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Offering Document under the Listed Issuer Financing Exemption

May 3, 2023

LION ONE METALS LIMITED



PART 1 SUMMARY OF OFFERING

What are we offering?

<p>Offering:</p>	<p>Lion One Metals Limited ("Lion One" or the "Company") is hereby offering up to 10,869,562 units in the capital of the Company (the "Units") offered in connection with this offering document (the "Offered Units").</p> <p>This offering of Offered Units is part of a "bought deal" offering being carried out by the Company with a syndicate of underwriters led by Eight Capital consisting of 29,350,000 Units (inclusive of the Offered Units) for gross proceeds of \$27,002,000 (the "Bought Deal") pursuant to (i) a prospectus supplement to the Company's existing short form base shelf prospectus dated May 13, 2022 to be filed on or before May 5, 2023 in the Provinces of British Columbia, Alberta and Ontario (the "Prospectus Offering"); and (ii) with respect to the Offered Units (to be issued in connection with purchasers in Canada not resident in British Columbia, Alberta, Ontario or Quebec), part 5A of National Instrument 45-106 – Prospectus Exemptions.</p> <p>Each Unit consists of one common share (a "Common Share") and one-half of one Common Share purchase warrant (each whole warrant, a "Warrant"). Each Warrant entitles the holder to purchase one Common Shares at a price of \$1.25 for a period of 30 months from the Closing Date. If, following the Closing Date, the volume weighted average trading price of the Common Shares on the principal exchange on which the Common Shares are listed for any 20 consecutive trading days equals or exceeds \$2.00, the Company may, upon providing written notice to the holders of Warrants, accelerate the expiry date of the Warrants to the date that is 30 days following the date of such written notice.</p>
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Common Share Rights:	Each Common Share is entitled to one vote at meetings of shareholders and carries with it equal rights with respect to dividends, if any, and entitlement to any assets or other residual interests upon dissolution of the Company in the event of a liquidation or winding-up of the Company whether voluntary or involuntary. Purchasers of the Offered Units have no pre-emptive rights, nor any right to convert their shares into other securities. No dividends will be paid in the foreseeable future.
Offering Price:	The Units will be sold at a price of \$0.92 per Unit (the “ Offering Price ”) for gross proceeds of up to \$9,999,997.04.
Offering Amount:	A maximum of 10,869,562 Offered Units, for gross proceeds of up to \$9,999,997.04, on the terms and conditions set out herein, and subject to all necessary regulatory approvals.
Resale Restrictions	The Offered Units will be free trading in Canada; certain trading restrictions may apply outside of Canada.
Closing Date:	Completion of this offering is expected to take place on or about May 12, 2023 (the “ Closing Date ”).
Exchange:	The Company’s Common Shares are listed on the TSX Venture Exchange (the “ TSX-V ”) under the trading symbol “LIO”, on the Australian Securities Exchange (the “ ASX ”) under the trading symbol “LLO”, and on the OTCQB Venture Marketplace (the “ OTCQB ”) under the trading symbol “LOMLF”
Last Closing Price:	The last closing price of the Company’s common shares on the TSX-V on May 2, 2023 was \$1.05, on the ASX on May 2, 2023 was \$1.08 and the OTCQB on May 2, 2023 was \$0.78.

General Information

Lion One is conducting a listed issuer financing under section 5A.2 of National Instrument 45-106 *Prospectus Exemptions*. In connection with this offering, the Company represents the following is true:

- The Company has active mineral operations, and its principal asset is not cash, cash equivalents or its exchange listing.
- The Company has filed all periodic and timely disclosure documents that it is required to have filed.
- The total dollar amount of this offering, in combination with the dollar amount of all other offerings made under the listed issuer financing exemption in the 12 months immediately before the date of this offering document, will not exceed \$10,000,000.
- The Company will not close this offering unless the Company reasonably believes it has raised sufficient funds to meet its business objectives and liquidity requirements for a period of 12 months following the distribution.

- **The Company will not allocate the available funds from this offering to an acquisition that is a significant acquisition or restructuring transaction under securities law or to any other transaction for which the Company seeks security holder approval.**

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING INFORMATION

This offering document contains “forward-looking information” and “forward-looking statements” within the meaning of applicable Canadian securities legislation (collectively herein referred to as “forward-looking statements”). All statements, other than statements of historical fact, are forward looking statements. The words “believe”, “expect”, “anticipate”, “contemplate”, “target”, “plan”, “intend”, “continue”, “budget”, “estimate”, “may”, “will”, “could”, “schedule”, and similar expressions or statements identify forward- looking statements. Forward-looking statements may include, but are not limited to, information with respect to:

- estimates related to the Tuvatu Gold Project economics, including estimates of capital costs of constructing mine facilities and bringing a mine into production and of sustaining capital costs, estimates of operating costs and total costs, net present value and economic returns;
- proposed production timelines and rates;
- funding availability;
- resource estimates; and
- future exploration and operating plans.

These forward-looking statements reflect the current expectations or beliefs of Lion One based on information currently available to Lion One and often used words such as “expects”, “plans”, “anticipates”, “estimates”, “intends”, “may”, or variations thereof or the negative of any of these terms.

All forward-looking statements are made based on Lion One’s current beliefs as well as various assumptions made by Lion One and information currently available to Lion One, which assumptions Lion One’s management believes to be reasonable. Generally, these assumptions include, among others: the presence of and continuity of metals at the Tuvatu Gold Project (as defined below) at estimated grades; the availability of personnel, machinery, and equipment at estimated prices and within estimated delivery times; currency exchange rates; metals sales prices and exchange rates assumed; appropriate discount rates applied to the cash flows in economic analyses; tax rates and royalty rates applicable to the proposed mining operations; the availability of acceptable financing; anticipated mining losses and dilution; and success in realizing proposed operations. Forward-looking statements are subject to a number of risks and uncertainties that may cause the actual results of Lion One to differ materially from those discussed in the forward-looking statements and, even if such actual results are realized or substantially realized, there can be no assurance that they will have the expected consequences to, or effects on, Lion One. Factors that could cause actual results or events to differ materially from current expectations include, among other things: risks and uncertainties related to future sales or issuances of securities that adversely affect prevailing market prices for the Common Shares, risks related to the costs relating to the development of the Tuvatu Gold Project; the future market price of the Common Shares, the future use of proceeds by the Company, the Company’s ability to pay dividends, the Company’s ability to repay its outstanding debt of US\$23,000,000 under the Loan Facility and satisfy all covenants under the Loan Facility, the future liquidity of the Company’s Common Shares, there being a market for the Company’s securities other than its Common Shares; risks and uncertainties related to expected production rates; timing and amount of production and total costs of production; risks and uncertainties related to the ability to obtain, amend, or maintain necessary licenses, permits, or surface rights; risks associated with technical difficulties in connection with mining development activities; risks and uncertainties related to the accuracy of mineral resource estimates and estimates of future production, future cash flow, total costs of production, and

diminishing quantities or grades of mineral resources; risks associated with geopolitical uncertainty and political and economic instability in Fiji; risks and uncertainties related to interruptions in production; the possibility that future exploration, development, or mining results will not be consistent with Lion One's expectations; uncertain political and economic environments and relationships with local communities and governmental authorities; developments in world metals markets; and risks related to fluctuations in currency exchange rates.

Although management of Lion One has attempted to identify important factors that could cause actual results to differ materially from those contained in forward-looking statements, there may be other factors that cause results not to be as anticipated, estimated, or intended. There is 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 forward-looking statements. Accordingly, readers should not place undue reliance on forward-looking statements. Any forward-looking statement speaks only as of the date on which it is made and, except as may be required by applicable Canadian securities laws, the Company disclaims any intent or obligation to update any forward-looking information, whether as a result of new information, changing circumstances, or otherwise.

Scientific and Technical Information

The scientific and technical information contained in this offering document has been reviewed and approved by Patrick Hickey, P. Eng., MBA, Chief Operating Officer and Sergio Cattalani, M. Sc., Senior Vice President Exploration of the Company, who are each a Qualified Person within the meaning of National Instrument 43-101 – *Standards of Disclosure for Mineral Projects* of the Canadian Securities Administrators (“**NI 43-101**”).

PART 2 SUMMARY DESCRIPTION OF BUSINESS

What is our business?

The Company carries on the business of acquiring, exploring, and developing mineral properties internationally. The Company's primary asset is the 100% held Tuvatu Gold Project (the “**Tuvatu Gold Project**”), located 17 km from the Nadi International Airport on the island of Viti Levu in the South Pacific island nation of Fiji.

Recent developments

On January 19, 2023, the Company announced that it had entered into a facility agreement with Nebari Collateral Agent, LLC, as collateral agent, Nebari Gold Fund 1, LP, Nebari Natural Resources Credit Fund I, LP and Nebari Natural Resources Credit Fund II, LP (collectively, “**Nebari**”) for a financing facility of up to US\$37,000,000. The Company is using the financing facility to accelerate construction and development at the Tuvatu Gold Project in Fiji. The financing facility consists of a US\$35,000,000 senior secured first lien term loan (the “**Loan Facility**”) and a subscription agreement to purchase 3,125,348 common shares of the Company at a price of \$0.86 per share, representing an aggregate equity investment of US\$2,000,000 (the “**Subscription Shares**”).

The Loan Facility will be funded in up to three tranches: the Company received the first tranche of US\$23,000,000 on February 10, 2023 (the “**Closing Date**”) and may exercise its option to receive an additional US\$12,000,000 in two further tranches within 18 months of receiving the first tranche. The interest on the first tranche is 8% (plus three-month SOFR) and the first tranche matures 42 months following the Closing Date. If exercised, the second and third tranches are subject to an 8% original issue discount, and the interest is 10% plus secured overnight financing rate with progressive amortization over 42 months from funding the second tranche.

On the Closing Date, Nebari was issued 15,333,087 non-transferable purchase warrants in the Company (the “**Warrants**”), with each Warrant exercisable into common shares of the Company at a price of CAD\$1.49 for a period of 48 months from issuance. The Warrants are subject to an accelerator provision whereby the Company may accelerate the expiry date of up to 25% of the Warrants in the event that the volume weighted average trading price of the common shares of the Company exceeds 100% over the strike price for a period of twenty consecutive days. The Company has the option to accelerate the expiry of further 25% portions of the Warrants at four-month intervals, up to a maximum of 75% of the Warrants issued. The Subscription Shares and Warrants are subject to a hold period expiring May 11, 2023.

In connection with the facility agreement, the Company will pay Nebari a royalty equal to 0.5% of the net smelter returns from the first 400,000 ounces (equivalent to 2,000 ounces) of gold produced and sold from the Tuvatu Gold Project following the first month in which the Tuvatu Gold Project produces at least 2,000 ounces of gold.

Following receipt of the Loan Facility, the Company accelerated mine development and processing plant construction at the Tuvatu Gold Project. The Company has advanced the development drive by over 250 meters and completed the first cut of material from its URA1 lode. The 2023 drilling program will be focused on three fronts: grade control drilling of the near-term production blocks; drill-testing regional targets with the aim of identifying additional separate mineralized systems within the greater Navilawa caldera; and completing the geophysical (CSAMT) surveys initiated in 2022 to delineate additional drill targets. The Company further plans to complete development of infrastructure for the mill area, electrowinning facility, and gold room in 2023.

On April 3, 2023, the Company announced that has commenced initial mining of a recently discovered mineralized lode, extracting an estimated 475 tonnes of material for initial feed for the processing plant.

Material facts

There are no material facts about the securities being distributed that have not been disclosed in this offering document or in any other document filed by the Company in the 12 months preceding the date of this offering document.

What are the business objectives that we expect to accomplish using the available funds?

The Company intends to use the net proceeds from the offering, together with the Company’s current working capital and the proceeds of the Prospectus Offering, for the following purposes in order to meet the business objectives described below:

Business Objectives and Milestone	Target Date for Completion	Projects Costs (\$)
Establish processing plant and complete mine development at the Tuvatu Gold Project to commence production.	Early 2024	\$40,000,000
Continue exploration and infill drilling at the Tuvatu Gold Project to enhance understanding of the deposit and facilitate mine planning.	Ongoing through 2023 and 2024	\$7,000,000
Continue exploration drilling on regional targets within the Navilawa caldera.	Ongoing through 2023 and 2024	\$1,000,000

PART 3 USE OF AVAILABLE FUNDS

What will our available funds be upon the closing of the offering?

Based on the Company's existing working capital of \$33,000,000 and assuming the Bought Deal (comprised of the offering and the Prospectus Offering) is fully subscribed for gross proceeds of \$27,002,000, the expected availability of funds is \$60,002,000.

		Assuming 100% of offering and the Prospectus Offering
A	Amount to be raised by this offering	\$27,002,000
B	Selling commissions and fees	\$1,620,120
C	Estimated offering costs (e.g., legal, accounting, audit)	\$350,000
D	Net proceeds of offering: $D = A - (B+C)$	\$25,031,880
E	Working capital as at April 30, 2023	\$33,000,000
F	Additional sources of funding	Nil
G	Total available funds: $G = D+E+F$	\$58,031,880

The Company's most recent audited and interim financial statements included a going concern note since it has no current source of revenue and is a mineral exploration and development company. The Company's ability to continue as a going concern is dependent on its ability to raise adequate financing to explore and develop its mineral projects. The proceeds of this offering will be utilized to fund ongoing exploration and development costs at the Tuvatu Gold Project as the Company continues to carry out mine development and processing plant construction with the goal of commencing production in late 2023.

The Company's working capital is dependent on raising financing and the timing of mineral exploration and development activities at the Tuvatu Gold Project. Given the significant expenditures being incurred to bring the Tuvatu Gold Project into production, it is expected that the Company's working capital will decline from the date of its most recent annual financial statements.

How will we use the available funds?

Description of intended use of available funds listed in order of priority	Assuming 100% of offering and the Prospectus Offering
Development activities at the Tuvatu Gold Project (1)	\$40,000,000
Exploration activities at the Tuvatu Gold Project (2)	\$8,000,000

Description of intended use of available funds listed in order of priority	Assuming 100% of offering and the Prospectus Offering
General working capital	\$10,031,880
Total (equal to G in the Available Funds table above)	\$58,031,880

Notes:

(1) Comprised of acquiring additional mining and process plant equipment including infrastructure, advancing mine development, mining ore, commissioning the process plant equipment, constructing the tailings dam storage facility, to enable the Company to establish a 300 tonne per day processing plant. The development activities outlined above for the Tuvatu Gold Project are planned to be completed by early 2024.

(2) Comprised of by continuing infill drilling and deep feeder drill programs to enhance the Company's understanding of the mineral resources in preparation for mine planning and development. The shallow resource infill drilling program will be targeting areas of planned early production. The deep feeder drilling will be targeting lode extensions beneath the existing Tuvatu resource with the objective to discover and add mineral resources in the Tuvatu gold system. The Company will also continue drilling other regional Tuvatu analogue target areas within the Navilawa caldera, such as Banana Creek, Matanavatu, and Batiri and Qalibua creeks.

The above noted allocation and anticipated timing represents the Company's current intentions with respect to its use of proceeds based on current knowledge, planning and expectations of management of the Company. Although the Company intends to expend the proceeds from the offering as set forth above, there may be circumstances where, for sound business reasons, a reallocation of funds may be deemed prudent or necessary and may vary materially from that set forth above, as the amounts actually allocated and spent will depend on a number of factors, including the Company's ability to execute on its business plan and sustain its operations for not less than 12 months from the Closing Date of the offering.

How have we used the other funds we have raised in the past 12 months?

The Company has used the funds it has raised over the past 12 months as follows:

Previous Financing	Intended Use of Funds	Actual Use of Funds	Variance and Impact on Business Objectives and Milestones
September 2022 Bought Deal Offering of Units	Exploration and Development of the Company's Tuvatu Gold Project	Exploration and Development of the Company's Tuvatu Gold Project	No variance

Previous Financing	Intended Use of Funds	Actual Use of Funds	Variance and Impact on Business Objectives and Milestones
<ul style="list-style-type: none"> • Issuance of 17,348,000 Units at a price of \$0.77 per Unit for proceeds of \$13,357,960. Each Unit consisted of one common share and one-half of one common share purchase warrant exercisable at a price of \$1.05 for a period of 36 months from issuance, subject to acceleration provisions. 			
<p>Nebari Credit Facility and Private Placement</p> <ul style="list-style-type: none"> • Issuance of 3,125,348 common shares at a price of \$0.86 per share for proceeds of \$2,287,799.28. • Credit facility of US\$35 million 	Development of the Company's Tuvatu Gold Project	Development of the Company's Tuvatu Gold Project	No variance

PART 4 FEES AND COMMISSIONS

Who are the dealers or finders that we have engaged in connection with this offering, if any, and what are their fees?

Underwriters:	A syndicate of underwriters led by Eight Capital.
Compensation Type:	Cash and compensation warrants, as detailed below.
Cash Fee:	6% cash fee of the aggregate gross proceeds of the offering (3% for sales made under the President's List).
Compensation Warrants:	Non-transferrable compensation warrants (the " Compensation Warrants ") equal to 6% of the aggregate number of Units sold pursuant to the offering (3% for sales made under the President's List). Each of the Compensation Warrants will entitle the holder to purchase one common share of the Company at a purchase price of \$0.92 per Compensation Warrant exercisable for a period of 30 months after the issuance of such Compensation Warrants.

PART 5 PURCHASERS' RIGHTS

Rights of Action in the Event of a Misrepresentation

If there is a misrepresentation in this offering document, you have a right

- a) to rescind your purchase of these securities with Lion One, or
- b) to damages against Lion One and may, in certain jurisdictions, have a statutory right to

damages from other persons.

These rights are available to you whether or not you relied on the misrepresentation. However, there are various circumstances that limit your rights. In particular, your rights might be limited if you knew of the misrepresentation when you purchased the securities.

If you intend to rely on the rights described in paragraph (a) or (b) above, you must do so within strict time limitations.

You should refer to any applicable provisions of the securities legislation of your province or territory for the particulars of these rights or consult with a legal adviser.

PART 6 ADDITIONAL INFORMATION

Where can you find more information about us?

Security holders can access the Company's continuous disclosure filings on SEDAR at www.sedar.com under the Company's profile.

For further information regarding the Company, visit our website at: <https://liononemetals.com/>

PART 7 DATE AND CERTIFICATE

This offering document, together with any document filed under Canadian securities legislation on or after May 3, 2023, contains disclosure of all material facts about the securities being distributed and does not contain a misrepresentation.

May 3, 2023

By: (signed) "Walter H. Berukoff"
Name: Walter H. Berukoff
Title: Chief Executive Officer

By: (signed) "Tony Young"
Name: Tony Young
Title: Chief Financial Officer