production) are capitalized.

At a base case gold price of US\$1,200 per ounce, the Project has a pre-tax IRR of 67% (after-tax IRR of 52%) and an after-tax payback period of 1.50 years after start of production. At a discount rate of 5%, the before-tax NPV is \$117.1 million, with a post-tax NPV of \$86.6 million.

Production Summary

Production Year	1	2	3	4	5	6	7
Projected oz. gold produced Indicated Resources	30,500	24,569	16,171	17,130	21,920	19,356	2,132
Projected oz. gold produced Inferred Resources	37,763	54,163	63,273	29,697	16,938	15,406	3,913
Cash costs US\$ per oz.	\$622	\$518	\$499	\$745	\$755	\$749	963

Process Infrastructure

Access Roads

The Tuvatu site is accessed via a 17 kilometer road from Nadi international airport. The road is in good condition, but the last few kilometers closer to the plant site will require upgrading and appropriate maintenance to accommodate larger loads and to ensure reliable access during the wet season.

Power Supply

The project will be required to generate its own power due to insufficient power being available on the Fijian grid system. A containerized diesel power station, including switchgear and transformers, is proposed for the project with a capacity of 4MW in an N+2 configuration. This will ensure supply reliability and provide enough reserve to start the larger ball mill motors. Power supply costs are based on a delivered diesel fuel cost of USD\$0.90/l for a total cost of USD\$0.24/kWh.

Water Supply

Reclaim, run-off and mine dewatering will supply water for the project site. The mine dewatering from underground pumping will be used to provide the raw water requirements to service the project needs. The Coreshed Fault, one of the major fault structures identified on site, is a significant water bearing structure and can provide a supply during the dry season. It has been determined that raw water can further be managed by controlling the flows from the tailings facility catchment to allow storage of raw water make-up to the process in the impoundment.

Tailings Storage Facility (TSF)

The TSF will be located approximately 2.0 km southwest of the proposed plant site. The compacted rock-fill embankment will be constructed with the design utilizing ridges to reduce the volume of embankment construction materials required. The facility has been designed to store a total of



1,200,000 t of tailings at an average process plant discharge rate of 600 tpd, with sufficient capacity to contain wet year supernatant and runoff events.

Accommodation

No accommodation will be provided on site given the proximity of local towns and villages. Various site buildings will be constructed to house offices, amenities, warehouse, and workshop facilities.

Processing and Administration Costs

Process plant and infrastructure costs have been estimated in US dollars (US\$ or USD) as at 2nd quarter 2015 to an accuracy of $\pm 30\%$. Capital costs for the process plant and surface infrastructure total \$27.6 million with added contingency and allowance for duties and taxes of \$4.7 million totaling \$32.3 million. The operating costs for the processing plant including labour, consumables, power, and maintenance materials will be \$43.83 per tonne based on 219,000 tpa plant capacity. Site general and administration operating costs will total a further \$3.6 million per year.

Qualified Persons

The technical information contained in this news release is based upon information prepared by Mr. Ian Taylor BSc (Hons) MAusIMM(CP) of Mining Associates Pty Ltd, and Mr. David Lee, Principal Mining Engineer at AMC Consultants Pty Ltd. A technical report will be authored by Mr. Stacy Freudigmann P. Eng, Principal at Canenco Canada Inc. under the guidelines of NI 43-101. These QPs are independent of the Company as defined by NI 43-101.

The information in this report that relates to the Exploration Results or Mineral Resources is based upon, and fairly represents, information and supporting documentation compiled by Mr. Stephen Mann, who is an officer and director of the Company and is a member of The Australasian Institute of Mining and Metallurgy. Mr. Mann has sufficient experience relevant to the style of mineralisation and type of deposit under consideration and the activity in which he is undertaking to qualify as a Competent Person under 2012 Edition of the Australasian Code for Reporting Exploration Results, Mineral Resources and Ore Reserves (JORC Code). Mr. Mann consents to the inclusion in this news release of the matters based on his information in the form and context in which it appears. The Company confirms that it is not aware of any new information or data that materially affects the information included in previous news releases referred to above, and confirms that the form and context in which the findings are presented have not been materially modified from the original news releases.

Robert McLeod, P. Geo, Consultant to the Company and Qualified Person as defined by NI 43-101 has reviewed and approved the technical content of this release.

Albert Siega, P. Eng., a full time employee of the Company and Qualified Person as defined by NI 43-101 has reviewed and approved the technical content of this release.

PEA Contributors

- AMC Consultants Pty Ltd and AMC Consultants (Canada) Ltd, Mining and Engineering
- Knight Piésold and Co., Geotechnical and Waste Management Systems Design
- Mining Associates Pty Ltd, Mineral Resource Estimate



- Canenco Canada Inc. Mineral Processing and Financial Review

The technical report will be posted on the Company's website www.liononemetals.com and filed on SEDAR www.sedar.com within 45 days.

Preliminary Economic Assessment Parameters – Cautionary Statement

The Study referred to in this 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. There is a low level of geological confidence associated with some inferred mineral resources and there is no certainty that further exploration work will result in the conversion of inferred mineral resources to indicated mineral resources or that the production target itself will be realized.

This announcement has been prepared in compliance with the JORC Code 2012 Edition and ASX Listing Rules. The company advises the study results and production targets reflected in this announcement are forecast and estimates, and are preliminary in nature as conclusions are partly drawn from Inferred Resources which comprise approximately 63% of the gold in the mining inventory. The PEA has been prepared to an overall level of accuracy of approximately +30%, with the capital cost estimate level of accuracy being -10% / +35%.

The study outputs contained in this report relate to 100% of the Tuvatu Gold project. All cash flows are in US dollars, are undiscounted and are not subject to inflation/escalation factors and all years are calendar years. The company has concluded it has a reasonable basis for providing the forward-looking statement included in this announcement.

About Lion One Metals

Lion One Metals is a mineral exploration and development company based in North Vancouver, BC, focused on the advancement of its high grade Tuvatu Gold Project in Fiji. Tuvatu contains Indicated Resources of 1,101,000 tonnes at 8.46 grams per tonne (g/t) containing 299,500 ounces gold, and Inferred Resources of 1,506,000 tonnes at 9.67 g/t containing 468,000 ounces gold, at a 3.0 g/t cutoff. For more information on Tuvatu, the technical report entitled "Independent Technical Report and Resource Estimate on the Tuvatu Gold Deposit" dated May 6, 2014 prepared by Mining Associates Pty Ltd is available for download on the Company website and SEDAR website at www.sedar.com.

Tuvatu is a high grade, low sulphidation epithermal vein hosted gold deposit located on Fiji's main island, Viti Levu, 25 kilometers from the international airport in Nadi. The tenement package includes 12,000 hectares held under Special Prospecting Licenses (SPL's 1283, 1296, and 1465) and 373 hectares under a Special Mining Lease (SML 62). Discovered in 1987, Tuvatu was placed under development in the late 1990's by the Emperor Gold Mining Company of Australia which completed over 87,000 meters of drilling, 1,600 meters of underground development, trial mining, and a feasibility study in the year 2000. Lion One Metals acquired the project through a merger between X-Tal Minerals Corp. and American Eagle Resources, Inc. in 2011.

In 2014 the Company secured environmental approvals through the Fiji Government's Department of Environment, for its Environmental Impact Assessment ("EIA") and Environmental Management Plans



("EMP's"). Also in 2014, the Company finalized a 21-year Surface Lease Agreement following extensive consultations and meetings with heads of local communities and landowners. The Surface Lease agreement and environmental approvals follow over two hundred consultations that took place over a period of four years with various groups including the Mineral Resources Department ("MRD"), Rural Local Authority, Town and Country Planning, Lands Department, Forestry Department, and i-Taukei Land Trust, in addition to numerous communities and stakeholders in the district. The grant of Special Mining Lease ("SML 62") was approved by the Government Fiji in March 2015, concluding the permitting process for potential development of mining and processing operations at Tuvatu.

The Company also holds carried interests and royalties in the Olary Creek Iron Project in South Australia, through a joint venture with China's Henan Yukuang. Olary Creek is situated along South Australia's prospective Braemar Iron Formation and hosts an indicated mineral resource of 214 million tonnes at 26.3% iron and an inferred mineral resource of 296 million tonnes at 26.4% iron. For more information on Olary Creek, the technical report entitled "Olary Iron Project Mineral Resource Estimate, South Australia NI 43-101" dated August 20, 2013 prepared by SRK Consulting (Australasia) Pty Ltd is available for download on the Company website and SEDAR website at www.sedar.com.

For more information on the Company and its projects please visit the Company website at www.liononemetals.com.

On behalf of Lion One Metals Limited
"Walter H. Berukoff"
Chief Executive Officer

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Forward Looking Statements: Some statements in this news release contain forward-looking information or forward-looking statements for the purposes of applicable securities laws. These statements include, among others, statements with respect to proposed exploration and development activities and their timing, resource estimates and potential mineralization, the PEA, including estimates of capital and sustaining costs, anticipated internal rates of return, mine production, estimated recoveries, mine life, estimated payback period and net present values, opportunities to enhance the value of the Tuvatu Gold Project and other plans and objectives of Lion One. These statements address future events and conditions and, as such, involve known and unknown risks, uncertainties and other factors, which may cause the actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by the statements. Such factors include, among others and in addition to those described elsewhere in this release, delays in obtaining or inability to obtain required government or other regulatory approvals, permits or financing, the risk of unexpected variations in mineral resources, grade or recovery rates, of failure of plant, equipment or processes to operate as anticipated, of accidents, labor disputes, and unanticipated delays in completing other development activities, the risk that estimated costs will be higher than anticipated and the risk that the proposed mine plan and recoveries will not be achieved, equipment breakdowns and bad weather, the timing and success of future exploration and development activities, exploration and development risks, mineral resources are not as estimated, title matters, third party consents, operating hazards, metal prices, political and economic factors, competitive factors and general economic conditions. In making the forward-looking statements, the Company has applied several material assumptions including, but not limited to, the assumptions that: required approvals, permits and financing will be obtained; the proposed exploration and development will proceed as planned; with respect to mineral resource estimates, the key assumptions and parameters on which such estimates are based; that the proposed mine plan and recoveries will be achieved, that capital costs and sustaining costs will be as estimated, and that no unforeseen accident, fire, ground instability, flooding, labor disruption, equipment



failure, metallurgical, environmental or other events that could delay or increase the cost of development will occur, and market fundamentals will result in sustained metals and minerals prices. 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 otherwise required by applicable securities legislation.

The Company has concluded it has a reasonable basis for providing the forward-looking statements included in this announcement. The detailed reasons for that conclusion are outlined throughout this announcement and in particular under the headings "Preliminary Economic Assessment Parameters – Cautionary Statement". The Company confirms that it is not aware of any new information or data that materially affects the information included in the announcements and that all material assumptions and technical parameters underpinning the resource estimates continue to apply and have not materially changed.

This announcement was made in Canada for the TSX.V and in Australia for the ASX. Public filings for Lion One Metals Limited are available at SEDAR www.sedar.com (Canada) and www.asx.com.au (Australia). Neither the TSX Venture Exchange nor its Regulation Service Provider accepts responsibility for the adequacy or accuracy of this release.