



## **Lion One Metals Ltd.**

### **Sustainability Policy**

## **1.0 Introduction**

The Board of Directors ("Board") of Lion One Metals Ltd. ("Lion One")<sup>1</sup> has determined that, Lion One should formalize its commitment to conducting its business and affairs in accordance with the highest ethical standards by enacting this Policy of business conduct and ethics.

## **2.0 General Principles**

### **2.1 Policy Statement**

Lion One is committed to conducting its business and affairs with honesty, integrity, and in accordance with the highest ethical and legal standards.

This Sustainability Policy<sup>1</sup> (the "**Policy**") provides a set of standards to guide each of our employees ("**Representatives**") in the conduct of their business in compliance with social and environmental sustainability principles that are an essential part of our business.

Our view is that gold mining needs to create value to our shareholders and communities, and that innovation and human capital are indispensable for our success. Therefore, we must meet the local and global expectations, and contribute towards equitable development, in line with the human rights norms, the responsibility to address climate change and protect biodiversity of the locations where we operate.

This Sustainability Policy draws from relevant industry guidelines and global policy frameworks, including the IFC Environmental and Social Sustainability Performance Standards; and sets out general principles that underpin Lion One's commitments.

This Policy provides an overview of Lion One's expectations for its Representatives and is supplemented by other current policies adopted by Lion One and those other policies that may be adopted by Lion One from time to time.

We will strive to maximize social and environmental benefits for host communities, including regional development, and prevent, mitigate, recuperate, or compensate any adverse impacts associated with

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<sup>1</sup> This Policy applies to Lion One and each of its subsidiaries. Accordingly, this Policy will refer to Lion One Metals Ltd. and its subsidiaries as "Lion One"



our activities across the business cycle. We will go beyond environmental and social regulatory requirements when possible and as necessary to manage risks in a responsible manner.

We will encourage institutional strengthening at the local, regional, and national levels in order to achieve improvements in natural resource governance and translate mining investments into tangible local development benefits, and we will work with industry associations in the areas we operate in order to lift the sustainability performance of mining.

## **2.2 Application of this Policy**

This Policy applies to all Representatives and receipt of the latest version of this Policy will be deemed to constitute your acceptance and agreement to be bound by its terms.

This Policy should be read and implemented in conjunction with other Company Policies available on our website. It is also reinforced by our Company core values-namely, ethics, integrity, transparency, respect, responsibility, and loyalty.

No country-level policy, operational manual or protocol shall contradict provisions in this Policy which applies to all Lion One activities associated with exploration, project development, construction and operation undertaken by employees and contractors, business partnerships or investments.

We are committed to developing and resourcing appropriate management and assurance systems to address environmental and social opportunities, impacts and risks. We will monitor progress periodically and report performance and results through our public disclosure and other communication documents.

All employees, contractors and third parties acting on behalf of Lion One must comply with this Policy and its purpose. Company and site-level executives and managers will ultimately be accountable for achieving performance standards and are thus expected to demonstrate leadership in the implementation of this Policy.

## **2.3 Communication of this Policy**

Copies of this Policy are made available to all persons bound by it, either directly or by posting of the Policy on the Lion One website at [www.liononemetals.com](http://www.liononemetals.com). All persons or entities bound by the Policy shall be informed whenever significant changes are made. New Representatives shall be provided with a copy of this Policy.

## **2.4 Compliance with Laws, Code and Policies**

All Representatives, in discharging their duties, shall comply with:

- (a) the laws, rules and regulations of the jurisdictions where they carry out their duties to Lion One and all jurisdictions where Lion One conducts its business activities;
- (b) the Code of Business Conduct and Ethics; and



- (c) this Policy.
- (d) all other corporate Policies, which address many of the following expectations in more detail and include, without limitation, the following principal corporate Policies:
  - i. Corporate Disclosure Policy;
  - ii. Insider Trading Policy;
  - iii. Diversity; and Equal Opportunity Policy;
  - iv. Human Rights Policy;
  - v. Environmental Policy;
  - vi. Health and Safety Policy; and
  - vii. Responsible Sourcing Policy.

## **2.5 Environment**

We will prioritize our commitment to safe exploration, and design, construction, operation and closure of mining facilities, mine closure programs, the protection of water resources and conservation of biodiversity through appropriate controls on use and quality, sharing technical knowledge with stakeholders with community consultation and participation in water-related programs; and conservation of biodiversity and ecosystem services.

We commit resources to environmental training and education of our employees, suppliers, and neighboring communities, and will engage local communities through information disclosure and dialogue to identify the consequences of environmental impacts and use all available opportunities for them to provide feedback, express their views and identify areas of improvements in Company procedures.

We will seek compliance with local and international standards and practices on the responsible management of cyanide and by-product mercury in its operations. Where applicable, we will assist local stakeholders in the vicinity of our operations to eliminate operations that are not environmentally friendly.

## **2.6 Health and Safety**

Our vision is to foster a zero-harm culture shared by the Management, workers and contractors informed by continuous improvement plans and demonstrate our commitment to human capital by caring for the well-being of our employees.

We are committed to the prevention and mitigation of potential health and safety impacts our operations might have on local communities and to encourage community participation in the implementation of relevant plans and programs.



Lion One is committed to having a health and safety management system integrated with our overarching Environmental and Social Management System. We will use a risk-based management strategy and will strive for certification in production operations.

## **2.7 Labour**

Our employees are our most valuable resource: they are the ones who translate our vocation for operational excellence into practice, guard our values and standards, and help us build trust with host communities.

We are committed to their continuous technical and professional development through training, respecting their labor rights, protecting their health and safety, promoting a safe, non-discriminatory and constructive working environment and enhancing their well-being, including through respect of family life.

We are committed to respecting freedom of association in all places we operate in and will pursue constructive dialogue with employees and their representatives regarding labor practices and health and safety programs, including continuous improvement opportunities.

We aim to prioritize local hiring from our host communities, and we are committed to enhancing local capacities, and will strive to offer competitive salaries and benefits to hire and retain human talent.

## **2.8 Communities**

To achieve our goal to generate shared value, we will:

- focus on responsible conduct by preventing, mitigating and managing adverse impacts on communities, going beyond regulatory requirements where needed;
- promote local and regional inclusive and sustainable development through partnerships with local communities based on trust, transparency and solidarity and utilize our influence to seek strategic alliances at the local, national and international levels to deliver concrete results for development;
- invest in local communities to increase their opportunity to participate in and benefit from the business value chain.

We will promote communities support at the local, regional, and national levels, following democratic and human rights norms, with a view to achieving long-term positive impacts.

We will strive for regional development in the areas where we operate and will regularly update social impact assessments and risk registers related to communities and employees.

By engaging with local communities that may be affected by our operations' adverse impacts through information disclosure and dialogue to provide opportunities to express their views and identify



improvement projects and joint initiatives, we will seek to understand and manage any differentiated impacts on vulnerable populations, ethnic minorities, women, and children.

Contractors and other providers, such as business partners and development allies will be expected to be familiar with, know, understand, and follow our approach to community engagement, and report any incidents or issues of interest regarding their relationship to host authorities and communities.

We will ensure that communities, suppliers, and employees will have access to grievance mechanisms that seek early identification of issues and concerns and address such issues and concerns in a fair, timely and consistent manner. We shall employ specialists on social issues who have knowledge of regulatory requirements as well as industry best practices.

We will commit resources to training operational management, employees, contractor and neighboring communities on material issues, regulatory requirements, industry standards and our policies and programs to ensure respectful relations.

We will engage in social investment initiatives to promote inclusive and sustainable development in the regions where we operate. Social investment shall complement State obligations, be meaningful to local communities and encourage community ownership and participation and align with UN Sustainable Development Goals.

We will take measures to prevent, reduce and manage security risks to our employees, contractors, and assets in a manner consistent with human rights, following conduct expectations laid out in the Voluntary Principles on Security and Human Rights.

We will ensure that security programs and plans are in place for systematic and careful analysis of local security contexts and assessment of risk and impacts, and will engage government, security providers and communities to promote constructive dialogue on human rights and security and will report any relevant incidents to appropriate administrative and judicial mechanisms.

We will seek to monitor our gold-supply chain to ensure our gold is conflict-free and will work with small-scale miners associated with our operations to prevent and manage common risks.

## **3.0 Responsibility for this Policy**

### **3.1 General**

All directors and officers of Lion One, together with any employees, consultants and contractors specified by the Board, shall comply with this Policy which forms part of our company compliance policies, which come under the overall responsibility of the board of directors of Lion One.

The management team has direct responsibility for ensuring effective transmission of this Policy, while all staff should be aware of and be responsible for the success of this Policy.



### **3.14 Reporting Violations of The Policy**

All Representatives shall adhere to Lion One's commitment to conduct its business and affairs in a lawful and ethical manner. All Representatives are encouraged to talk to appropriate personnel within Lion One when in doubt about the best course of action in a particular situation and to report any breach or suspected breach of law, this Code or any of Lion One's corporate policies. Lion One prohibits retaliatory action against any officer or employee who, in good faith, reports a possible violation. It is unacceptable to file a report knowing it to be false.

### **3.15 Consequences of Violation of the Policy**

Failure to comply with the Policy may result in severe consequences, which could include internal disciplinary action or termination of employment or consulting arrangements without notice. The violation of the Policy may also violate certain Canadian and/or other laws and if it appears that a Representative may have violated such laws, then Lion One may refer the matter to the appropriate regulatory authorities, which could lead to penalties, fines or imprisonment.

### **3.16 Review of the Policy**

The Board shall review and evaluate this Policy from time to time and generally on an annual basis to determine whether this Policy is effective in ensuring that Lion One's business and affairs are conducted with honesty, integrity and in accordance with the highest ethical and legal standards.

### **3.17 Queries**

If you have any questions about how this Policy should be followed in a particular case, please contact the Chief Executive Officer or President of Lion One.

### **3.18 Waivers of the Policy**

Any waiver of this Policy with respect to any director or executive officer of Lion One may be made only by the Board. Any such waiver shall be disclosed to the extent and in the manner required by applicable laws or stock exchange rules and regulations.

### **3.19 Publication of The Policy**

This Policy shall be posted on:

Lion One's website at [www.liononemetals.com](http://www.liononemetals.com); and the SEDAR website at [www.sedar.com](http://www.sedar.com)

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Revised:

Last Revised and Approved:

Approved by: Board of Directors