ANNUAL INFORMATION FORM

FOR THE FISCAL YEAR ENDED JUNE 30, 2026

October 28, 2026

CONTENTS

CAUTIONARY STATEMENT REGARDING FORWARD LOOKING INFORMATION 2
GLOSSARY OF TECHNICAL TERMS 3
METRIC CONVERSION TABLE 4
FINANCIAL INFORMATION AND ACCOUNTING PRINCIPLES 4
CLASSIFICATION OF MINERAL RESOURCES 4
CORPORATE STRUCTURE 4
INTERCORPORATE RELATIONSHIPS 5
DESCRIPTION OF THE BUSINESS 5
THREE YEAR HISTORY 6
OUTLOOK 14
LOAN FACILITY 15
PRINCIPAL PRODUCTS 17
COMPETITIVE CONDITIONS 17
ENVIRONMENTAL PROTECTION 17
EMPLOYEES 18
SPECIALIZED SKILL AND KNOWLEDGE 18
FOREIGN OPERATIONS 18
SOCIAL AND ENVIRONMENTAL POLICIES 18
CYCLES 18
TUVATU GOLD PROJECT OVERVIEW 18
TECHNICAL SUMMARY 19
RISK FACTORS 27
DIVIDEND POLICY 40
DESCRIPTION OF CAPITAL STRUCTURE 40
MARKET FOR SECURITIES 41
TRADING PRICE AND VOLUME 41
PRIOR SALES 41
DIRECTORS AND OFFICERS 42
LEGAL PROCEEDINGS AND REGULATORY ACTIONS 44
INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS 44
TRANSFER AGENT AND REGISTRAR 45
MATERIAL CONTRACTS 45
INTERESTS OF EXPERTS 45
INFORMATION ON AUDIT COMMITTEE 46
ADDITIONAL INFORMATION 48
APPENDIX A - AUDIT COMMITTEE CHARTER A-1

CAUTIONARY STATEMENT REGARDING FORWARD LOOKING INFORMATION

This Annual Information Form may contain "forward-looking information" which may include, but is not limited to, statements with respect to the future financial or operating performances of Lion One, its subsidiaries and its projects (including the Tuvatu Gold Project (as defined below)); the ability to continue exploration and development plans on the Company's projects (including the Tuvatu Gold Project); the presence of and continuity of metals at the Tuvatu Gold Project at estimated grades; the future price of gold; the estimation of mineral reserves and resources; the realization of mineral reserve estimates; the timing and amount of estimated future production revenues, margins, costs of production, capital, operating and exploration expenditures; costs and timing of the development of new deposits; costs and timing of future exploration; cost and timing of plant and equipment; requirements for additional capital; the ability to raise capital; government regulation of mining operations; environmental risks, reclamation and rehabilitation expenses; title disputes or claims; limitations of insurance coverage; the availability of personnel, machinery, and equipment at estimated prices and within estimated delivery times; currency exchange rates; impact of the COVID-19 pandemic on operations or other risks of the mining industry, and the timing and possible outcome of pending litigation and regulatory matters. Often, but not always, forward-looking information statements can be identified by the use of words such as "plans", "expects", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates", or "believes", or variations (including negative variations) of such words and phrases, or state that certain actions, events or results "may", "could", "would", "might", or "will" be taken, occur or be achieved.

Forward-looking statements are made based upon certain assumptions and other important factors that, if untrue, could cause the actual results, performance or achievements of the Company to be materially different from future results, performance or achievements expressed or implied by such statements or information. There can be no assurance that such statements or information will prove to be accurate. Such statements and information are based on numerous assumptions, including, among other things, the Company's ability to continue raising necessary capital to finance its operations; the stability of general economic conditions; assumptions regarding present and future business strategies; the Company's estimate of Mineral Resources; the Company's ability to complete its planned exploration and development programs; the absence of adverse conditions at the Company's material properties; the absence of unforeseen operational delays; the absence of material delays in obtaining necessary permits; and the price of gold remaining at levels that render the Company's projects profitable.

Forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of Lion One and/or its subsidiaries to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. Such factors include, among others, general business, economic, competitive, political and social uncertainties; the actual results of current exploration activities; the high degree of operational risk involved in mining operations; inherent exploration, development and operating risks; risks related to the costs relating to the development of the Tuvatu Gold Project; risks and uncertainties related to expected production rates and timelines; timing and amount of production and total costs of production; risks and uncertainties related to the accuracy of mineral resource estimates and estimates of future production; fluctuations in the value of the Canadian or US dollar or Australian dollar or Fijian dollar; competition in the mining industry; regulatory risks; risks associated with additional financing required to advance exploration properties; the Company's ability to repay its outstanding debt under the Loan Facility (as defined herein) and satisfy all covenants under the Loan Facility and the forbearance agreement with Nebari (as defined herein); price volatility of the Company's Common Shares, as well as those factors discussed in the section of this Annual Information Form entitled "Risk Factors".

Although Lion One 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 to differ from those anticipated, estimated or intended. Forward-looking statements contained herein are made as of the date of this Annual Information Form based on the opinions and estimates of management, and Lion One disclaims any obligation to update any forward-looking statements, whether as a result of new information, estimates or opinions, future events or results or otherwise. 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.

GLOSSARY OF TECHNICAL TERMS

The abbreviations set forth below have the following meanings in this Annual Information Form (the "**AIF**").

"**2026 Fiscal Year**" means the financial year of the Company ending June 30, 2026

"**ASX**" means the Australian Securities Exchange

"**Au**" means the chemical symbol for gold

"**Board of Directors**" or "**Board**" means the board of directors of the Company

"**Common Shares**" means the common shares of the Company

"**External Auditor**" means Davidson & Company, LLP Chartered Professional Accountants

"**Indicated Mineral Resource**" means that part of a mineral resource for which quantity, grade or quality, densities, shape and physical characteristics can be estimated with a level of confidence sufficient to allow the appropriate application of technical and economic parameters, to support mine planning and evaluation of the economic viability of the deposit. The estimate is based on detailed and reliable exploration and testing information gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes that are spaced closely enough for geological and grade continuity to be reasonably assumed

"**Inferred Mineral Resource**" means that part of a mineral resource for which quantity and grade or quality can be estimated on the basis of geological evidence and limited sampling and reasonably assumed, but not verified, geological and grade continuity. The estimate is based on limited information and sampling gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes

"**Lion One**" or the "**Company**" means Lion One Metals Limited and its subsidiaries

"**Mineral Reserve**" means the economically mineable part of a Measured or Indicated Mineral Resource demonstrated by at least a Preliminary Feasibility Study. This study must include adequate information on mining, processing, metallurgical, economic and other relevant factors that demonstrate, at the time of reporting, that economic extraction can be justified. A Mineral Reserve includes diluting materials and allowances for losses that may occur when the material is mined

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

"**Mineralization**" means the concentration of metals and their chemical compounds within a body of rock

"**NI 43-101**" means National Instrument 43-101 – Standards of Disclosure for Mineral Projects, of the Canadian Securities Administrators

"**NI 52-110**" means National Instrument 52-110 – Audit Committees, of the Canadian Securities Administrators

"**NSR**" means Net Smelter Return

"**Qualified Person**" has the meaning given to it in NI 43-101

"**SML**" means Special Mining Lease as governed by the Mineral Resources Department of Fiji

"**SPL**" means Special Prospecting License as governed by the Mineral Resources Department of Fiji

"**TSXV**" means the TSX Venture Exchange

METRIC CONVERSION TABLE

For ease of reference, the following conversion factors are provided:

Metric Unit	U.S. Measure	U.S. Measure	Metric Unit
1 hectare (ha)	2.471 acres	1 acre.....	0.4047 hectares
1 meter (m)	3.281 feet	1 foot.....	0.3048 meters
1 kilometer (km)	0.621 miles	1 mile	1.609 kilometers
1 gram (g)	0.032 troy ounces	1 troy ounce	31.1 grams
1 kilogram (kg)	2.205 pounds	1 pound.....	0.454 kilograms
1 tonne (t)	1.102 short tons	1 short ton.....	0.907 tonnes
1 gram/tonne (g/t)	0.029 troy ounces/ton	1 troy ounce/ton	34.286 grams/tonne

FINANCIAL INFORMATION AND ACCOUNTING PRINCIPLES

Unless otherwise indicated, all references to "**CDN $**" or "**Canadian dollars**" in this AIF refer to the Canadian dollar. All financial information in this AIF is prepared in accordance with International Financial Reporting Standards.

The Company reports its financial results and prepares its financial statements in Canadian dollars. All currency amounts in this AIF are expressed in Canadian dollars, unless otherwise indicated. The Canadian exchange rates for the Company's principal operating currencies against the Canadian dollar are as follows:

As at June 30	2024	2025	2026
Fijian dollar (F$)	0.6109	0.61	0.6330
Australian dollar (AUD$)	0.9126	0.89	0.9817

CLASSIFICATION OF MINERAL RESOURCES

In this AIF, the definitions of indicated and inferred resources are those used by Canadian Securities Administrators and conform to the definitions utilized by the CIM and CIM Guidelines.

CORPORATE STRUCTURE

Name, Address, and Incorporation

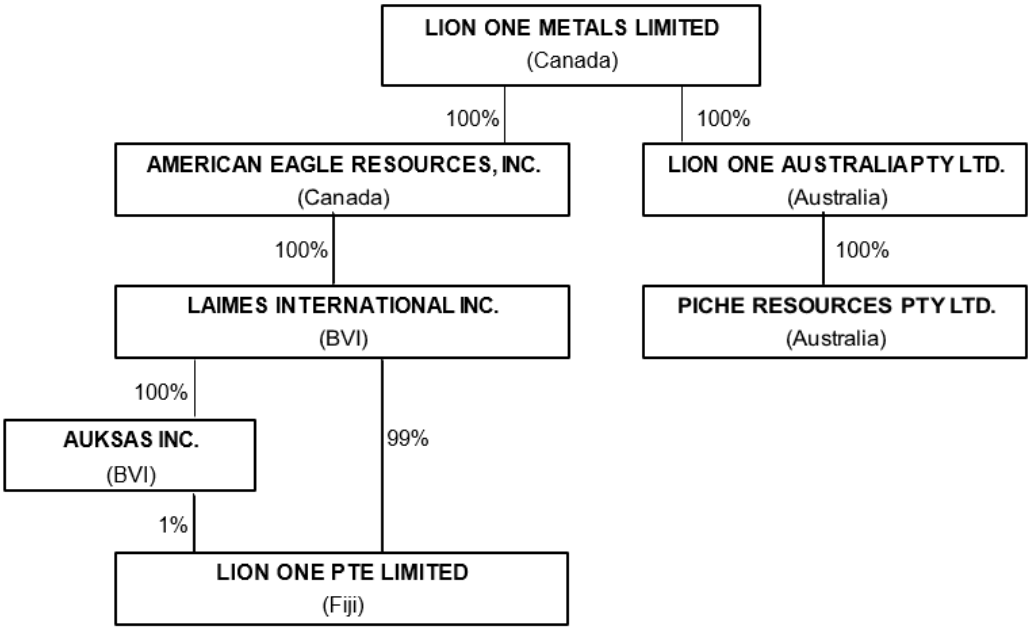
The Company was incorporated in British Columbia under the *Business Corporations Act* (British Columbia) on November 12, 1996 under the name X-Tal Minerals Corp. ("**X-Tal**"). The Company changed its name to Lion One Metals Limited on January 28, 2011. On January 31, 2011, the Company completed the reverse takeover of American Eagle Resources, Inc. ("**AME**"). AME was a private British Columbia corporation

holding five SPLs in the Fijian Islands under its subsidiary Lion One Limited (Fiji). The SPLs were previously owned by the Emperor Gold Mining Company of Australia.

On June 19, 2013, the Company acquired 100% of the outstanding shares of Avocet Resources Limited ("**Avocet**"), a mineral exploration company based in Perth, Western Australia. Avocet subsequently changed its name to Lion One Australia Pty Ltd. ("**Lion One Australia**"). The Company's head office and principal address is 306 - 267 West Esplanade, North Vancouver, BC, Canada, V7M 1A5. The address of the Company's registered and records office is Suite 1700 – 1055 West Hastings Street, Vancouver, BC, V6E 2E9.

INTERCORPORATE RELATIONSHIPS

The following organization chart shows the intercorporate relationships among the Company and its subsidiaries:



DESCRIPTION OF THE BUSINESS

The Company is engaged in the development, operation and exploration of premium quality gold assets in Fiji in the Republic of Fiji. The Company's primary asset is its 100% owned Tuvatu Gold Mine, located approximately 17 km from the Nadi International Airport on Fiji's main island of Viti Levu. The Tuvatu Gold Project (the "**Tuvatu Gold Project**" or "**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 agreement with local landowners and the iTaukei Land Trust in 2014, which was extended in 2022 for an additional 10-year term and is renewable on February 28, 2035. 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 Tuvatu Gold Project area consists of four contiguous exploration licenses covering approximately 13,613 hectares. The Company has also submitted its Rehabilitation and Closure Plan for the operation.

Discovered in 1987, Tuvatu is a high-grade underground alkaline gold project situated along the Viti Levu lineament, Fiji's corridor of high-grade alkaline gold deposits. The Tuvatu mineral resource is located within Special Mining Lease SML 62, which covers approximately 384 hectares. The broader Tuvatu property contains numerous high-grade exploration targets proximal to the existing mine, at depth and along strike from the current resource area. The Tuvatu Gold Project was acquired by Lion One in 2011 and has been the subject of extensive drilling, underground development and exploration.

The Company achieved steady-state mine and mill production at the Tuvatu Gold Project in 2024 and declared commercial production in December 2025.

For more information on the Tuvatu Gold Project, please view the technical report dated effective June 24, 2024 "NI 43-101 Technical Report and Mineral Resource Estimate, Tuvatu Gold Project, Viti Levu, Republic of Fiji", available for download on the Company's profile at www.sedarplus.ca (the "**Technical Report**").

The Mineral Resource Estimate in the NI 43-101 Technical Report was prepared independently by Gregory Z. Mosher, P. Geo., with cooperation and information from Lion One geologists. Other portions of the Technical Report were prepared by Darren Holden, Ph.D., FAusIMM and William J. Witte, P.Eng.

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.

THREE YEAR HISTORY

Year Ended June 30, 2024

On August 24, 2023, the Company announced the discovery by its regional exploration team of a new high-grade gold-bearing structure at surface, named the Lumuni occurrence, located approximately 1 km north of the Tuvatu deposit and approximately along strike from the UR1, UR2 and UR3 lodes. Channel sampling returned high-grade gold results, including 66.83 g/t Au over 0.7 m, and the structure was traced on surface for a length of over 150 m.[1]

On October 10, 2023, the Company announced that it had poured first gold at the Tuvatu Gold Project. Construction of the mill began in August 2022 and was completed ahead of schedule.

On December 13, 2023, the Company announced results from infill and grade control drilling in the Zone 5 area of the Tuvatu deposit, including 1,986.23 g/t Au over 0.6 m in drill hole TUDDH-696.[2]

On January 2, 2024, the Company announced that it had drawn down USD 8 million under Tranche 2 (as defined below) of its senior secured financing facility (the "**Nebari Facility**" or the "**Loan Facility**") with Nebari Gold Fund 1, LP, Nebari Natural Resources Credit Fund I, LP and Nebari Natural Resources Credit Fund II, LP (collectively, "**Nebari**"). The Company entered into the Nebari Facility with Nebari in January 2023. Following the drawdown, the Company had drawn a total of USD 31 million of the USD 35 million available under the Nebari Facility, the proceeds of which had facilitated the completion of construction and the commissioning of the Tuvatu Gold Project. Concurrently, the Company amended certain reporting covenants under the Nebari Facility and agreed, subject to TSXV approval, to reprice the 15,333,087 warrants held by Nebari from an exercise price of $1.49 to $1.15 and to extend their expiry date from August 9, 2026 to February 9, 2027.

[1]For further information, see the Company's news release entitled "Lion One Discovers New Bonanza Grade Gold Lode 1 KM North of Tuvatu – Surface sampling returns multiple high-grade results up to 92.55 g/t gold", dated August 24, 2023.
[2]For further information, see the Company's news release entitled "Lion One Drills 1986.23 g/t Gold and 866.25 g/t Gold at Tuvatu, Grants Options – Bonanza Grade Gold Intersected Outside Current Mine Plan", dated December 13, 2023.

On January 3, 2024, the Company announced the appointment of Alex Nichol as Vice President, Geology and Exploration, and the retirement of Sergio Cattalani as Senior Vice President, Exploration. Mr. Cattalani remained with the Company as Senior Geology Advisor.

On January 18, 2024, the Company provided an update on operations at the Tuvatu Gold Project. The Company reported that, during 2023, it had constructed the processing plant within one year, completed over 2,000 m of underground mine development, drilled over 40,000 m of core and completed Stage 1 of its tailings storage facility.

On February 14, 2024, the Company closed an underwritten offering of 24,150,000 units of the Company (the "**February 2024 Units**") at a price of $0.50 per February 2024 Unit for aggregate gross proceeds of $12,075,000 (the "**February 2024 Offering**"). Each February 2024 Unit consisted of one Common Share and one Common Share purchase warrant exercisable at a price of $0.65 per Common Share for a period of 36 months following the closing of the February 2024 Offering. The February 2024 Offering was completed pursuant to an underwriting agreement dated February 8, 2024 among the Company, Cantor Fitzgerald Canada Corporation, Canaccord Genuity Corp., Eight Capital and Raymond James Ltd., and was qualified by way of a prospectus supplement dated February 9, 2024 to the Company's short form base shelf prospectus dated May 13, 2022.

On March 4, 2024, the Company provided a further operations update, reporting that the continuous gravity concentrator and intensive leach reactor had been commissioned and were in operation, and that open stope mining was commencing in Zones 2 and 5 of the Tuvatu deposit, with mechanized long hole open stoping to be introduced in the following months.

On June 5, 2024, the Company announced the commencement of mechanized production mining at the Tuvatu Gold Project, with the first remote bogging occurring on May 16, 2024 and the first long hole stope blast occurring on May 18, 2024. The Company also reported that, as a result of operational improvements and debottlenecking initiatives, the processing plant could sustainably process over 400 TPD, above its name plate capacity of 300 TPD.[3]

On June 26, 2024, the Company announced record preliminary gold production at the Tuvatu Gold Project for the month of June 2024, with approximately 1,370 ounces of gold recovered up to and including June 24, 2024 and projected gold recovery of approximately 1,700 ounces for the month. The Company reported that gold production had increased steadily since the completion of mill commissioning in December 2023/January 2024, with a step change in production following the commencement of mechanized production mining, and that the plant had achieved record throughput of over 11,000 tonnes in May 2024.[4]

Concurrently, the Company announced the results of a near-mine soil sampling program, which identified a 650 metre north-south gold-in-soil anomaly immediately to the south of and along strike from the known mineralization at the Tuvatu deposit, which has a known strike length of approximately 950 metres. The Company noted that the anomaly represents a potential 70% increase in the strike length of the Tuvatu deposit and a target for near-mine exploration and resource expansion.

The Company also announced the filing of an updated technical report for the Tuvatu Gold Project entitled "NI 43-101 Technical Report and Mineral Resource Estimate, Tuvatu Gold Project, Viti Levu, Republic of Fiji" with an effective date of June 24, 2024, which included an independent mineral resource estimate with an effective date of March 25, 2024. At a base case cut-off grade of 3 g/t Au, and net of underground development, the mineral resource estimate comprised indicated mineral resources of 642,000 tonnes at 8.48 g/t Au for 175,000 ounces of gold and inferred mineral resources of 1,384,000 tonnes at 7.62 g/t Au

[3]For further information, see the Company's news release entitled "Lion One Starts Mechanized Production at Tuvatu, Drills 1.2 M of 393.01 g/t Gold", dated June 5, 2024.
[4]For further information, see the Company's news release entitled "Lion One Announces Record Gold Production at Tuvatu, Increases Plant Expansion, Expands Surface Footprint South of Tuvatu, Updates Technical Report", dated June 26, 2024.

for 339,000 ounces of gold, with an additional 11,000 tonnes at 9.32 g/t Au for 3,000 ounces of gold classified as inferred mineral resources outside the modelled domains.

Year Ended June 30, 2025

On July 12, 2024, the Company reported gold production of 3,551 ounces for the three months ended June 30, 2024, compared to 1,394 ounces in the prior quarter, with 32,100 tonnes of mineralized material processed. The Company attributed the increase to the introduction of mechanized production and to increased mill throughput, and stated that the quarter was the first in which the processing plant had operated at full capacity.[5]

Also on July 12, 2024, the Company announced that David Tretbar had resigned from the Board.

On July 26, 2024, the Company closed an upsized brokered private placement by issuing 27,027,027 units of the Company (the "**July 2024 Units**") at a price of $0.37 per July 2024 Unit for aggregate gross proceeds of $10,000,000, pursuant to the listed issuer financing exemption under National Instrument 45-106 – *Prospectus Exemptions* (the "**LIFE Exemption**"), with Eight Capital and Canaccord Genuity Corp. acting as agents. Concurrently, the Company completed a non-brokered private placement of 4,458,352 July 2024 Units on the same terms for gross proceeds of $1,649,590.24 (together with the brokered placement, the "**July 2024 Offering**"). In aggregate, under the July 2024 Offering the Company issued 31,485,379 July 2024 Units for gross proceeds of $11,649,590.24. Each July 2024 Unit consisted of one Common Share and one Common Share purchase warrant exercisable at a price of $0.50 per Common Share for a period of 36 months. The net proceeds of the July 2024 Offering were to be used for development and ramp-up expenses at the Tuvatu Gold Project and for general corporate purposes.

On August 4, 2024, the Company announced that the ASX had advised that the Company would be removed from the official list of the ASX pursuant to ASX Listing Rule 17.12, effective August 5, 2024, following the Company's submission of a voluntary delisting application on June 24, 2024. The Company sought the delisting due to the low frequency of trading, low trading volumes and limited index inclusion of its CHESS Depositary Interests ("**CDIs**") on the ASX, and the financial, administrative and compliance costs of maintaining the ASX listing. In connection with the delisting, all CDIs were to be automatically converted on a 1:1 basis into Common Shares registered on the Company's Canadian share register.

On October 1, 2024, the Company reported record preliminary quarterly gold production for Q1 of financial year 2025. The Company produced 3,639 ounces for the three months ended September 30, 2024, with 31,391 tonnes milled, notwithstanding a scheduled nine-day mill maintenance shutdown in July and mining equipment breakdowns in August. The Company also reported high-grade results from near-mine exploration and infill drilling at the West Zone target west of the Tuvatu deposit, including 105.20 g/t Au over 2.1 m in drill hole TUDDH-636.[6]

On November 12, 2024, the Company announced the commencement of development of a new high-grade, near-surface roscoelite zone at the Tuvatu deposit. An initial bulk sample from the zone returned 11.6 g/t Au from 861 tonnes of material mined at full mining widths.[7]

On December 2, 2024, the Company announced that it had agreed to amend certain terms of the Nebari Facility and had drawn down a further USD 4,000,000 under Tranche 3 (as defined below) of the Nebari Facility, representing USD 4,347,826 of principal including the gross-up for the original issue discount. Following the drawdown, the Nebari Facility was fully drawn. The Company stated that the Tranche 3 proceeds would fund investments under a mine enhancement plan intended to stabilize and increase

[5]For further information, see the Company's news release entitled "Lion One Reports Second Quarter Production Results", dated July 12, 2024.
[6]For further information, see the Company's news release entitled "Lion One Drills High Grade Gold in West Zone Exploration, Reports Record Quarterly Production", dated October 1, 2024.
[7]For further information, see the Company's news release entitled "Lion One Commences Development of High-Grade Roscoelite Zone at Tuvatu Gold Mine in Fiji – Initial Bulk Sample Returns 11.6 g/t Gold from 861 Tonnes", dated November 12, 2024.

production and prepare the mine for the future expansion of the processing plant. Tranche 3 bears interest at 10% plus the three-month secured overnight financing rate ("**SOFR**") and is subject to an 8% original issue discount and progressive amortization over six months from June 30, 2025. In connection with the drawdown, the Company issued 3,920,000 Common Shares to Nebari as a loan bonus and agreed to amend the exercise price of the 15,333,087 warrants held by Nebari to $0.38 per warrant.

On January 15, 2025, the Company reported record quarterly gold production and sales for the three months ended December 31, 2024, with approximately 4,300 ounces of gold recovered and approximately 4,741 ounces of gold sold for total revenue of $17,993,020, an increase of 72% over the prior quarter.[8]

On February 14, 2025, the Company completed an overnight marketed public offering of 25,367,647 units of the Company (the "**February 2025 Units**") at a price of $0.34 per February 2025 Unit for aggregate gross proceeds of $8,625,000, including the exercise in full of the underwriters' over-allotment option (the "**February 2025 Offering**"). The February 2025 Offering was led by Stifel Nicolaus Canada Inc. as lead underwriter and sole bookrunner, and was made by way of a prospectus supplement to the Company's short form base shelf prospectus dated January 31, 2025. Concurrently, the Company completed a non-brokered private placement of 6,431,114 February 2025 Units on the same terms for gross proceeds of $2,186,578.76. Each February 2025 Unit consisted of one Common Share and one Common Share purchase warrant exercisable at a price of $0.41 per Common Share for a period of 36 months.

On February 27, 2025, the Company announced a planned senior management transition, pursuant to which Walter Berukoff, the Company's founder, Chairman and Chief Executive Officer, transitioned to the role of Chairman and President, and Ian Berzins joined the Company as Chief Executive Officer, each effective immediately.

On March 4, 2025, the Company announced record mine operating income of $6,302,540 from the Tuvatu Gold Project for the three months ended December 31, 2024, and that its internal assay laboratory in Fiji had achieved ISO 17025 accreditation.

On March 20, 2025, the Company announced the start of engineering and construction of a flotation circuit at the Tuvatu processing plant, as the first stage of its planned expansion of the plant. The Company reported that metallurgical testing indicated that the flotation circuit could increase gold recoveries from approximately 80-83% to over 90%, and that construction was anticipated to be complete in the fourth quarter of 2025.[9]

On April 17, 2025, the Company announced the completion of its raise bore project and primary mine ventilation upgrade at the Tuvatu Gold Project, which the Company stated would enable development of additional underground levels and headings, including development toward the high-grade Zone 500 feeder zone. The Company also stated that it was operating at the 300 TPD pilot plant phase, with expansion to the 600-700 TPD phase of operations anticipated in 2026. The Company also reported preliminary gold production of 3,555 ounces for the three months ended March 31, 2025, and attributed the decrease from the prior quarter primarily to scheduled and unscheduled mill maintenance and to reduced throughput due to heavy rains in January and February 2025.[10]

On May 9, 2025, the Company announced that Kevin Puil had stepped down from the Board and that Casey Spreeuw had been appointed to the Board.

On June 9, 2025, the Company announced the appointment of Edward (Ned) Collery to the Board.

---

[8]For further information, see the Company's news release entitled "Lion One Records 4741 oz in Quarterly Gold Sales, C$18.0M of Revenue", dated January 15, 2025.

[9]For further information, see the Company's news release entitled "Lion One Announces Construction of Flotation Circuit at Tuvatu", dated March 20, 2025.

[10]For further information, see the Company's news release entitled "Lion One Announces Mine Ventilation Upgrade, Reports Preliminary Gold Results", dated April 17, 2025.

Year Ended June 30, 2026

On July 10, 2025, the Company announced that Casey Spreeuw had stepped down from the Board and that Tayfun Eldem had been appointed as an independent director of the Company.

On July 21, 2025, the Company reported preliminary results for the three months ended June 30, 2025, including approximately 3,214 ounces of gold recovered, approximately 3,577 ounces of gold sold, total revenue of $16,300,821, record mill utilization of 96% and record mill throughput of 33,726 tonnes.[11]

On September 9, 2025, the Company announced that it had entered into a forbearance agreement with Nebari pursuant to which Nebari agreed to waive the application of the working capital covenant under the Nebari Facility. The Company stated that, with the maturity of Tranche 1 (as defined below) of the Nebari Facility upcoming in August 2026, Tranche 1 had been classified as a current liability for accounting purposes, which affected the working capital covenant. The forbearance agreement extended to December 31, 2025 and was subject to ongoing compliance covenants, including the raising of capital to ensure the timely repayment of Tranche 3 of the Nebari Facility and accrued interest on September 30, 2025.

On September 24, 2025, the Company closed an upsized non-brokered private placement for gross proceeds of $18,715,153 (the "**2025 LIFE Offering**"), pursuant to which the Company issued 58,484,853 units of the Company (the "**2025 Units**") at a price of $0.32 per 2025 Unit pursuant to the LIFE Exemption. Each 2025 Unit consisted of one Common Share and one Common Share purchase warrant exercisable at a price of $0.42 per Common Share for a period of three years from the date of issuance.

On October 2, 2025, the Company announced the completion of production from its first shrinkage stope at the Tuvatu Gold Project, which yielded 5,704 tonnes of material at an average grade of 10.60 g/t Au, and that a second shrinkage stope was in development. The Company also reported that underground development rates had increased by approximately 70% from January to September 2025, from 330.8 m per month to 563.9 m per month.[12]

On October 16, 2025, the Company announced that Edward (Ned) Collery had stepped down from the Board and that Todd Romaine had been appointed as an independent director of the Company.

Also on October 16, 2025, the Company reported preliminary gold production for Q1 of financial year 2026. The Company produced 4,086 ounces of gold for the three months ended September 30, 2025, an increase of 27% from the prior quarter, at an average head grade of 5.1 g/t Au, together with record quarterly gold recovery of 83.9% and record quarterly underground development of 1,712 m.[13]

On October 20, 2025, the Company announced that it had closed the second tranche of the 2025 LIFE Offering for aggregate gross proceeds of $25,000,000. Pursuant to the closing of the 2025 LIFE Offering, the Company issued an aggregate of 78,124,999 2025 Units at a price of $0.32 per 2025 Unit, which includes 984,375 2025 Units issued in lieu of a cash finder's fee. The second tranche consisted of the issuance of 18,655,771 2025 Units for gross proceeds of $5,969,846.72, which the Company stated represented the maximum amount it could raise at that time pursuant to the LIFE Exemption. This includes 98,437 2025 Units issued in lieu of a cash finder's fee. On October 23, 2025, the Company announced that it had closed an upsized non-brokered sidecar private placement for gross proceeds of $8,632,005.44, pursuant to which it issued an aggregate of 26,975,017 2025 Units at a price of $0.32 per 2025 Unit (the "**2025 Sidecar Placement**"), which includes 1,005,500 2025 Units issued in lieu of a cash finder's fee. Pursuant to the 2025 Sidecar Placement and the 2025 LIFE Offering, the Company raised aggregate gross

[11]For further information, see the Company's news release entitled "Lion One Reports Preliminary Gold Results, Announces C$16.3M in Quarterly Revenue", dated July 21, 2025.
[12]For further information, see the Company's news release entitled "Lion One Produces 5,704 Tonnes at 10.60 g/t Gold from First Shrinkage Stope at Tuvatu and Increases Underground Development Rates by 70%", dated October 2, 2025.
[13]For further information, see the Company's news release entitled "Lion One Reports 4,200 oz in Quarterly Gold Production", dated October 16, 2025.

proceeds of $33,632,005.12, inclusive of $668,260 of finder's fees issued as 2025 Units, representing the issuance of an aggregate of 105,100,016 2025 Units.

On December 30, 2025, the Company announced that it had entered into a subscription agreement with Arete Capital Advisory Pty Ltd, a mining investment syndicate advised and managed by Arete Capital Advisors (collectively, "**Arete**"), pursuant to which Arete agreed to acquire, on a non-brokered private placement basis, 44,264,800 units of the Company at a price of $0.34 per unit for gross proceeds of $15,050,032, with each unit consisting of one Common Share and one Common Share purchase warrant exercisable at a price of $0.39 per Common Share for a period of three years. The Common Shares to be acquired would represent 9.9% of the Company's outstanding Common Shares on a pro forma basis. The investment formed part of a broader strategic partnership under which, on closing, the Company and Arete would enter into an investor rights agreement (the "**Investor Rights Agreement**"), entitling Arete to nominate one director to the Board, and a master services agreement (the "**Master Services Agreement**") with an initial term of five years, under which Arete would provide management services for, and become the operator of, the Tuvatu Gold Project, subject to the oversight of the Board (collectively, the "**Arete Transaction**"). The Arete Transaction was subject to closing conditions, including TSXV approval.

On December 31, 2025, the Company announced the departure of Ian Berzins as Chief Executive Officer of the Company, whose departure was effective December 29, 2025.

The Company subsequently disclosed in its March 2026 MD&A that commercial production at Tuvatu was achieved on December 31, 2025.

On January 7, 2026, the Company announced that Tayfun Eldem had stepped down as an independent member of the Board, effective January 6, 2026.

On January 21, 2026, the Company announced the appointment of David Anderson to the Board.

On February 25, 2026, the Company announced the appointment of Campbell Olsen as Chief Executive Officer and a director of the Company. The Company disclosed that Mr. Olsen would serve as Arete's nominee to the Board pursuant to the Investor Rights Agreement to be entered into upon completion of the Arete Transaction, and that the Arete Transaction remained subject to the review and approval of the TSXV.

Also on February 25, 2026, the Company announced that it had received a notice from Nebari Collateral Agent, LLC, on behalf of the lenders under the Nebari Facility, stating that an event of default had occurred and was continuing under the Nebari Facility effective as of January 31, 2026. The notice stated that the defaults arose from non-financial covenants and from what Nebari asserted to be a "Material Adverse Effect" under the Nebari Facility, and that, as a consequence, the margin component of the interest rate payable under the Nebari Facility had increased, effective February 20, 2026, and would remain at the default rate until the events of default were remedied or otherwise resolved to Nebari's satisfaction. The Company was in active discussions with Nebari with a view to stabilizing its financing arrangements and addressing the issues raised in the notice.

On March 12, 2026, the Company announced that it had received a requisition dated March 9, 2026 from Concept Capital Management Ltd., a shareholder of the Company, pursuant to section 167 of the *Business Corporations Act* (British Columbia), proposing to remove two directors, to set the number of directors at between nine and eleven and to elect six nominees of the requisitioning shareholder.

On March 20, 2026, the Company announced that it had received conditional approval from the TSXV for the private placement forming part of the Arete Transaction.

On March 23, 2026, the Company announced the completion of commissioning of the new flotation plant at the Tuvatu Gold Project, and that the plant had entered a production ramp-up phase.

On March 30, 2026, the Company announced that the Board had formed a special committee of independent directors (the "**Special Committee**") and that, with the assistance of its professional advisors, the Board had determined that the shareholder requisition dated March 9, 2026 did not constitute a valid requisition and that the Company would not call a meeting of shareholders in response. The Special Committee was formed to, among other things, respond to the requisition and oversee a strategic process to identify, examine and consider a range of strategic alternatives available to the Company to maximize shareholder value.

On May 1, 2026, the Company announced that it had terminated its subscription agreement with Arete and would not proceed with the Arete Transaction. At the time of termination, the Company had not issued any securities pursuant to the subscription agreement or entered into the related Master Services Agreement or Investor Rights Agreement. In connection with the termination, Campbell Olsen ceased to serve as Chief Executive Officer, Tony Young, the Company's Chief Financial Officer, was appointed Interim Chief Executive Officer, and Zamand Shokri, the Company's Corporate Controller, was appointed Interim Chief Financial Officer, each effective immediately.

On May 5, 2026, the Company announced the appointment of Eric Setchell as Director of Operations. Mr. Setchell had previously served as Director of Operations from January to December 2025 and departed the Company after Arete assumed operational control of the Tuvatu Gold Project on January 10, 2026. The Company also reported preliminary gold production for Q3 of financial year 2026. The Company produced 2,726 ounces of gold for the three months ended March 31, 2026, at an average head grade of 4.2 g/t Au and an average gold recovery of 70.9%, which the Company stated was its lowest quarterly gold production since the quarter ended March 31, 2024. The Company attributed the decrease in part to adverse weather conditions and to the effects of the commissioning of the flotation circuit.[14]

On June 3, 2026, the Company announced that Walter Berukoff, the Company's founder, President and Chairman, was retiring as Chairman and President and had resigned from the Board, yet would retain the honorary title of Chairman Emeritus and transition into an advisory role. The Company also announced the reappointment of Tayfun Eldem as an independent director and the appointment of Todd Romaine as Chairman of the Board.

On June 16, 2026, the Company announced the reappointment of Ian Berzins as President and Chief Executive Officer of the Company, and his appointment to the Board, which was effective June 15, 2026. In making the announcement, the Company reported that capital development rates at the Tuvatu Gold Project more than doubled from 315 metres in the first quarter of 2025 to 643 metres in the fourth quarter of 2025, and that the Company achieved record gold production in the fourth quarter of 2025 of 4,383 ounces of gold at a head grade of 5.4 g/t Au. The Company stated that its immediate priority was to restore gold production to and above the levels achieved in the second half of 2025.[15]

On June 29, 2026, the Company closed a first tranche of a non-brokered private placement of 12,500 convertible debenture units of the Company (the "**Debenture Units**") at a price of $1,000 per Debenture Unit for gross proceeds of $12,500,000 (the "**Debenture Offering**"), together with a non-brokered private placement of 21,447,575 units of the Company (the "**2026 Units**") at a price of $0.13 per 2026 Unit for gross proceeds of $2,788,184.75 (the "**2026 Private Placement**"). Each Debenture Unit consisted of one 10% subordinated secured convertible debenture with a face value of $1,000, convertible into Common Shares at a conversion price of $0.13 per Common Share and maturing four years from issuance, and 7,692.3 Common Share purchase warrants, each exercisable at a price of $0.175 per Common Share for a period of four years. Each 2026 Unit consisted of one Common Share and one Common Share purchase warrant exercisable at a price of $0.175 per Common Share for a period of three year.

[14]For further information, see the Company's news release entitled "Lion One Appoints Eric Setchell Director of Operations, Provides Operations Update for Tuvatu", dated May 5, 2026.
[15]For further information, see the Company's news release entitled "Lion One Appoints Ian Berzins as President, CEO and Director", dated June 16, 2026.

As at June 30, 2026, the Company has working capital of $13,831,654, which is above the $7,000,000 working capital covenant as required under the Facility.

Subsequent to Year Ended June 30, 2026

On July 9, 2026, the Company reported preliminary gold production of approximately 3,291 ounces for the three months ended June 30, 2026, an increase of 21% from the prior quarter, at an average head grade of 4.3 g/t Au, together with record quarterly gold recovery of 84.9% and 1,652 m of underground mine development.[16]

On July 10, 2026, the Company closed a second tranche of the Debenture Offering and the upsized 2026 Private Placement, consisting of 1,500 Debenture Units for incremental gross proceeds of $1.5 million and 5,475,505 2026 Units for incremental gross proceeds of $0.71 million. Pursuant to the Debenture Offering, the Company issued 14,000 Debenture Units for gross proceeds of $14 million, and pursuant to the 2026 Private Placement, the Company issued 26,923,080 2026 Units for gross proceeds of $3.5 million, for aggregate gross proceeds of $17.5 million.

On July 14, 2026, the Company announced the appointment of Mr. Ronan Geoghegan as Vice President, Corporate Development and Investor Relations, as well as the resignation of the Company's longtime Vice President, Corporate Secretary and former director, Mr. Hamish Greig.

On July 21, 2026, the Company announced the start of Phase 1 of its phased mill expansion project at the Tuvatu Gold Project, which is designed to increase nominal plant capacity from 300 TPD to 700 TPD at a total estimated capital cost of $13,500,000. Phase 1 consists of the Filtered Tailings Expansion Project, which is designed to double the filtration capacity of the processing plant, the primary bottleneck in processing operations, and is anticipated to increase nominal plant capacity from 300 TPD to 400 TPD, at an estimated cost of $1,900,000 and with a targeted completion date by the end of the first calendar quarter of 2027. The Company also announced the appointment of Shayla Forster as Corporate Secretary.

On July 23, 2026, the Company announced that it had entered into a further forbearance agreement with Nebari pursuant to which Nebari agreed to extend the final repayment date for Tranche 1 of the Nebari Facility to December 31, 2026. The forbearance requires the Company to remain in compliance with its obligations under the Nebari Facility going forward. As at the date of the announcement, the principal amount outstanding was approximately USD 25.8 million under Tranche 1 (including capitalized interest) and approximately USD 5.4 million under Tranche 2, for total outstanding principal of approximately USD 31.2 million, and Tranche 3 had been fully repaid.

The Company further disclosed that, in addition to the non-financial event of default notice effective January 31, 2026, a financial event of default occurred on March 31, 2026 as the Company was in breach of the $7,000,000 working capital covenant under the Nebari Facility, and that interest would remain at the default rate until the events of default had been remedied or otherwise resolved to Nebari's satisfaction. The Company announced that both the financial and non-financial events of default had been cured and that the interest rate had returned to its original level. A portion of the net proceeds of the Debenture Offering and the 2026 Private Placement was used to satisfy payment obligations under the Nebari Facility and to cure the working capital covenant default. As consideration for the extension of the repayment date for Tranche 1, the Company agreed to pay Nebari a restructuring fee of USD 2,000,000, which could be reduced to USD 1,000,000 if the Company fully repaid and satisfied all obligations owing under the Nebari Facility on or before September 30, 2026. The Company also announced that, as part of its strategic planning in connection with its capital structure and the forbearance agreement, it had launched a refinancing strategy targeting various financing initiatives to repay the Nebari Facility, which may comprise a new refinanced senior debt facility or a combination of debt facilities, equity offerings and deployment of

[16]For further information, see the Company's news release entitled "Lion One Reports 3,291 oz in Quarterly Gold Recovery", dated July 9, 2026.

cash from operations to fund debt reduction, and that it plans to target completion of this strategy by the end of 2026.

On July 27, 2026, the Company announced the purchase of a Boart Longyear LM90 underground diamond drill with anticipated delivery in October 2026. The purpose of the new drill is to support underground drilling of the Zone 500 and the West Zone.

On August 20, 2026, the Company announced results from 3,337.30 m of underground infill and grade control drilling targeting the southern and down-dip extensions of the Ura and Murau lodes in Zone 2 of the Tuvatu deposit. Results included 715.15 g/t Au over 4.2 m from drill hole TGC-0650 (reported as downhole length, true width unknown). This interval includes the highest-grade assay ever returned at the Tuvatu Gold Project - 6,571.20 g/t Au over 0.45 m.[17]

On September 24, 2026, the Company announced results from 4,370.20 m of underground infill and grade control drilling targeting the up-dip and down-dip extensions of the UR1 and UR2 lodes in Zone 5 of the Tuvatu deposit. Results included 82.28 g/t Au over 4.6 m, including 302.15 g/t Au over 0.4 m, in drill hole TGC-0532. Most high-grade intercepts were located within 25 m of underground development.[18]

The Company also announced on September 24, 2026 the engagement of Global One Media Group Pte. Ltd. to support its digital investor communications through the production and distribution of investor content and also announced the grant of 1,750,000 stock options to employees, officers and directors, exercisable at $0.24 per Common Share for five years and vesting in equal thirds over two years.

OUTLOOK

The Company continues to advance mine development, processing improvements and exploration at Tuvatu. During the 2026 Fiscal Year, the Company completed the commissioning of a new flotation circuit at the Tuvatu processing plant, which entered a production ramp-up phase in March 2026. On July 21, 2026, the Company announced the start of a phased expansion of its mine and mill at the Tuvatu Gold Project with the goal of increasing nominal capacity from approximately 300 tonnes per day to 700 tonnes per day. Phase 1 consists primarily of a filtered tailings expansion project intended to increase processing capacity to approximately 400 tonnes per day, at an estimated cost of $1,900,000, with a targeted completion date by the end of the first quarter of calendar 2027.[19]

Resource infill drilling and underground grade control drilling targeting areas of planned production at Tuvatu is ongoing in support of mining operations. In terms of exploration, Lion One will continue to test regional targets and discoveries identified as new high-grade occurrences within the current exploration tenements covering the majority of the Navilawa Caldera mineral complex. 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.

The Company also continues deposit-scale and regional exploration within its exploration tenements covering the Navilawa Caldera mineral complex, including underground infill and grade-control drilling and testing of regional high-grade gold targets. Subsequent to year end, the Company purchased a new Boart Longyear LM90 underground drill rig, with delivery anticipated in mid-October 2026, to target Zone 500 and the West Zone at depth from underground.[20] In August 2026, the Company commenced drilling at the

[17]For further information, see the Company's news release entitled "Lion One Drills 4.2 m of 715.15 g/t Gold Near Underground Development at Tuvatu Gold Mine in Fiji", dated August 20, 2026.
[18] For further information, see the Company's news release entitled "Lion One Drills 4.6 m of 82.28 g/t Gold Near Underground Development at Tuvatu Gold Mine in Fiji", dated September 24, 2026.
[19] For further information, see the Company's news release entitled "Lion One Reports Second Quarter Production Results", dated July 21, 2026.
[20] For further information, see the Company's news release entitled "Lion One Acquires New LM90 Drill to Target Zone 500 and West Zone from Underground", dated July 27, 2026.

Kingston copper-gold target within the Navilawa Caldera, approximately 2 km north of Tuvatu. The Company's exploration programs are intended to expand the existing mineral resource and evaluate the broader potential of the Tuvatu alkaline gold system.

LOAN FACILITY

On January 19, 2023, the Company entered into a facility agreement (the "**Loan 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 for a financing facility of up to US$37,000,000. The financing facility consists of the Loan Facility, being a US$35,000,000 senior secured first lien term loan, and a US$2,000,000 equity investment. The total amount of the Loan Facility was originally structured to be funded in up to three tranches, with US$23,000,000 funded on February 9, 2023 ("**Tranche 1**"), and an additional US$12,000,000 available at the Company's option in up to two further tranches ("**Tranche 2**" and "**Tranche 3**", respectively) within 18 months of receiving Tranche 1 under the original terms of the Loan Facility.

On February 9, 2023, the Company received total proceeds of US$25,000,000 from its financing facility, which was comprised of US$23,000,000 from Tranche 1 and completion of the US$2,000,000 equity investment, with Nebari purchasing 3,125,348 Common Shares at a price of $0.86 per share.

Under the original terms of the Loan Facility, interest on Tranche 1 is 8% plus three-month SOFR, as administered by the Federal Reserve Bank of New York, and amortization was set for August 8, 2026, being the maturity date 42 months from the Loan Facility closing date (subsequently extended to December 31, 2026, as described below), with no closing fees payable. Tranche 2 and 3 funding is subject to an 8% original issue discount and interest is 10% plus SOFR, with progressive amortization over 42 months from the Tranche 2 funding date, with closing fees equal to 2% of the amounts funded.

In connection with the Loan Facility Agreement, the Company will pay Nebari a royalty equal to 0.5% of the NSR 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.

As part of Tranche 1 of the Loan Facility with Nebari, the Company issued 15,333,087 non-transferable purchase warrants ("**Tranche 1 Warrants**") of the Company to Nebari, exercisable into Common Shares at a price of $1.49 for a period of 42 months from issuance. The Tranche 1 Warrants are subject to an accelerator provision whereby the Company may accelerate the expiry date of up to 25% of the Tranche 1 Warrants in the event that the volume weighted average trading price of the Common Shares exceeds 100% over the strike price for a period of twenty consecutive trading days on the TSXV. The Company has the option to accelerate the expiry of further 25% portions of the Tranche 1 Warrants at four-month intervals, up to a maximum of 75% of the Tranche 1 Warrants issued.

All debts under the Loan Facility are guaranteed by the Company and its subsidiaries: American Eagle Resources, Inc., Laimes International Inc., Auksas Inc., and Lion One Pte Limited, and secured by the assets of the Company and pledges of the securities of the Company's aforementioned subsidiaries.

On January 2, 2024, the Company announced the drawdown of a further USD $8 million under Tranche 2 of the Loan Facility, bringing the total drawdown on the Loan Facility to USD $31 million. In connection with the drawdown, the Company agreed to reprice the Tranche 1 Warrants from $1.49 to $1.15, and extend the expiry date from August 9, 2026 to February 9, 2027.

On December 2, 2024, the Company announced the final drawdown of its Loan Facility for proceeds of USD$4,000,000 as part of a mine enhancement plan to stabilize and increase current production and prepare the mine to support future expansion of the process plant.

Including the gross-up for the original issue discount, Tranche 3 represents a further US$4,347,826 of principal under the Loan Facility. In connection with the drawdown of Tranche 3, the Company issued an aggregate of 3,920,000 bonus shares to Nebari and agreed to amend the exercise price of the 15,333,087 share purchase warrants issued to Nebari as part of the Loan Facility from $1.15 to an exercise price of $0.38 per warrant.

Interest on the first USD $23 million drawn in Tranche 1 of the Loan Facility remains at 8% (plus three-month SOFR), with original amortization of 42 months from the original closing date (but subsequently extended to December 31, 2026), and no closing fees were payable. The USD $8 million drawn under Tranche 2 was subject to an 8% original issue discount and interest remains at 10% plus SOFR, with progressive amortization over 42 months from the Tranche 2 funding date and closing fees equal to 2% of the amount funded. The USD $4 million drawn under Tranche 3 was subject to an 8% original issue discount and interest is 10% plus SOFR, with progressive amortization over 6 months from June 30, 2025, with closing fees equal to 2% of the amounts funded. On June 30, 2025, the Company made the first principal payment for Tranche 3 of USD 1,449,275. Tranche 3 has since been repaid in full.

On September 9, 2025, the Company entered into a forbearance agreement with Nebari pursuant to which Nebari agreed to waive the application of the working capital covenant under the Loan Facility. With Tranche 1 due to mature in August 2026, it was re-classified as a current liability for accounting purposes, which affected the working capital covenant. The forbearance agreement extended to December 31, 2025 and was subject to the Company's ongoing compliance with certain covenants, including the raising of capital to ensure the timely repayment of Tranche 3 of the Loan Facility and accrued interest on September 30, 2025.

On February 25, 2026, the Company announced that it had received notice from Nebari that events of default had occurred and were continuing under the Loan Facility effective January 31, 2026. The notice stated that the defaults related to certain non-financial covenants and an asserted "Material Adverse Effect" under the Loan Facility. As a result, the margin component of the interest rate payable under the Loan Facility increased to the applicable default rate effective February 20, 2026, to remain in effect until the events of default were remedied or otherwise resolved to Nebari's satisfaction. The Company continued discussions with Nebari regarding its financing arrangements and the matters raised in the notice.

On March 31, 2026, a further event of default occurred under the Loan Facility as a result of the Company's breach of the $7,000,000 working capital covenant under the Loan Facility.

As at June 30, 2026, the Company has working capital of $13,831,654, which is above the $7,000,000 working capital covenant as required under the Facility.

On July 23, 2026, the Company entered into a further forbearance agreement with Nebari pursuant to which Nebari agreed to extend the final repayment date for Tranche 1 of the Loan Facility to December 31, 2026. The Company also announced that it had cured the financial and non-financial events of default that had occurred under the Loan Facility and that the interest rate under the Loan Facility had returned to its original level. A portion of the net proceeds of the Debenture Offering and the 2026 Private Placement was used to satisfy payment obligations under the Loan Facility and to cure the working capital covenant default. The forbearance arrangement remains subject to the Company's ongoing compliance with its obligations under the Loan Facility.

As at July 23, 2026, the principal amount outstanding under the Loan Facility was approximately US$31.2 million, comprising approximately US$25.8 million under Tranche 1 (including capitalized interest) and approximately US$5.4 million under Tranche 2. As consideration for the extension of the repayment date for Tranche 1, the Company agreed to pay Nebari a restructuring fee of USD 2,000,000, which could be reduced to USD 1,000,000 if the Company fully repaid and satisfied all obligations owing under the Nebari Facility on or before September 30, 2026.

As part of its strategic planning in connection with its capital structure and the forbearance agreement, the Company has launched a refinancing strategy targeting various financing initiatives to repay the Loan

Facility, which may comprise a new refinanced senior debt facility or a combination of financing initiatives, including debt facilities, equity offerings and the deployment of cash from operations to fund debt reduction.

The Company is targeting completion of this strategy by the end of 2026.

PRINCIPAL PRODUCTS

The Company's principal products are gold doré and a concentrate containing gold and silver. Most of the Company's revenues are from gold production. There is a global market into which the Company can sell its gold and other minerals. The primary demand for gold is for jewellery fabrication, investment, and the technology industry and dentistry sectors. Demand for and the price of gold are volatile and affected by numerous factors beyond the Company's control. The price of gold is generally quoted in US dollars. See "Risk Factors".

Lion One has contracts for the sale of gravity concentrate, flotation concentrate, carbon fines, refinery products and doré. Each of these commodities is covered under a separate contract although all contracts are with Ocean Partners UK Limited. The metal price is based on the average London Metal Exchange price for 10 days prior to the date of the transaction and as such is consistent with industry norms. Rates and charges are also considered to be within industry norms.

The following table sets out the Company's revenue by principal product for each of the last two financial years. Further details can be found in the Company's audited consolidated financial statements for the year ended June 30, 2026.

Revenue by Principal Product				
	Year Ended June 30, 2026		Year Ended June 30, 2025	
Gold	$76,185,034	99.6%	$57,804,302	99.7%
Silver	$341,233	0.4%	$163,871	0.3%
Total	$76,526,267	100%	$57,968,173	100%

COMPETITIVE CONDITIONS

The Company's business of the acquisition, exploration and development of mineral properties is intensely competitive. The Company may be at a competitive disadvantage in acquiring additional mining properties or financing to further the development of its assets because it must compete with other individuals and companies, many of which have greater financial resources, operational experience and technical capabilities than the Company. The Company may also encounter increasing competition from other mining companies in efforts to hire experienced mining professionals. Competition for exploration resources at all levels is currently very intense, particularly affecting the availability of manpower and equipment. Increased competition could adversely affect the Company's ability to attract necessary capital funding or acquire suitable producing properties or prospects for mineral exploration in the future.

ENVIRONMENTAL PROTECTION

The Company's operations are subject to environmental regulations promulgated by government agencies from time to time. Environmental legislation provides for restrictions and prohibitions of spills, releases or emissions of various substances related to mining industry operations, which could result in environmental pollution. A breach of such legislation may result in imposition of fines and penalties. In addition, certain types of operations require submissions to and approval of environmental impact assessments. Environmental legislation is evolving, which means that standards, enforcement, fines and penalties for non-compliance are becoming more stringent. Environmental assessment of proposed projects carries a heightened degree of responsibility for companies and directors, officers and employees. The cost of

compliance with changes in governmental regulations has the potential to reduce the profitability of operations.

EMPLOYEES

The Company's business is administered principally from its head office in North Vancouver, British Columbia, Canada. During the 2026 Fiscal Year, the Company had 9 employees in Canada, and over 500 full-time, part-time and temporary employees in Fiji in addition to its directors and officers.

SPECIALIZED SKILL AND KNOWLEDGE

All aspects of the Company's business require specialized skills and knowledge. Such required areas of specialized skills and knowledge include geology, drilling, mine planning, metallurgy, engineering, construction, technological, community and public relations, regulatory compliance, accounting and law. Much of the specialized skill and knowledge is provided by the Company's management and operations team. The Company also engages administrative, financial, legal, geological and engineering consultants from time to time as required to assist in maintaining corporate records and preparing reporting requirements, evaluating its interests and recommending and conducting work programs.

FOREIGN OPERATIONS

The Company maintains offices for its subsidiaries, Lion One Limited (Fiji) in Nadi, Fiji, and in Perth, WA for Lion One Australia. The Company's one material mineral property, the Tuvatu Gold Project, is located on the island of Viti Levu in Fiji. While the government of Fiji is considered by the Company to be supportive of mining and mineral exploration, no assurances can be provided that this will continue to be the case in the future. Additional information is provided in the "Risk Factors" section of this AIF.

SOCIAL AND ENVIRONMENTAL POLICIES

Lion One's policy is to conduct its business responsibly and in a manner designed to protect its employees, adjacent communities and the natural environment. The Company is committed to achieving a safe, productive and healthy work environment and to upholding the values of human rights. These commitments are described in the Company's Environmental, Health and Safety and Social Responsibility Mission Statement, and the suite of Sustainability Policies adopted in August 2023, available for viewing on the Governance section of the Company website.

CYCLES

The mineral exploration and development business, and particularly precious metals production, is subject to mineral price cycles. The marketability of minerals is also affected by worldwide economic cycles. Gold prices fluctuate widely and are affected by numerous factors such as global supply, demand, inflation, exchange rates, interest rates, forward selling by producers, central bank sales and purchases, production, global or regional political, economic or financial situations and other factors beyond the Company's control. See "Risk Factors".

TUVATU GOLD PROJECT OVERVIEW

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 own corridor of high-grade alkaline gold deposits. Tuvatu is situated with a 5-hectare footprint inside a larger 384-hectare mining lease. The project contains numerous high-grade prospects proximal to Tuvatu, at depth, and regionally within the 7 km wide Navilawa Caldera. The Tuvatu Gold Project was acquired by Lion One in 2011, has over 250,000 meters of drilling completed to date, declared commercial production in December 2025, and has over 5,000 m of underground capital development completed to date.

The Fijian Islands are located along the Pacific Island Arc, which hosts a number of other well-known major mineralized alkaline gold deposit systems such as the Lihir and Porgera gold deposits in Papua New Guinea. This variety of gold system is not prolific in number globally, but such systems are among the largest producers of gold in the world, with notable examples in the South Pacific including the Porgera and Lihir gold mines in Papua New Guinea, and Vatukoula in Fiji, 40km from Tuvatu. A North American example is the Cripple Creek gold mine in Colorado. The Porgera gold deposit (>25 million ounces gold) and the Lihir gold deposit (>40 million ounces gold) are both alkaline hosted gold deposits situated in Papua New Guinea. These deposits, like other alkaline hosted gold deposits, are associated with deep crustal magmas, alkaline-rich alteration mineral assemblages, and are valued for their high grades and deep vertical profiles, resulting in large gold endowments.

The Company holds a 100% interest in 4 SPLs covering 13,613 hectares in Fiji. The SPLs are held in the Company's subsidiary Lion One Limited (Fiji) and cover areas adjacent to the current mineral resource at Tuvatu. The Tuvatu Gold Project has received all of the mandatory regulatory approvals, including a 10-year renewable mining lease and a 21-year surface lease, for the complete development of mining and processing operations at Tuvatu.

TECHNICAL SUMMARY

The disclosure set forth herein is the technical summary reproduced from a technical report entitled "NI 43-101 Technical Report and Mineral Resource Estimate, Tuvatu Gold Project, Viti Levu, Republic of Fiji" dated effective June 24, 2024. The Technical Report is available on the SEDAR+ website at www.sedarplus.ca. The following information is of a summary nature and reference is made to the detailed disclosure contained in the Technical Report.

The Company's Tuvatu Gold Project (the "**Project**") involves the exploration and evaluation of the potential for development of a gold deposit located near the town of Nadi on the main island of Viti Levu in Fiji. The Technical Report was prepared by the independent consultants listed below: Bill Witte, P. Eng, Greg Mosher, P. Geo, Darren Holden, P. Geo.

1.1 Introduction

Lion One Metals Limited (Lion One) is developing and exploiting the Tuvatu Mine, a high-grade, narrow-vein gold deposit located in the upper reaches of the Sabeto River Valley, approximately 24 km northeast of the city of Nadi on the west coast of Viti Levu, Republic of Fiji.

Global Mineral Resource Services (GMRS) has been retained by Lion One Metals Limited to prepare a Technical Report, including an updated mineral resource estimate (MRE) in accordance with National Instrument (NI) 43-101. This report is being prepared to support public disclosure of the contained mineral resource and of the current state of the Project.

1.2 Property Tenure

The Property is comprised of four Special Prospecting Licences (SPL), with a total area of 20,170.5 ha, held as to 100% by Lion One Limited, a subsidiary of Lion One Metals Limited. A Special Mining Lease, 384.5 ha in area, covering the Tuvatu Mine, was granted to Lion One on January 22, 2015, and remains in good standing until February 28, 2035.

1.3 Accessibility

Nadi is the closest town and is serviced by daily international flights. The Property is accessed from Nadi by Sabeto Road. A network of local roads and tracks provides good access to most of the Property area. During the wet season from November to March, creeks may be impassable for some days and, in wet weather, four-wheel drive vehicles are required to access the tenements. Creeks and adjacent areas are generally thickly vegetated; spurs and ridges are dominated by open grasslands.

1.4 History

Documented mineral exploration on the Property began during the early part of the 20th century with prospecting in the upper reaches of the Sabeto River and has continued intermittently since that time. Much of the exploration that took place during the 1970s and 1980s was directed to the search for porphyry copper mineralization.

In 2007, following the closure of the Vatukoula Gold Mine, Emperor Gold Mining Company Limited sold its Fijian assets, including the Tuvatu Property, to Westech Gold Pty Ltd and Red Lion Management Ltd. Licenses covering the Property were reissued in the name of Lion One by the Fijian Government. Subsequently, American Eagle Resources gained control of Lion One, the holder of the Project. Lion One is the product of the reverse takeover in January 2011 of X-Tal by American Eagle Resources.

1.5 Geology

The oldest unit in the Tuvatu Property area is the Nadele Breccia (26-12 Ma), part of the basaltic sequence of the Wainamala Group.

Sabeto Volcanics (5.5 to 4.8 Ma) unconformably overlie the Nadele Breccia and represent the basal unit of the Korroimavua Volcanic Group. High ridges and cliffs emphasize this gradation due to the greater resistance of the Sabeto Volcanics to weathering.

The Navilawa Monzonite intrudes the Nadele Breccia and Sabeto volcanics and is dated at 4.85 Ma. The overall intrusive complex is elongated in a northeast orientation. Late small intrusive stocks and dykes, dominantly composed of micromonzonite, intrude monzonite and the Sabeto volcanics, and strike dominantly N-S to NE-SW. The Navilawa Monzonite is the host of nearly all mineral occurrences within the Property.

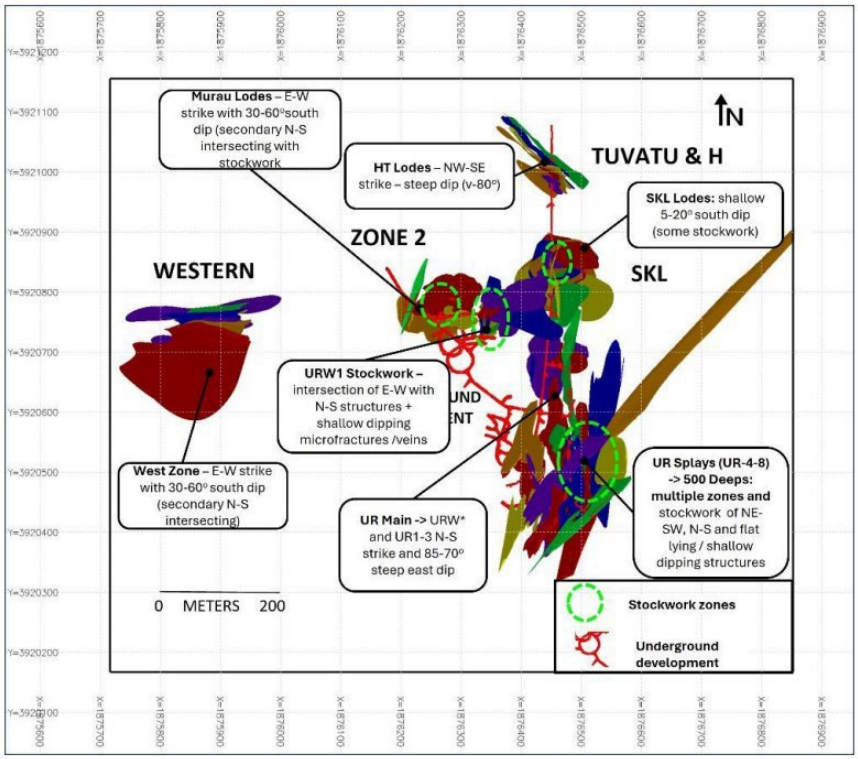
1.6 Mineralization

Tuvatu is an alkalic hosted gold deposit. Mineralization is structurally controlled and occurs as sets and networks of narrow veins, cracks, and vein breccias, with individual structures generally ranging from 1 to 200 mm in width. Sets of veins are commonly up to 5 m wide with blow-out zones up to 20m wide forming at the intersection of multiple structures.

Mineralization at Tuvatu has been confirmed over a north–south strike length of more than 900 m and from surface to depths of more than 1,000m. Mineralization is confined to structural zones consisting of veins and veinlets of quartz-potassium feldspar-carbonate. Sulphide content is generally low, but a typical association includes minor components of pyrite-arsenopyrite-galena-sphalerite-bornite-tellurides-roscoelite. Gold generally occurs as fine-grained free gold.

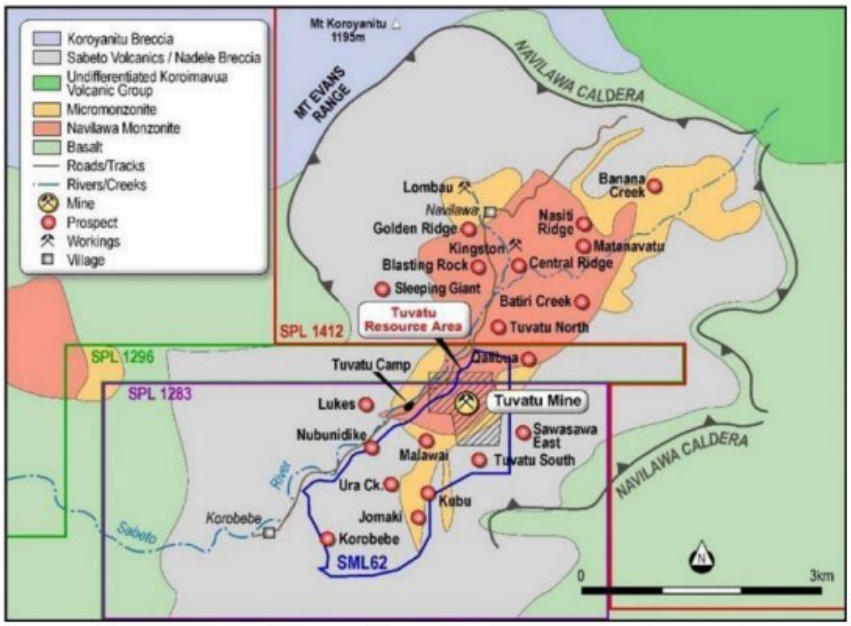
As currently understood, the Tuvatu deposit is comprised of 69 individual veins or stockwork zones that are shown in Figure 1.1.

Figure 1.1 Tuvatu Mine Principal Veins and Stockworks



In addition to the Tuvatu Mine, the Property contains numerous gold and copper occurrences that have been explored to various degrees by previous operators and are currently being evaluated and explored by Lion One. Figure 1.2 shows the more important of these exploration targets.

Figure 1.2 Tuvatu Exploration Targets



1.7 Exploration

Following work by previous owners, Lion One commenced exploration at Tuvatu in 2011 and since then has conducted continuous exploration of both the Tuvatu deposit and the wider property. In 2019, the Company was awarded the exploration license (SPL1512) covering most of the Navilawa Caldera.

1.8 Drilling

Lion One began drilling in 2012, both within the main deposit and select regional targets. Table 1.1 summarizes the type and quantity of drilling that has taken place since 2012. In total, more than 135,000 m of drilling has been completed during this period.

Table 1.1 Summary of 2012-2024

Drilling 2012 to 2024	Drilling Number of Holes	Number of Meters
Surface DDHs	345	102,560
Underground DDHs	40	10,327
Grade Control holes	190	20,476
Geotechnical diamond holes	6	883
Metallurgical holes	7	1,127
Total	**588**	**135,373**

1.9 Sample Preparation and Analysis

Lion One drill core is logged and sampled on site at Tuvatu by Lion One staff. Prior to 2019, core samples were delivered from the mine site to the ALS Minerals sample preparation facility in Suva before being shipped to the ALS assay lab in Brisbane, Australia. Since December 2019, drill samples have been processed by Lion One at its own laboratory in Nadi.

ALS assayed for gold by fire assay with a 30 g charge and AAS finish. Lion One has continued the ALS procedure. Samples with gold grades greater than 3 g/t are re-assayed. Silver, arsenic, copper, iron, lead, selenium, tellurium, vanadium, and zinc are routinely analyzed by a three-acid digestion and inductively coupled plasma optical emission spectroscopy finish.

Samples returning an assay value greater than 0.5 g/t Au or 0.5% Cu, Pb, or Zn are sent to ALS Minerals in Townsville, Australia, for check analysis, where analyses are carried out using fire assay with an AA finish (ALS code Au-AA26). Samples that return grades greater than 10 g/t Au by Au-AA26 are re-analyzed by gravimetric method (ALS code Au-GRA22). High base metal samples are also fire assayed, providing a check of gold analysis below 0.5 g/t Au.

1.10 Mineral Processing and Metallurgical Testing

Since 1997, extensive test work has been conducted on samples collected from the Property including mineralogy studies, comminution tests, gold and silver recovery tests, cyanide destruction tests, tailing filtration, rheology, and process-related parameter determination tests. These tests have been the basis for the design, operation and testing with the Pilot Plant. The gold and silver recovery methods tested in the labs include gravity concentration, flotation, and cyanide leach extraction. This testing continues, not only in the Pilot Plant but also in the Tuvatu metallurgical lab.

1.11 Mineral Resource Estimate

An independent mineral resource estimate (MRE) has been carried out for gold contained in the portion of the Tuvatu Property that is currently being developed and mined. The effective date of the MRE is March 25, 2024, and the MRE is based on a drillhole dataset in csv format, 69 wireframes representing mineralized veins and zones in the Tuvatu deposit, as well as underground development as of March 24, 2024, all in

dxf format and all provided by Lion One. Two wireframes representing satellite mineralization around Zones Two and Five that was not captured by the wireframes for those zones were provided by Lion One on April 5, 2024.

The drillhole database, including pre-Lion One drilling, contained 7,592 collar locations and 240,002 assays for gold. Some samples fall outside the limits of the MRE, and their exclusion resulted in a useable dataset of 233,703 assays. Assays for sludge (69) and face (channel) samples (6,205) were removed from the dataset. The sludge samples were removed because the source location of their assay values cannot be established with sufficient accuracy for use in an MRE. The face samples were removed because attempts to reconcile estimated resources against mined resources within Zone Two resulted in an overestimation of gold present when face samples were included in the dataset. A further 30 samples were removed because they had anomalously long lengths and were either of unidentified source or had not been sampled. The resultant imported dataset included 1,288 collars and 233,703 gold assays. All sample data used for the MRE was obtained from drillcore (85%) and reverse circulation holes (15%).

Of the 69 modelled domains, all but two, URW 1-1 and URW 1-2, are interpreted as narrow, generally steep dipping veins; URW 1-1 and URW 1-2 are stockworks. The veins are grouped into five geographic zones: 2, 5, including the previously separate 500 Zone, SKL, Tuvatu and H lodes, and the Western or Plant Site.

Significant intercepts of gold mineralization exist outside the 69 modelled domains, in particular peripheral to Zones 2 and 5, but where there is insufficient data to support a geological interpretation of those mineralized intercepts. Therefore, instead of domains based on geological interpretation, this mineralization was captured and constrained using a gradeshell threshold of 0.5 g/t gold over four (4) meters. For the MRE, the resultant volumes are designated as the Outside Domains. The gradeshell generation process did not consider the number of qualifying drillholes, only grade-thickness; consequently, some of these domains are based on one drillhole. Because it is necessary to demonstrate continuity of mineralization, a minimum of two drillholes was required during the grade interpolation process, which resulted in some of these domains remaining unestimated.

Assays were composited to one meter length; the 233,703 assays were reduced to 227,254 composites, a minor reduction because most assays are one meter in length.

Grade capping was assessed on a domain basis using cumulative frequency curves. Seventy-one domains were assessed including the Outside Domains and the Underground Development that was treated as a domain so it could be subtracted from the MRE as depletion. Capping levels ranged from five (5) to 150 g/t Au; 25 domains were capped and 46 showed no evidence of outliers and remained uncapped.

The dataset included 4,801 bulk density measurements in units of grams / centimeter^3. These values were segregated by domain, which demonstrated that many domains lacked sufficient bulk density measurements to support the interpolation of density measurements into the block model, so average values were calculated for each domain. For those domains for which no values were available, the global average bulk density of 2.61 g/cm^3 was used.

Analysis of spatial continuity of non-zero composite data was carried out using Sage 2001, a commercial variography software package. A minimum population of 98 composites was chosen as the threshold for variography. Twenty-five domains meet this criterion. For the remaining 46 domains, variogram parameters of proximal and similarly oriented domains were applied where possible, otherwise interpolation was carried out using inverse distance squared (ID2) that relies only on a search ellipse and strictly linear weighting of composites. All variograms used two structures and both first and second structures are spherical.

The 69 Domains and the Underground Development were estimated separately. For the 69 Domains, gold grades were interpolated into the block model in two passes for both ordinary kriging (OK) and inverse distance squared (ID^2) weighting. The Underground Development and Outside Domains were interpolated in a single pass using ID^2. In all cases, a minimum of two holes was required to interpolate a grade into a block to ensure that continuity of mineralization was demonstrated.

The estimated tonnes and ounces of gold represented by the Underground Development were subtracted from the estimated tonnes and ounces of gold estimated for the 69 Domains and the net (depleted) resource within the 69 Domains is reported as the current MRE. The resource within the Outside Domains is reported separately.

Blocks were classified as Indicated or Inferred. For the 69 Domains, classification was carried out using all composites for all 69 domains. Classification of the Underground Development was carried out using composites for only that domain. In both cases, interpolation was by ID². The Outside Domains were classified as Inferred. The search ellipse for the Indicated class is of the same dimensions as that used for the first interpolation pass for most domains. The Inferred classification was designed to capture all blocks in each domain that fall outside the Indicated category.

Table 1.2 summarizes the Tuvatu MRE for the 69 Domains by Class. The left-hand columns of the table show the gross tonnes and ounces within the 69 Domains, the central columns show the tonnes and ounces in the Underground Development, and the right-hand columns show the resources in the 69 Domains net of the tonnes and ounces in the Underground Development. The base case is taken as 3 g/t and is highlighted. Table 1.3 shows the resource in the Outside Domains. The 3 g/t base case is highlighted.

Table 1.2 Tuvatu 69 Domains Mineral Resource Estimate Summary Net of UG Development

CutOff Au g/t	Classification	69 Domains Gross			Underground Development			69 Domains Net		
		Au g/t	Tonnes	Ounces	Au g/t	Tonnes	Ounces	Au g/t	Net Tonnes	Net Ounces
4	Indicated	9.95	500,000	160,000	5.00	8,000	1,300	10.05	492,000	159,000
4	Inferred	9.47	958,000	292,000	5.22	2,000	300	9.50	956,000	292,000
3	Indicated	8.41	655,000	177,000	4.44	14,000	2,000	8.48	642,000	175,000
3	Inferred	7.61	1,388,000	340,000	4.43	3,000	500	7.62	1,384,000	339,000
2	Indicated	6.89	880,000	195,000	3.84	19,000	2,300	6.97	861,000	193,000
2	Inferred	5.99	2,023,000	389,000	4.23	4,000	500	5.99	2,019,000	389,000

Table 1.3 Tuvatu Mineral Resource Summary for Outside Domains

CutOff Au g/t	Classification	Aug/t	Tonnes	Ounces Au
4	Inferred	11.72	8,000	3,000
3	Inferred	9.32	11,000	3,000
2	Inferred	7.47	15,000	4,000

a) Mineral Resources are not Mineral Reserves and do not have demonstrated economic viability.
b) There is no certainty that all or any part of the Mineral Resources estimated will be converted into Mineral Reserves.
c) Mineral Resource tonnage and contained metal have been rounded to reflect the accuracy of the estimate, and numbers may not add due to rounding.
d) The base case is based on a 3 g/t Au cutoff and cost estimates for mining of US$56/tonne, processing of US$56/tonne and G&A of US$25/tonne; gold recovery of 80%; and a three-year trailing gold price of US$1,973/ounce.
e) Mineral Resource tonnage and grades are reported as undiluted.
f) The effective date of the mineral resource estimate is March 25, 2024.
Blockmodel grades were validated by 1) visual inspection, 2) comparison of mean values for composites and corresponding block models, and 3) swath plots. Blockmodel grades are in reasonable agreement with the underlying assays and composites and the swath plots indicate that there is neither an over- nor underestimation bias.

1.12 Recovery Methods

Historical metallurgical test work results were used to select the recovery method for the Project and to develop the process design criteria. The metallurgical test results indicate that the Tuvatu mineralization is amenable to a combined process of two-stage gravity concentration and concentrate pre-treatment followed by cyanidation. The process facility, together with the process flowsheet, was designed based on the process design criteria.

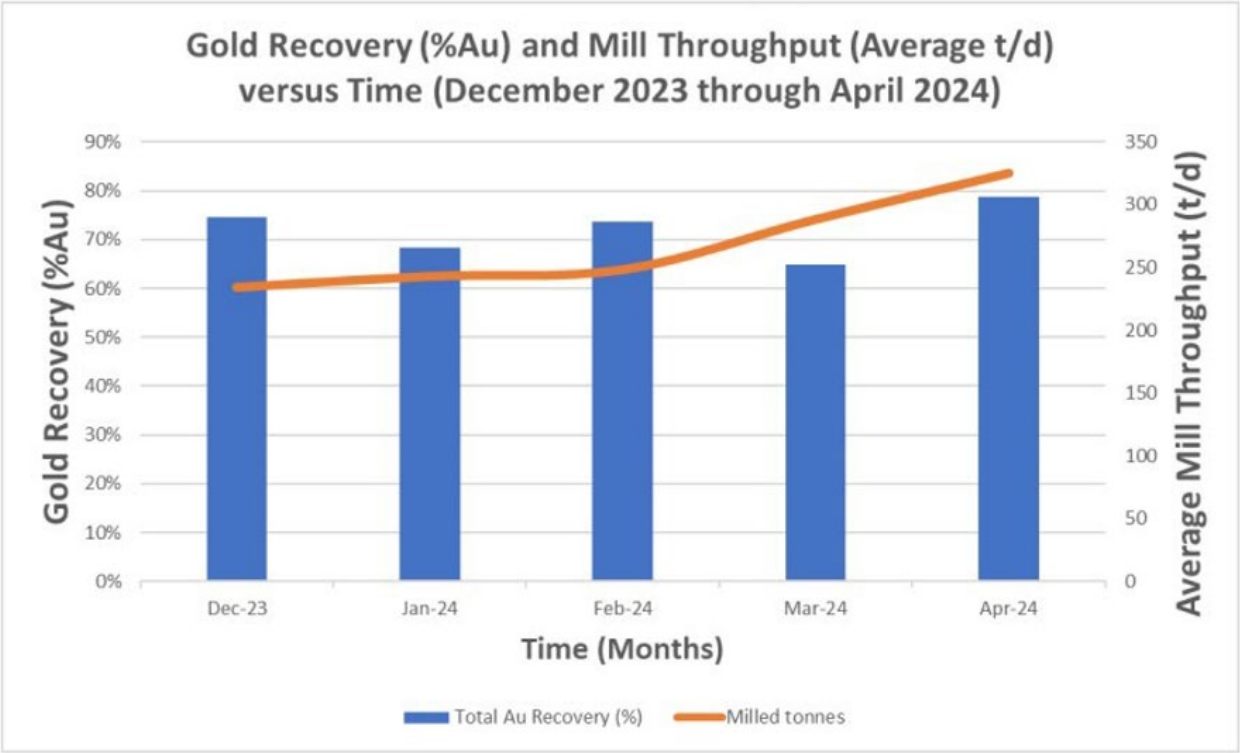
The Pilot Plant was designed to process mineralized material at a rate of 300 t/d although, at times, it has operated at more than 500 t/d. Depending on where the mineralized feed is coming from in the mine, and the configuration of the pilot plant, the average gold recovery has varied from 65% to almost 93% gold

recovery. The comminution circuits, including a two-stage grinding circuit, grind the mill feed to a grind size of 80% passing (P80) 60 to 65 µm or finer. As the throughput increases, the P80 increases from approximately 74 µm to 105 µm. The coarser grind results in better gold recovery from the gravity circuits but reduces recovery in the CIL circuit.

The two-stage gravity separation circuit, including intensive cyanidation of the primary concentrators, is integrated with the secondary grinding mill to recover the coarse-free gold grains. The hydrocyclone overflow from the grinding circuit is concentrated by the secondary continuous gravity concentrator. The resulting secondary gravity concentrate is treated with a caustic pre-treatment prior to cyanide leaching. The secondary concentrator tailings are cyanide leached as well. CIL treatment is used for extracting gold from the mill feed.

The loaded carbon is stripped, and the pregnant solution is treated by a heated and pressurized electrowinning circuit to recover the gold from the solution. The pregnant solution from the intensive cyanidation reactor is sent to a separate atmospheric electrowinning cell to recover gold and silver from the solution. The carbon stripping and gold electrowinning are operated in a closed circuit. Gold doré is produced from an electric furnace located on site. The leach residue is treated by cyanide destruction using the SO2/air process prior to being filtered and trucked to the Tailings Storage Facility ("**TSF**") for dry stacking. The crushing circuit was designed to operate during the day shift, while the milling and leaching circuits were designed to operate 24 h/d and 330 d/a, or 365 d/a with an availability of 90.4%. Carbon stripping and gold electrowinning circuits operate as necessary, and the cycle requires approximately 24 hours of operation to produce the gold and silver sludge to feed the electric doré furnace. Figure 1.3 shows average monthly gold recovery and daily milled throughput for the period December 2023 through April 2024.

Figure 1.3 Average Monthly Gold Recovery (%) and Average Daily Milled Throughput (t/d) on a monthly basis from December 2023 through April 2024.



1.13 Project Infrastructure

The Project is located 17 km by road from Nadi International Airport. The region is well serviced with port facilities at Ba and Lautoka. Lion One maintains an operations office in Nadi, including a geochemical and metallurgical laboratory to service site operations.

The mine commenced production in June 2023. The process plant poured first gold in October 2023, and all the circuits were commissioned in November 2023. The mine and process plant currently operate at a throughput rate of 300 tonnes per day. Tailings are dewatered with two filter presses and then trucked to the tailings storage facility. The mine currently uses reclaim water and run-off water from a nearby creek. Additional water can also be drawn from the Sabeto River and wells.

An 11 kV transmission line crosses the Project site from a nearby EFL hydroelectric generation facility, but because of a national shortfall in power supply from the grid, the mine generates its own power by two (2) separate diesel generator power plants for the mine operation and processing plant operation separately. An 11kV transmission line from the EFL Nagado Substation to the mine site is under construction to supply 500kVA grid power to the mill area and will be used to energize the most critical process equipment and site admin office. Land has been secured for a solar power plant that will be capable of providing full power supply to the Project during daytime.

The site mobile phone and internet systems have been upgraded and expanded for operational use. The crushing plant control room and substation are linked by a hard-wired control network, with remote stop/start capability. Mobile phone and wifi systems are used to communicate between the Tailings Storage Facility and the plant for emergency response. Underground voice communications consist of primary headend equipment and a radiating cable (leaky feeder) network system with capability for very-high frequency digital underground two channel operation.

The site administration building is located immediately east of the process plant and houses processing plant management, geology department, information technology, clerical, environmental, first aid and safety personnel. General administration, accounting, government and public relations, and geographic information systems are housed in Lion One's Nadi office.

Site security is maintained by gatehouses located at the west and east entrances to the minesite. A paramedic will be stationed on site at all times. The site ambulance and fire response vehicles will be parked in adjacent dedicated parking bays.

The two-bay exploration maintenance shop services light vehicles and provides general mechanical and electrical repair services for the drilling equipment. A mill maintenance shop and warehouse has been established next to the process water tank platform.

The mine dry, located adjacent to the decline portal and across the yard from the mine workshop, is sized for 70 personnel per shift and is equipped with shower and toilet facilities, and lockers.

Mining explosives are housed in three separate sea containers converted to storage magazines that are located approximately 150 m east of the exploration portal, well away from the main process plant and public road. Access to the magazines is via a gate with a security post.

Proximity to Nadi, Lautoka, and local villages provides sufficient accommodation for contractors and mine operation personnel.

1.14 Market Studies and Contracts

Lion One has contracts for the sale of gravity concentrate, flotation concentrate, carbon fines, refinery products and doré. Each of these commodities is covered under a separate contract although all contracts are with Ocean Partners UK Limited. The metal price is based on the average London Metal Exchange

price for 10 days prior to the date of the transaction and as such is consistent with industry norms. Rates and charges are also considered to be within industry norms.

Shipment of the various products from the mine are covered under a separate contract with IBI International Logistics, a firm based in the UK. This contract provides for the secure transportation of shipments and the matter of insurance in the event of loss while in transit.

1.15 Environmental Studies and Permitting

Both a Construction Environmental Management Plan and Operational Environmental Management Plan were submitted to the regulatory authorities and approved on July 30, 2014. A Rehabilitation and Closure Plan was also required to be submitted. This was submitted in 2014, though no formal approval was required. All three plans will need to be updated as the mining operation continues.

Quarterly surveys of the water quality and macroinvertebrate communities have been undertaken since September 2014 to determine the baseline condition of the watercourses located adjacent to the site.

RISK FACTORS

An investment in securities of Lion One is speculative and involves significant risks and uncertainties which should be carefully considered by prospective investors before purchasing such securities. The occurrence of any one or more of these risks and uncertainties could have a material adverse effect on the value of any investment in Lion One and the business, prospects, financial position or operating results of the Company. The risks noted below do not necessarily comprise all those faced by the Company. In addition to the other information set forth elsewhere in this AIF, including, without limitation, the financial statements and notes, prospective investors should carefully review the following risk factors:

The following sets out the principal risks faced by the Company:

<u>There is material uncertainty regarding the Company's ability to continue as a going concern.</u>

The Company's financial condition is uncertain, and its ability to continue as a going concern depends on, among other things, the Company refinancing or repaying the Nebari Facility, including Tranche 1, which is due by December 31, 2026 and continuing to satisfy the conditions of its forbearance arrangements with Nebari; attaining profitable operations cash flow from the Tuvatu Gold Project; and obtaining additional financing when required. There can be no assurance that these efforts will be successful, that financing will be available on acceptable terms, or that the Company will be able to realize its assets and discharge its liabilities in the normal course of business. These factors give rise to material uncertainties that may cast significant doubt on the ability of the Company to continue as a going concern.

<u>The Company has outstanding indebtedness under the Nebari Facility.</u>

The Company is party to the Nebari Facility, a senior secured credit facility with Nebari, which was entered into in January 2023 and is fully drawn. As at June 30, 2026, the principal amount outstanding under the Nebari Facility was approximately US$31.2 million, consisting of approximately US$25.8 million under Tranche 1 (including capitalized interest) and approximately US$5.4 million under Tranche 2. Tranche 1 bears interest at 8% per annum plus three-month SOFR and Tranche 2 bears interest at 10% per annum plus three-month SOFR. The Nebari Facility is secured by substantially all of the assets of the Company and its subsidiaries, including the Tuvatu Gold Project.

Nebari delivered notice that events of default had occurred under the Nebari Facility effective January 31, 2026, arising from breaches of non-financial covenants and from what Nebari asserted to be a "Material Adverse Effect", and a further financial event of default occurred on March 31, 2026 as a result of the Company's breach of the $7,000,000 working capital covenant. Interest accrued at the default rate until the

events of default were cured in July 2026, in part through the use of a portion of the net proceeds of the Debenture Offering and the 2026 Private Placement. Concurrently, the Company entered into a forbearance agreement under which Nebari extended the final repayment date for Tranche 1 to December 31, 2026, in consideration for a restructuring fee of US$2,000,000. This was the Company's second forbearance arrangement with Nebari, following a forbearance agreement entered into in September 2025 in respect of the working capital covenant. The current forbearance requires the Company to remain in compliance with its obligations under the Nebari Facility going forward.

The Company will need to request an extension of the repayment date for Tranche 1 of the Nebari Facility beyond December 31, 2026 or otherwise refinance or repay the Nebari Facility, and it may not generate sufficient cash flow from operations to do so when required. There can be no assurance that the Company will be able to complete a refinancing on acceptable terms or at all, or that Nebari will grant further extensions, waivers or forbearance if required. The Company's compliance with its working capital covenant is sensitive to production shortfalls, and the Nebari Facility contains provisions, including a "Material Adverse Effect" provision, that may permit Nebari to declare an event of default in circumstances that are subject to its judgment. If an event of default occurs and is not cured or waived, Nebari may be entitled to accelerate all amounts outstanding, apply default interest and enforce its security, including by taking possession of the Tuvatu Gold Project, which could result in the loss of the Company's interest in its sole producing asset. A default or acceleration under the Nebari Facility may also result in a default under the Company's other indebtedness, including its subordinated secured convertible debentures.

The Company's ability to pay interest, repay the principal or to refinance its indebtedness depends on the Company's future performance, which is subject to economic, financial, competitive and other factors beyond its control. If the Company is unable to generate sufficient cash flow, it may be required to adopt one or more alternatives, such as selling assets, restructuring debt or obtaining additional equity capital on terms that may be onerous or highly dilutive. The Company's ability to refinance its indebtedness will depend on the capital markets and its financial condition at such time. The Company may not be able to engage in any of these activities or engage in these activities on desirable terms, which could result in a default on its debt obligations.

The Company is dependent on the Tuvatu Gold Project and on its ability to stabilize and ramp up production following a period of operational decline.

The Tuvatu Gold Project is the Company's only producing asset and currently provides all of the Company's operating revenue and cash flow. Following record quarterly production of 4,383 ounces of gold in the fourth quarter of 2025, production declined to 2,726 ounces in the quarter ended March 31, 2026, at an average head grade of 4.2 g/t Au and an average gold recovery of 70.9%, the Company's lowest quarterly production since the quarter ended March 31, 2024, which the Company attributed in part to adverse weather and the commissioning of the flotation circuit. The decline occurred during a period of significant change in the operation and management of the Tuvatu Gold Project, including the assumption of operational control by Arete in January 2026, the subsequent termination of the Arete Transaction in May 2026 and multiple changes in the Company's senior management and Board. Although production increased to approximately 3,291 ounces in the quarter ended June 30, 2026, the Company's immediate priority is to restore gold production to and above the levels achieved in the second half of 2025, and there can be no assurance that it will be able to do so on the anticipated timeline, or at all.

Restoring and increasing production is subject to all of the risks associated with ramping up and optimizing a mining operation, including: the ramp-up of the recently commissioned flotation circuit and the achievement of anticipated gold recoveries; the execution of the phased mill expansion, including the Filtered Tailings Expansion Project, which is intended to address filtration capacity, the primary bottleneck in processing operations; maintaining underground development rates sufficient to provide access to stoping areas and consistent mill feed; grade reconciliation and dilution; the availability and reliability of mining and processing equipment; the availability of skilled labour and contractors in Fiji; and heavy rainfall and other adverse weather. It is common for mining operations undergoing ramp-up, expansion or recovery from operational disruption to experience unexpected costs, problems and delays. Because the Company depends on a single operation, any delay or difficulty in stabilizing and increasing production at the Tuvatu

Gold Project would materially and adversely affect the Company's cash flow, its ability to comply with and refinance the Nebari Facility and its ability to continue as a going concern.

Restrictive covenants in the Nebari Facility may impact business activities.

Pursuant to the Nebari Facility, the Company must satisfy certain financial covenants, including a working capital covenant, as well as other restrictive and affirmative covenants in respect of the Company's operations. These covenants include, without limitation, restrictions on the Company's ability to incur additional indebtedness; pay dividends or make other distributions; make loans or investments; sell, transfer or otherwise dispose of assets; and incur or permit to exist certain liens. Compliance with these covenants may impair the Company's ability to finance its future operations or capital needs or to take advantage of other favourable business opportunities. The Company's ability to comply with these covenants will depend on its future performance, which may be affected by events beyond its control. The Company's failure to comply with any of these covenants, if left uncured, could result in an event of default under the Nebari Facility and could result in the acceleration of the indebtedness under the Nebari Facility. If the Company is unable to repay any amounts outstanding as they come due under the Nebari Facility, Nebari may be entitled to, among other things, take possession of any collateral securing the Nebari Facility to the extent required to repay the outstanding amounts.

The Company will require additional financing, which may not be available on acceptable terms, or at all.

The Company will require significant additional financing to refinance or repay the Nebari Facility, fund working capital, sustaining capital and underground development, complete the phased expansion of the processing plant at the Tuvatu Gold Project and continue exploration. Cash flow from operations has not been sufficient to fund these requirements, and the Company has relied on equity and debt financings. The Company's ability to obtain financing depends on, among other things, its operating performance, the price of gold, its relationship with Nebari and conditions in the capital markets, and the Company's recent equity financings have been completed at progressively lower issue prices. There can be no assurance that the Company will be successful in obtaining the required financing on acceptable terms, or at all. Failure to obtain such financing could result in a default under the Nebari Facility, the delay or indefinite postponement of the plant expansion and other development work at the Tuvatu Gold Project, or the curtailment or suspension of operations. There can be no assurance that additional capital or financing will be available if needed or that, if available, the terms of such financings will be acceptable to the Company. If the Company raises additional funds through the sale of equity securities or securities convertible into equity securities, shareholders may have their equity interest in the Company diluted.

Future Production Estimates Cannot Be Stated with Certainty.

Forecasts of future gold production are estimates based on interpretation and assumptions, and actual production may be less than estimated. The Company has prepared estimates of future production from the Tuvatu Gold Project. The Company's production forecasts are based on full production being achieved. The Company's ability to achieve and maintain its estimated full production rates at the Tuvatu Gold Project is subject to a number of risks and uncertainties. These production estimates are dependent on, among other things, the accuracy of Mineral Resource estimates, the accuracy of assumptions regarding ore grades and recovery rates, ground conditions, physical characteristics of ores, such as hardness and the presence or absence of particular metallurgical characteristics, and the accuracy of estimated rates and costs of mining and processing. The actual production may vary from the Company's estimates for a variety of reasons, including risks and hazards associated with mining; natural phenomena, such as inclement weather conditions, water availability, floods, and earthquakes; and unexpected labour shortages, strikes, local community opposition or blockades. The failure of the Company to achieve its estimated production at the Tuvatu Gold Project could have a material adverse effect on the Company's operations and financial condition.

Mining operations are inherently risky and the Company is subject to a number of operating, development and exploration risks.

Lion One operates the Tuvatu Gold Project and is also engaged in mineral exploration and development. Mining operations and mineral exploration and development involve many risks and are frequently not economically successful. The long-term commercial success of Lion One depends on its ability to operate the Tuvatu Gold Project profitably and to replace and expand its mineral resources through exploration and development. No assurance can be given that minerals will be discovered in sufficient quantities at any of Lion One's projects to justify commercial operations or that funds required for additional exploration or development will be obtained on a timely basis. Increasing mineral resources or mineral reserves depends on a number of factors including, among others, the quality of a company's management and their geological and technical expertise and the quality of land available for exploration.

Once mineralization is discovered it may take several years of additional exploration and development until production is possible during which time the economic feasibility of production may change. Substantial expenditures are required to establish proven and probable reserves through drilling or drifting, to determine the optimal metallurgical process and to finance and construct mining and processing facilities. At each stage of exploration, development, construction and mine operation various permits and authorizations are required. Applications for many permits require significant amounts of management time and the expenditure of substantial amounts for engineering, legal, environmental, social and other activities. At each stage of a project's life, delays may be encountered because of permitting difficulties. Such delays add to the overall cost of a project and may reduce its economic viability. There is no assurance that surface rights agreements that may be necessary for future operations will be obtained when needed, on reasonable terms, or at all, which could adversely affect the business of Lion One. As a result of these uncertainties, there can be no assurance that the Company's mineral exploration and development programs will result in profitable commercial production.

Companies engaged in mining activities are subject to all of the hazards and risks inherent in exploring for, developing and operating natural resource projects. These risks and uncertainties include, but are not limited to, environmental hazards, industrial accidents, labour disputes, increases in the cost of labour, social unrest, fires, changes in the regulatory environment, impact of non-compliance with laws and regulations, encountering unusual or unexpected geological formations or other geological or grade problems, unanticipated metallurgical characteristics or less than expected mineral recovery, mechanical equipment and processing plant failures, failure of tailings storage facilities, encountering unanticipated ground or water conditions, cave-ins, pit wall failures, flooding, rock bursts, periodic interruptions due to inclement or hazardous weather conditions, earthquakes, seismicity, natural disasters and other acts of God or unfavourable operating conditions and losses. Should any of these risks or hazards affect the Company's exploration, development or mining activities, it may: cause the cost of development or production to increase to a point where it would no longer be economic to produce metal from the Company's mineral resources or expected reserves; result in a write-down or write-off of the carrying value of one or more mineral projects; cause delays or stoppage of mining or processing; result in the destruction of mineral properties, processing facilities or third-party facilities necessary to the Company's operations; cause personal injury or death and related legal liability; or result in the loss of insurance coverage — any or all of which could have a material adverse effect on the financial condition, results of operations or cash flows of the Company. Such incidents may also result in a breach of the conditions of a mining lease or other consent or permit of a relevant regulatory regime, with consequent exposure to enforcement procedures, including the possible revocation of such leases, consents and permits.

The economics of any future commercial production from the Company's mineral properties depend on many factors, including the cost of operations, the size and quality of the mineral deposit, proximity to infrastructure, financing costs and government regulations, including regulations relating to prices, taxes, royalties, land tenure, land use, importing and exporting minerals and environmental protection. The effects of these factors cannot be accurately predicted, but any combination of these factors could adversely affect the economics of commencement or continuation of commercial mineral production.

The Tuvatu Gold Project is in Fiji and is subject to risks associated with operations in foreign jurisdictions.

The Company's operations are subject to the risks normally associated with the conduct of business in foreign emerging countries and such risks may be increased because the Tuvatu Gold Project is in Fiji.

The Company's ability to carry on its business in the normal course may be adversely affected by political and economic considerations (such as civil unrest), labour disputes, corruption, sovereign risk (including coup d'état), political instability, the failure of foreign parties or governments to honour contractual relations, consents, rejections or waivers granted, changing government regulations with respect to mining including environmental requirements, taxation, royalties, land tenure, foreign investments, foreign exchange controls, income repatriation and capital recovery (which changes may be arbitrary and with little or no notice), severe fluctuations in currency exchange and inflation rates, import and export restrictions, challenges to the Company's title to properties, problems renewing licenses and permits, opposition to mining from environmental or other nongovernmental organizations, increased financing costs, instability due to economic underdevelopment, inadequate infrastructure, crime and security threats, and the expropriation of property interests. The Company relies to a significant extent on local advisors in respect of legal, regulatory, environmental, banking and tax matters in Fiji, and cannot predict the manner in which existing laws may be administered or interpreted. Any of these events could result in conditions that disrupt, curtail or suspend the Company's operations at, or the expansion of, the Tuvatu Gold Project, and, because the Tuvatu Gold Project is the Company's sole producing asset, could have a material adverse effect on the Company.

The Company's operations depend on maintaining good relationships with landowners and local communities.

The Tuvatu Gold Project is located on land in which local landowners and communities hold interests, and the Company's ability to operate depends on maintaining its social licence to operate and its arrangements with those landowners and communities. Mining companies face increasing pressure to demonstrate that host communities benefit from their operations, and the Company may face pressure to increase social investment, compensation, royalties or other benefits. Disputes with or among landowners, including as to the identity of the correct landowners or the adequacy of compensation, lease payments or other benefits, or dissatisfaction with the Company's activities, could result in protests, blockades, legal claims, delays in permitting or other disruptions to operations, and non-governmental organizations or community groups could direct adverse publicity against the Company regardless of its compliance with social and environmental best practices. Any of these events could have a material adverse effect on the Company's business, results of operations and financial condition.

The Company has obligations under secured convertible debentures.

The Company has issued secured convertible debentures pursuant to its Debenture Offering. The debentures constitute direct, secured obligations of the Company and are secured by a security interest over certain of the Company's assets in favour of the debenture holders.

The debentures are convertible into Common Shares at the option of the holders. The conversion of some or all of the debentures may result in significant dilution to existing shareholders and could adversely affect the market price of the Common Shares. If the market price of the Common Shares remains below the applicable conversion price, holders may elect not to convert their debentures, in which case the Company will be required to repay the principal amount in cash at maturity. There can be no assurance that the Company will have sufficient financial resources to fund such repayment or that it will be able to refinance the debentures on acceptable terms, or at all.

In addition, the debentures bear interest at a rate of 10% per annum. The Company's obligation to service this indebtedness may place a strain on the Company's liquidity and could limit its ability to fund operations, capital expenditures or future growth opportunities if interest is not paid or payable in Common Shares. The payment of interest in Common Shares will result in dilution of the Company's existing shareholders.

In the event that the Company fails to satisfy its obligations under the debentures, including the obligation to repay principal or interest when due, or otherwise defaults under the terms of the governing debentures, the security granted in respect of the debentures may be enforced. Any such enforcement could result in the realization, sale or foreclosure upon some or all of the Company's secured assets. The exercise of such remedies could materially adversely affect the Company's business, financial condition and results of operations and could result in a loss of value for securityholders.

In addition, the existence of the secured debentures may limit the Company's ability to incur additional indebtedness, grant further security interests, or otherwise pursue certain financing or business opportunities, which could adversely affect the Company's financial flexibility.

The Company's operations may be affected by infrastructure limitations and supply chain interruptions.

Mining and processing activities depend on adequate infrastructure, including reliable roads, power sources and water supply. Due to the limited number of suppliers of equipment, materials, consumables and services available in Fiji, the Company relies on goods imported by sea and air, and any disruption at supplier facilities, in shipping or freight, or in customs clearance may result in production delays or the curtailment of activities. Equipment and spare parts may require long lead times, and equipment breakdowns have previously affected the Company's production. The Company is also exposed to price volatility in respect of key inputs, such as fuel. Any of these factors could adversely affect the Company's operations, costs and financial condition.

The Company's operations are exposed to severe weather, natural disasters and climate change.

Fiji is subject to tropical cyclones, prolonged heavy rainfall, flooding and seismic events, which may damage infrastructure, disrupt mining, processing and transportation, and restrict access to the Tuvatu Gold Project. Heavy rains reduced throughput in January and February 2025, and adverse weather contributed to the decline in production in the quarter ended March 31, 2026. The physical effects of climate change may increase the frequency and severity of extreme weather events and affect water availability, and evolving climate change legislation may increase compliance costs. The Company may be unable to overcome weather-related problems expeditiously or at a commercially reasonable cost, which could have a material adverse effect on the Company's business, results of operations and financial condition.

It may be difficult for investors to enforce judgments or effect service of process on directors and officers of the Company who reside outside of Canada.

One director of the Company resides outside of Canada. Some or all of the assets of such persons may be located outside of Canada. Therefore, it may not be possible for investors to collect or to enforce judgments obtained in Canadian courts predicated upon the civil liability provisions of applicable Canadian securities laws against such persons. Moreover, it may not be possible for investors to effect service of process within Canada upon such persons.

The Company's properties contain no known mineral reserves.

Only those mineral deposits that the Company can economically and legally extract or produce, based on a comprehensive evaluation of cost, grade, recovery and other factors, are considered mineral reserves. The current resource estimate comprises inferred and indicated resources and no assurance can be given that any particular level of recovery of gold or other minerals from mineralized material will in fact be realized or that an identified mineralized deposit will ever qualify as a commercially mineable (or viable) reserve. Substantial additional work, including mine design and mining schedules, metallurgical flow sheets and process plant designs, would be required in order to determine if any economic deposits exist on the Company's properties. Substantial expenditures would be required to establish mineral reserves through drilling and metallurgical and other testing techniques. The costs, timing and complexities of upgrading the mineralized material at the Tuvatu Gold Project to proven or probable reserves may be greater than the Company anticipates and may not be undertaken prior to development, if at all. Failure to discover

economically recoverable reserves on a mineral property will require the Company to write off the costs capitalized for that property in its financial statements. No assurance can be given that any level of recovery of any mineral resources will be realized or that any identified mineral deposit will ever qualify as a commercially mineable ore body that can be legally and economically exploited.

The Company commenced production at the Tuvatu Gold Project without having established mineral reserves or completed a feasibility study, and accordingly there is increased uncertainty and risk of economic and technical failure associated with the Company's production and cost estimates.

The Company is subject to government regulation.

Mining operations and exploration activities are subject to extensive laws and regulations governing exploration, development, production, exports, taxes, labour standards, waste disposal, protection and remediation of the environment, reclamation, historic and cultural resources preservation, mine safety and occupational health, handling, storage and transportation of hazardous substances and other matters. The costs of discovering, evaluating, planning, designing, developing, constructing, operating, and closing the Tuvatu Gold Project or other facilities in compliance with such laws and regulations are significant. It is possible that the costs and delays associated with compliance with such laws and regulations could become such that the owners or operators of mining operations would not proceed with the development of or continue to operate a mine. As part of their normal course operating and development activities, such owners or operators have expended significant resources, both financial and managerial, to comply with governmental and environmental regulations and permitting requirements and will continue to do so in the future. Moreover, it is possible that future regulatory developments, such as increasingly strict environmental protection laws, regulations and enforcement policies thereunder, and claims for damages to property and persons resulting from mining operations could result in substantial costs and liabilities in the future.

Environmental Regulation

All phases of mining and exploration operations are subject to governmental regulation, including environmental regulation. Environmental legislation is becoming stricter, with increased fines and penalties for non-compliance, more stringent environmental assessments of proposed projects and heightened responsibility for companies and their officers, directors and employees. While efforts to reduce emissions may be partially offset by improved energy efficiency, technological advancements, and the growing demand for minerals, the evolving regulatory landscape may lead to additional transition costs at certain operations. Consequently, the Company anticipates increased compliance costs as a result of changes in laws and regulations.

There can be no assurance that possible future changes in environmental regulation will not adversely affect mining operations. Additionally, environmental hazards may exist on a property in which the owners or operators of mining operations hold an interest which were caused by previous or existing owners or operators of the properties and of which such owners or operators are not aware at present and which could impair the commercial success, levels of production and continued feasibility and project development and mining operations on these properties.

The Company will require various permits to enable it to conduct its current and anticipated future operations.

The Company's current and anticipated future operations, including continued production at the Tuvatu Gold Project, the expansion of the processing plant and further exploration and development activities in Fiji, require the granting and maintenance of the necessary permits from various national and local authorities. The granting, continuing validity and enforcement of the terms of such concessions and permits are, as a practical matter, often subject to the discretion of the applicable governments or government officials. There can be no assurance that all concessions and permits that the Company requires will be obtainable on reasonable terms, or at all, or will continue to be valid. Further, delays or failure to obtain such concessions and permits, the withdrawal, expiry or non-renewal of existing concessions and permits,

or failure to comply with the terms of such concessions and permits could have a material adverse impact on the Company.

The Company's four SPLs and one SML in Fiji have been granted by the Fijian government. The Company has complied with all requests from the MRD and associated governmental organizations. The Company works with its Fijian stakeholders on an ongoing basis to ensure the successful grant of all required permits. Changes in government personnel can cause procedural delays and additional requests.

There is no assurance that the Company's title to its mineral properties will not be challenged.

The acquisition of title to mineral properties is a very detailed and time-consuming process. Title to and the area of mineral properties may be disputed. While the Company has diligently investigated title to its mineral properties and has received a title opinion with respect to the Tuvatu Gold Project, this should not be construed as a guarantee of title to any of the Company's mineral properties. The Company's mineral properties may be subject to prior unregistered agreements or transfers and title may be affected by undetected defects. The Company has not surveyed the boundaries of all of its mineral properties and consequently the boundaries of the properties may be disputed. The Company's mineral properties may also be subject to prior unregistered agreements of transfer or aboriginal land claims, and title may be affected by undetected defects.

The Company's potential profitability is partly dependent upon factors beyond the Company's control.

As with other enterprises in the mining industry, the Company's mineral exploration and development related activities are subject to conditions beyond the Company's control that may impact upon the potential profitability of its mineral projects. For instance, world prices of and markets for minerals are unpredictable, highly volatile, potentially subject to governmental interference, currency pegging and/or controls and respond to changes in domestic, international, political, social and economic environments. Another factor is that a decline in the market price of metals, including gold, could also have a material adverse impact on the ability of the Company to finance the exploration and development of its existing projects.

Profitability will also depend on the costs of operations, including costs of labour, equipment, electricity, environmental compliance, diesel prices, cost of sulphuric acid and other production inputs, the discovery and/or acquisition of additional mineral reserves and mineral resources, the successful conclusion of feasibility and other mining studies, access to adequate capital for project development and sustaining capital, design and construction of efficient mining and processing facilities within capital expenditure budgets, securing and maintaining title to concessions and other mining rights, obtaining permits, consents and approvals necessary for the conduct of exploration, development, construction and production, and the ability to procure major equipment items and key consumables in a timely and cost-effective manner. Such costs will fluctuate in ways the Company cannot predict and are beyond the Company's control, and such fluctuations will impact on profitability and may eliminate profitability altogether. Additionally, due to worldwide political and economic uncertainty, the availability and cost of funds for development and other costs have become increasingly difficult, if not impossible, to predict. These changes and events may materially affect the Company's financial performance.

The Company has a limited operating history as a producer and a history of losses.

The Company poured first gold at the Tuvatu Gold Project in October 2023 and has a limited history of operating a mine. The Company has a history of losses up to June 2025 and there can be no assurance that the Company maintains profitability. There can be no assurance that Lion One will be able to operate the Tuvatu Gold Project or develop any of its properties profitably or that its activities will generate positive cash flow. A prospective investor in Lion One must be prepared to rely solely upon the ability, expertise, judgment, discretion, integrity, and good faith of Lion One's management in all aspects of the development and implementation of the Company's business activities.

The Company experiences negative cash flow.

The Company has experienced negative cash flow and may continue to do so. Although the Company generates revenue from the sale of gold produced at the Tuvatu Gold Project, such revenue has not been sufficient to fund operating costs, debt service and repayment and sustaining and expansion capital, and there can be no assurance that the Company will generate positive cash flow in the future.

To the extent the Company has negative cash flow in future periods, the Company may need to allocate a portion of its cash reserves to fund such negative cash flow. The Company may also be required to raise additional funds through the issuance of equity or debt securities. There can be no assurance that additional capital or other types of financing will be available if or when needed or that these financings will be available on terms favourable to the Company or at all.

The Company has not paid dividends and may not pay dividends in the foreseeable future.

No dividends on the Common Shares have been paid by the Company to date. The Company does not intend to declare or pay any cash or in-kind dividends in the foreseeable future. Payment of any future dividends will be at the discretion of the Board, after taking into account a multitude of factors appropriate in the circumstances, including the Company's operating results, financial condition and current and anticipated cash needs.

The Company's resource estimates are based on interpretations and assumptions and may yield less mineral production under actual conditions than is currently estimated.

Mineral resource estimates for development projects are, to a large extent, based on interpretations of geological data obtained from drill holes and other sampling techniques. There is significant uncertainty in any mineral resource estimate and the actual deposits encountered may differ materially from the Company's estimates. Mineral resources which are not mineral reserves do not have demonstrated economic viability.

Estimated mineral resources are periodically recalculated based on changes in prices of mineral products, changes in expected operating and capital costs and asset retirement obligations, further exploration or development activity or actual production experience. Such recalculations could materially and adversely affect estimates of the volume or grade of mineralization or other important factors which influence mineral resources.

The inclusion of mineral resource estimates should not be regarded as a representation that these amounts can be economically exploited and no assurance can be given that such resource estimates will be converted into mineral reserves.

Costs and Cost Estimates Cannot Be Stated with Certainty

The Company has prepared estimates of operating costs and capital costs in respect of the Tuvatu Gold Project. The Company's estimated costs are dependent on a number of factors, including the exchange rate between the United States dollar, the Canadian dollar and the Fijian dollar, smelting and refining charges, penalty elements in concentrates, royalties, the price of gold and by-product metals, the cost of inputs used in mining operations and events that impact estimated production levels.

However, despite the Company's best efforts to budget and estimate such operating costs and capital costs, including any targeted cost reductions, as a result of the substantial expenditures involved in the development of mineral projects and the fluctuation of costs over time, development projects and operating mines are often prone to material cost overruns. The Company's actual costs may vary from estimates for a variety of reasons, including changing waste-to-ore ratios, ore grade metallurgy, labour and other input costs, commodity prices, general inflationary pressures and currency exchange rates. Failure to achieve the Company's estimated costs could have an adverse impact on Lion One's business, results of operations

and financial condition. The Company may be required to seek additional debt or equity capital in order to complete the planned expansion of the processing plant at the Tuvatu Gold Project and the Company may not be able to access capital on commercially reasonable terms or at all and, even if successful, the Company may not be able to raise enough capital to allow it to fully fund the capital costs required to complete the expansion.

Uncertainties and Risks Relating to the Technical Report.

There is no certainty that the Technical Report will be realized. While the Technical Report is based on the best information available to the Company, the Company cannot be certain that actual costs will not significantly exceed the estimated cost. While the Company incorporates what it believes is an appropriate contingency factor in cost estimates to account for this uncertainty, there can be no assurance that the contingency factor is adequate. Many factors are involved in the determination of the economic viability of a mineral deposit, including the achievement of satisfactory mineral reserve estimates, the level of estimated metallurgical recoveries, capital and operating cost estimates and estimates of future metal prices. Resource estimates are based on the assay results of many intervals from many drill holes and the interpolation of those results between holes and may also be materially affected by metallurgical, environmental, permitting, legal title, socio-economic factors, marketing, political and other factors.

Disclosure and Internal Controls

Internal controls over financial reporting are procedures designed to provide reasonable assurance that transactions are properly authorized, assets are safeguarded against unauthorized or improper use, and transactions are properly recorded and reported. Disclosure controls and procedures are designed to ensure that information required to be disclosed by a company in reports filed with securities regulatory agencies is recorded, processed, summarized, and reported on a timely basis and is accumulated and communicated to the company's management, including its Chief Executive Officer and Chief Financial Officer, as appropriate, to allow timely decisions regarding required disclosure. A control system, no matter how well designed and operated, can provide only reasonable, not absolute, assurance with respect to the reliability of reporting, including financial reporting and financial statement preparation.

The Company is subject to information technology and cybersecurity risks.

The Company's operations depend on information technology systems, which could be subject to network disruptions caused by computer viruses, security breaches and cyber-attacks, as well as disruptions resulting from natural disasters, power loss and other events. Any such failure or breach could result in operational disruption, the loss or misappropriation of information, reputational damage and significant remediation costs, and there can be no assurance that the Company's insurance will be sufficient to cover any resulting losses.

Currency fluctuations.

Fluctuations in currency exchange rates (principally the United States dollar/CDN $ and Fijian dollar/CDN $ exchange rates) may significantly impact the Company's operating, development and exploration costs and the cost of servicing the Nebari Facility, which is denominated in United States dollars.

The appreciation of the Fijian dollar against the Canadian dollar would increase the cost of operations, development and exploration at the Company's mineral properties (including the Tuvatu Gold Project) located in Fiji which could have a material adverse effect on the financial condition of the Company.

Competition in the mining industry could adversely affect the Company's ability to acquire mineral claims, leases and other mineral interests.

There is aggressive competition within the mining industry for the discovery and acquisition of properties considered to have commercial potential. The Company will be competing with other mining companies,

many of which have greater financial resources than it does, for the acquisition of mineral claims, leases and other mineral interests as well as for the recruitment and retention of qualified employees and other personnel. There can be no assurance that the necessary funds can be raised or that any projected work will be completed.

The Company is subject to litigation risks and judgments obtained in Canadian courts may not be enforceable in foreign jurisdictions.

The Company may be subject to legal claims, with or without merit, and the cost to defend and settle such legal claims can be substantial, regardless of the merit of the claim. Substantially all of the Company's assets are located outside of Canada. It may be difficult or impossible to enforce judgments obtained in Canadian courts predicated upon the civil liability provisions of the securities laws of the various Canadian provinces against the Company's assets located outside of Canada.

The Company's insurance coverage may not cover all losses and liabilities and certain risks are uninsured or uninsurable.

The mining industry is subject to significant risks, including unexpected or unusual geological formations or operating conditions, rock bursts, cave-ins, fires, floods, earthquakes and other environmental occurrences, and political and social instability, which could result in damage to, or destruction of, mineral properties or producing facilities, personal injury or death, environmental damage, delays in mining and monetary losses and possible legal liability. Accordingly, the Company may become subject to losses, liabilities, delays or damages against which it cannot insure or against which it may elect not to insure because insurance costs are too expensive relative to the perceived risk.

Of the risks which the Company may elect to insure, the liability could exceed the policy limits or otherwise be determined to be excluded by the coverage. The impact of the potential cost associated with any liabilities in excess of the Company's insurance coverage or of any uninsured liabilities may have a material adverse effect on the financial condition, results of operations or cash flows of the Company. The Company has not purchased insurance for environmental risks (including potential liability for pollution or other hazards as a result of the disposal of waste products occurring from exploration and production) as it is not generally available at a reasonable price.

The Company is reliant upon management and other key personnel and employees.

The Company is heavily reliant on the personal efforts, experience and expertise of its directors and senior officers. If any of these individuals should cease to be available to manage the affairs of the Company, its activities and operations could be adversely affected. Recruiting and retaining qualified personnel is critical to the Company's success. The number of persons skilled in acquisition, exploration and development of mining properties is limited and competition for such persons is intense. As the Company's business activity grows, the Company will require additional key financial, administrative and mining personnel as well as additional operations staff. Although the Company believes that it will be successful in attracting, training and retaining qualified personnel, there can be no assurance of such success. If the Company is not successful in attracting and training qualified personnel, the efficiency of its operations could be affected, which could have an adverse impact on the Company's future cash flows, earnings, results of operations and financial condition.

Attraction and Retention of Key Personnel Including Directors

Lion One has a small management team and the loss of a key individual or inability to attract suitably qualified staff could have a material adverse impact on the business of the Company. Lion One may also encounter difficulties in obtaining and maintaining suitably qualified staff. The success of the Company depends on the ability of management to interpret market data correctly and to interpret and respond to economic, market and other conditions in order to locate and adopt appropriate opportunities. No assurance can be given that individuals with the required skills will continue employment with Lion One or that replacement personnel with comparable skills can be found. Lion One will be dependent on the services of key executives, including the directors of Lion One and a small number of highly skilled and experienced executives and personnel. Due to the relatively small size of Lion One, the loss of these persons or Lion One's inability to attract and retain additional highly skilled employees may adversely affect its business and future operations.

Fluctuating Metals Prices.

The Company's revenues are derived in large part from the extraction and sale of gold. The price of gold has fluctuated widely, particularly in recent years, and is affected by numerous factors beyond the Company's control including international, economic and political trends, expectations of inflation, currency exchange fluctuations, interest rates, global or regional consumptive patterns, speculative activities and increased production due to new extraction developments and improved extraction and production methods. The effect of these factors on the price of gold, and therefore on the Company's revenue, cash flow and ability to service the Nebari Facility and the economic viability of the Tuvatu Gold Project, cannot accurately be predicted.

Inflation may affect the Company's operating and capital costs, and the Company may need to raise additional funds or reduce expenditures.

Inflationary pressures in recent years have resulted in higher costs for goods, such as fuel, and services required for the Company's operations and capital programs. Accordingly, if inflation continues, there is a risk that the Company's estimates of operating and capital costs could rapidly become out-of-date. If this happens, the Company will need to either raise additional funds through additional equity issuances, causing equity dilution, or reduce its expenditures and reduce progress. Increases in inflation may result in central bank interest rate hikes which can trigger negative capital market conditions making financing difficult and increase the cost of servicing the Nebari Facility, which bears interest at floating rates. While inflation increases may lead to higher precious metals prices, there can be no assurance that the Company's plan of operations and its share price will not be adversely affected by increased inflation.

Global Demand and International Trade Restrictions

The international gold industry is subject to extensive government regulation and policies. In general, trade agreements, governmental policies and/or trade restrictions are beyond the control of the Company and may affect the supply of minerals available internationally. Similarly, trade restrictions or foreign policy have the potential to impact the ability to supply gold to developing markets, such as China and India. In addition, the threat or imposition of tariffs, retaliatory trade measures or other trade restrictions could increase the cost of, or disrupt the supply of, equipment, materials and consumables imported for the Company's operations, and increase market volatility.

The Company's Common Shares may experience price volatility and the market price of the Common Shares cannot be assured.

There can be no assurance that an active market for the Common Shares will be sustained. If an active or liquid market for the Common Shares fails to develop or be sustained, the prices at which the Common Shares trade may be adversely affected. Securities of mining companies have experienced substantial volatility in the past, often based on factors unrelated to the financial performance or prospects of the

companies involved. These factors include macroeconomic developments in North America and globally, and market perceptions of the attractiveness of particular industries. The price of the securities of the Company is also likely to be significantly affected by short-term changes in commodity prices, other precious metal prices or other mineral prices, prevailing interest rates and the market for similar securities, the market price of the Company's other securities, general economic conditions and the Company's financial condition, historic financial performance and future prospects, currency exchange fluctuation, the political environment in Fiji, or changes in its financial condition or results of operations as reflected in its quarterly earnings reports.

Other factors unrelated to the performance of the Company that may have an effect on the price of the securities of the Company include the following: the extent of analyst coverage available to investors concerning the business of the Company may be limited if investment banks with research capabilities do not follow the Company's securities; lessening in trading volume and general market interest in the Company's securities may affect an investor's ability to trade significant numbers of securities of the Company; the size of the Company's public float may limit the ability of some institutions to invest in the Company's securities; and a substantial decline in the price of the securities of the Company that persists for a significant period of time could cause the Company's securities to be delisted from an exchange, further reducing market liquidity. If an active market for the securities of the Company does not continue, the liquidity of an investor's investment may be limited and the price of the securities of the Company may decline and investors may lose their entire investment in the Common Shares.

As a result of any of these factors, the market price of the securities of the Company at any given point in time may not accurately reflect the long-term value of the Company. Securities class-action litigation often has been brought against companies following periods of volatility in the market price of their securities. The Company may in the future be the target of similar litigation. Securities litigation could result in substantial costs and damages and divert management's attention and resources.

Any volatility in the price of the Common Shares may affect the ability of shareholders to sell their Common Shares at an advantageous price. Market price fluctuations in the Common Shares may be due to the Company's operating results failing to meet the expectations of securities analysts or investors in any quarter, downward revision in securities analysts' estimates, governmental regulatory action, adverse changes in general market conditions or economic trends, including changes resulting from geopolitical conflicts, acquisitions, dispositions or other material public announcements by the Company or its competitors, along with a variety of additional factors, including, without limitation, those set forth under "Cautionary Statement Regarding Forward-Looking Information" in this AIF.

Future Sales of Shares by Existing Shareholders

Sales of a large number of Lion One's Common Shares in the public markets, or the potential for such sales, could decrease the trading price of the Common Shares and could impair Lion One's ability to raise capital through future sales of its Common Shares. The Company may from time to time have previously issued securities at an effective price per share which will be lower than the market price of its Common Shares. Accordingly, certain shareholders of Lion One may have an investment profit in the Company's Common Shares that they may seek to liquidate.

Conflicts of interest may arise between Lion One's directors and officers.

Certain of the directors and officers of Lion One may also serve from time to time as directors and/or officers of other companies involved in natural resource exploration, development and mining operations and consequently there exists the possibility for such directors and officers to be in a position of conflict. Any decision made by any of such directors and officers will be made in accordance with their duties and obligations to deal fairly and in good faith with a view to the best interests of Lion One and its shareholders. In addition, each of the directors is required to declare and refrain from voting on any matter in which such directors may have a conflict of interest in accordance with the procedures set forth in the Business Corporations Act (British Columbia) and other applicable laws.

Shareholder activism may create uncertainty and divert management attention.

In March 2026, the Company received a requisition from a shareholder proposing changes to the Board, which the Board determined did not constitute a valid requisition, and the Board formed a Special Committee to, among other things, respond to the requisition and oversee a strategic process to consider strategic alternatives available to the Company. Shareholder activism, including any proxy contest or litigation, could result in substantial costs, divert the attention of management and the Board, and create uncertainty regarding the Company's strategic direction.

Any future acquisitions by the Company may not be successful or acceptable.

Lion One's business strategy includes continuing to seek new property and corporate acquisition, merger and joint venture opportunities. In pursuit of such opportunities, Lion One may fail to select appropriate acquisition candidates or negotiate acceptable arrangements, including arrangements to finance acquisitions or integrate the acquired businesses and their personnel into Lion One. Lion One cannot assure that it can complete any acquisition or business arrangement that it pursues, or is pursuing, on favourable terms, or that any acquisitions or business arrangements completed will ultimately benefit Lion One's business.

DIVIDEND POLICY

No dividends on the Common Shares have been paid by Lion One to date. Lion One anticipates that for the foreseeable future it will retain future earnings and other cash resources for the operation and development of its business. Payment of any future dividends will be at the discretion of the Board after taking into account many factors, including Lion One's operating results, financial condition and current and anticipated cash needs. Further, Lion One conducts its major operations through subsidiaries. Lion One's ability to obtain dividends or other distributions from subsidiaries may be subject to restrictions on dividends or repatriation of earnings under applicable local law, monetary transfer restrictions and credit facilities. There can be no assurance that there will be no future restrictions on repatriation, the payment of dividends or other distributions from subsidiaries which are necessary to enable the Company to pay dividends in the future.

DESCRIPTION OF CAPITAL STRUCTURE

The Company is authorized to issue an unlimited number of Common Shares without par value. As of June 30, 2026, **[424,301,970]** Common Shares were issued and outstanding, and as of the date of this AIF **[429,777,475]** Common Shares are issued and outstanding. The holders of Common Shares are entitled to receive notice of any meeting of Lion One shareholders and to attend and vote thereat. Each Common Share entitles its holder to one vote. The holders of Common Shares are entitled to receive on a pro rata basis such dividends as the Board may declare out of funds legally available therefor. In the event of the dissolution, liquidation, winding-up or other distribution of the assets of Lion One, such holders are entitled to receive on a pro rata basis all of the assets of Lion One remaining after payment of all of Lion One's liabilities. The Common Shares carry no pre-emptive, subscription, redemption, retraction, conversion or exchange rights, nor do they contain any sinking or purchase fund provisions. The Common Shares carry no other special rights and restrictions other than as described herein.

As of June 30, 2026, the Company had 12,500 10% subordinated secured convertible debentures outstanding, each with a face value of $1,000 per debenture (for an aggregate principal amount of $12,500,000), a conversion price of $0.13 per Common Share, and a maturity date of 4 years from the date of issuance (the "**Convertible Debentures**"). Interest accrues at 10% per annum, payable annually in arrears in Common Shares, subject to applicable regulatory approvals. The Convertible Debentures are collaterally secured by a general security agreement over all present and after-acquired property of the Company and so represent a priority position over the Common Shares in the event of a dissolution,

liquidation, winding-up or other distribution of the assets of Lion One but are otherwise subordinated to the Company's outstanding and future senior secured debt. On July 10, 2026, an additional 1,500 Convertible Debentures were issued by the Company for a total of 14,000 Convertible Debentures outstanding for an aggregate principal amount of $14,000,000.

MARKET FOR SECURITIES

The Common Shares are listed on the following exchanges with the corresponding symbols.

Country	Symbol	Exchange/Market
Canada	LIO	TSX Venture Exchange
USA	LOMLF	OTCQX Market
EU	LY1	Frankfurt Stock Exchange

TRADING PRICE AND VOLUME

The Common Shares traded on the TSXV (trading symbol "LIO") during the 2026 Fiscal Year. The table below presents the high and low trading range, closing prices, and monthly trading volumes on the TSXV for the period from July 1, 2025 to June 30, 2026. All prices are in Canadian dollars.

Month	High	Low	Close (as at month end)	Volume (Monthly)
July 2025	0.31	0.26	0.26	9,516,100
August 2025	0.28	0.26	0.27	5,204,600
September 2025	0.44	0.26	0.30	34,532,900
October 2025	0.36	0.25	0.26	38,437,500
November 2025	0.29	0.23	0.29	12,201,000
December 2025	0.35	0.26	0.29	20,242,500
January 2026	0.39	0.28	0.36	22,839,300
February 2026	0.38	0.29	0.32	9,602,600
March 2026	0.32	0.21	0.25	13,769,200
April 2026	0.27	0.22	0.22	9,512,700
May 2026	0.21	0.12	0.15	22,419,500
June 2026	0.16	0.12	0.14	13,125,200

PRIOR SALES

The Company has various securities outstanding, some of which are not listed or quoted on a marketplace including Convertible Debentures and Common Share purchase warrants, compensation warrants, restricted share units and stock options granted under the Company's stock option plan. No stock options were granted during the 2026 Fiscal Year; however, 12,500 Convertible Debentures, 6,495,690 compensation warrants, 5,000,000 restricted share units and 222,701,412 Common Share purchase warrants were issued during the year, as set out in the tables below.

The following compensation warrants were issued during the year ended June 30, 2026:

Date of Issuance	Number of Compensation Warrants	Exercise Price	Expiry Date
September 23, 2025	1,173,130	0.32	September 23, 2027
September 24, 2025	2,132,957	0.32	September 24, 2027
October 17, 2025	1,202,403	0.32	October 17, 2027
October 23, 2025	1,987,200	0.32	October 23, 2027
	6,495,690		

The following Common Share purchase warrants were issued during the year ended June 30, 2026:

Date of Issuance	Number of Share Purchase Warrants	Exercise Price	Expiry Date
September 23, 2025	16,759,000	0.42	September 23, 2028
September 24, 2025	42,710,228	0.42	September 24, 2028
October 17, 2025	18,655,771	0.42	October 17, 2028
October 23, 2025	26,975,017	0.42	October 23, 2028
June 29, 2026	21,447,575	0.175	June 29, 2029
June 29, 2026	96,153,821	0.175	June 29, 2030
	222,701,412		

DIRECTORS AND OFFICERS

Name, Occupation and Security Holdings

The name, province or state of residence, position and principal occupation within the five preceding years for each of the directors and officers of the Company at the date of this AIF are set out in the following table. The information provided in the table below has been furnished by such directors and officers.

Name, Province/State and Country of Residence, and Position with the Company	Principal Occupations During the Five Preceding Years	Director or Officer Since
Todd Romaine(2)(3) West Vancouver, BC, Canada *Chairman of the Board and Director*	Chairman of the Board, Lion One Metals Limited; Director, EAU Lithium; and Principal, Romaine International Consulting, providing advisory services in sustainability, government relations and leadership support. President and Chief Executive Officer, EAU Lithium (2025–2026); Executive Director, BC Hydrogen Association (2024–2025); and Executive Vice-President, Galiano Gold Inc. (2020–2024).	October 16, 2025
Ian Berzins(2) Calgary, AB, Canada *Chief Executive Officer and Director*	CEO and Director of Lion One and Chairman and CEO of Canadian Critical Minerals Inc since May 2018.	June 15, 2026

Name, Province/State and Country of Residence, and Position with the Company	Principal Occupations During the Five Preceding Years	Director or Officer Since
Tayfun Eldem(1)(2)(3) Montreal, QC, Canada *Director*	Independent mining consultant. Chief Operating Officer, Baffinland Mines (May 2020 until February 2025).	June 3, 2026
Richard J. Meli (1)(3) New York, NY, USA *Director*	Independent businessman focused on mining industry	February 12, 2004
David Anderson(1)(2)(3) Oakville, ON, Canada *Director*	Corporate advisor and capital markets professional. Head of capital markets at Industrial Alliance from 2021-2023.	January 21, 2026
Tony Young Burnaby, BC, Canada *Chief Financial Officer*	Chief Financial Officer of Lion One Metals.	November 10, 2017
Shayla Forster Maple Ridge, BC, Canada *Corporate Secretary*	President of Forster Corporate Consulting Inc. (July 2015–present), providing corporate secretarial and regulatory compliance services to public and private companies. Currently serves as Corporate Secretary of Lion One Metals Limited, Cascadia Minerals Ltd. and Viva Gold Corp. Previously served as Corporate Secretary of Elevation Gold Mining Corporation, a gold mining company (February 2021–January 2025).	July 15, 2026
Ronan Geoghegan Vancouver, BC, Canada *Vice President, Corporate Development and Investor Relations*	Manager/Director Corporate Development at Lion One Metals, April 19, 2023 to July 2, 2026. Full-time MBA, January 11, 2021 to May 30, 2022.	July 2, 2026

(1) Member of the Company's Audit Committee
(2) Member of the Company's Governance-Compensation-Human Resources Committee
(3) Independent in accordance with the definition of NI 52-110

Each director elected will hold office until the conclusion of the next annual general meeting of the Company at which a director is elected, unless the director's office is vacated earlier in accordance with the Articles of the Company or the provisions of the Business Corporations Act (British Columbia).

As of the date of this AIF, the directors and executive officers of the Company and its subsidiaries as a group beneficially owned or controlled or directed, directly or indirectly, or exercised control or direction over 2,831,960 Common Shares, representing 0.66% of the issued and outstanding Common Shares, options to acquire 9,340,000 Common Shares, and warrants to acquire 3,330,537 Common Shares. In addition, directors and executive officers of the Company held convertible debentures with an aggregate principal amount of $112,000, convertible into approximately 861,538 Common Shares at a conversion price of $0.13 per Common Share.

Cease Trade Orders or Bankruptcies

To the best of the Company's knowledge, other than as set forth below, no director or executive officer of the Company is, as at the date of this AIF, or was, within ten years before the date of this AIF, a director, chief executive officer or chief financial officer of any company (including the Company), that (a) was subject to a cease trade or similar order or an order that denied the relevant company access to any exemption under the securities legislation, for a period of more than 30 consecutive days, or (b) was subject to an order that was issued after the director or executive officer ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer.

To the best of the Company's knowledge, other than as set forth below, no director or executive officer of the Company, or a shareholder holding a sufficient number of securities of the Company to affect materially the control of the Company (a) is, as at the date of this AIF, or has been within the 10 years before the date of this AIF, a director or executive officer of any company (including the Company) that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets, or (b) has, within the 10 years before the date of this AIF, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the director, executive officer or shareholder, except as set out below.

Penalties or Sanctions

To the best of the Company's knowledge, no director or executive officer of the Company, or a shareholder holding a sufficient number of securities of the Company to affect materially the control of the Company, has been subject to (a) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or (b) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor in making an investment decision.

Conflicts of Interest

To the best of the Company's knowledge, except as otherwise noted in this AIF, there are no existing or potential conflicts of interest among the Company, its directors, officers, or other members of management of the Company except that certain of the directors, officers and other members of management serve as directors, officers and members of management of other public companies and therefore it is possible that a conflict may arise between their duties as a director, officer or member of management of such other companies and their duties as a director, officer or member of management of the Company.

The directors and officers of the Company are aware of the existence of laws governing accountability of directors and officers for corporate opportunity and requiring disclosure by directors of conflicts of interest and the Company will rely upon such laws in respect of any directors' or officers' conflicts of interest or in respect of any breaches of duty to any of its directors and officers. All such conflicts must be disclosed by such directors or officers in accordance with the Business Corporations Act (British Columbia).

LEGAL PROCEEDINGS AND REGULATORY ACTIONS

Neither the Company nor any of its subsidiaries is a party to, nor are any of the Company's properties subject to, any pending legal proceedings the outcome of which would have a material adverse effect on the Company. Management has no knowledge of any material legal proceedings in which the Company may be a party which are contemplated by governmental authorities or otherwise.

INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

The management of the Company is not aware of any material interest, direct or indirect, of any insider of the Company, or any associate or affiliate of any such person, in any transaction during the Company's last three completed financial years, or during the current financial year, except as set out elsewhere in this AIF, that has materially affected or is reasonably expected to materially affect the Company.

During the 2026 Fiscal Year, certain directors and officers of the Company participated in the Company's financings. Ian Berzins, then Chief Executive Officer, and Tony Young, Chief Financial Officer, acquired

62,500 2025 Units and 293,000 2025 Units, respectively, in the 2025 LIFE Offering, and Mr. Young acquired 276,000 2025 Units in the 2025 Sidecar Placement. In the Debenture Offering and the 2026 Private Placement that closed on June 29, 2026, Mr. Young acquired 101 Debenture Units and 107,640 2026 Units, and each of David Anderson and Todd Romaine, directors of the Company, acquired 154,000 2026 Units. Each such participation constituted a "related party transaction" under Multilateral Instrument 61-101 and was exempt from the formal valuation and minority shareholder approval requirements thereof. In addition, in connection with the retirement of Walter Berukoff on June 3, 2026, the Company agreed to pay Mr. Berukoff severance equal to three times his annual base salary under his employment contract and entered into a consulting agreement under which Mr. Berukoff serves as a strategic advisor to the Company as Chairman Emeritus, pursuant to which he was issued 5,000,000 restricted share units.

TRANSFER AGENT AND REGISTRAR

Lion One's registrar and transfer agent for its Common Shares is Computershare Trust Company of Canada at its principal offices in Vancouver, British Columbia.

MATERIAL CONTRACTS

The Company did not enter into any contracts during the most recently completed financial year, and has not entered into any contract before June 30, 2026 that is still in effect that may be considered material to the Company, other than the material contracts disclosed herein and those entered into in the ordinary course of business not required to be filed under National Instrument 51-102 Continuous Disclosure Obligations ("**NI 51-102**").

The Company entered into the Loan Facility Agreement with Nebari on January 19, 2023 for a financing facility of up to US$37,000,000, as subsequently amended and supplemented, including by the forbearance agreements with Nebari announced on September 9, 2025 and July 23, 2026. See "Loan Facility".

INTERESTS OF EXPERTS

The scientific and technical information with respect to the Tuvatu Gold Project contained in this AIF is derived from the Technical Report and has been updated with current information where applicable.

Mr Melvyn Levrel, MAIG, Chief Geologist of the Company, has reviewed and approved the exploration and geology scientific and technical information contained in this AIF, to ensure that the technical information contained in this AIF is an accurate summary of the original reports and data provided to or developed by the Company. Mr Levrel is considered, by virtue of his education, experience and professional association, to be a Qualified Person for the purposes of NI 43-101. Mr Levrel is not independent of the Company within the meaning of NI 43-101.

Mr Mark Horan, P.Eng., Chief Mining Engineer for the Company, has reviewed and approved the technical engineering and mine development information contained in this AIF, to ensure that the technical information contained in this AIF is an accurate summary of the original reports and data provided to or developed by the Company. Mr Horan is considered, by virtue of his education, experience and professional association, to be a Qualified Person for the purposes of NI 43-101. Mr Horan is not independent of the Company within the meaning of NI 43-101.

The following are names of persons or companies (i) that have prepared or certified a report, valuation, statement or opinion described or included in a filing, or referred to in a filing made under NI 51-102 by the Company during, or relating to the Company's most recently completed financial year; and (ii) whose

profession or business gives authority to the report, valuation, statement or opinion made by the person or company:

a) Bill Witte, P. Eng
b) Greg Mosher, P. Geo
c) Darren Holden, P.Geo

Based on information provided by the experts, none of the experts named above, when or after they prepared the statement, report or valuation, has received or will receive any registered or beneficial interests, direct or indirect, in any securities or other property of the Company or of one of the Company's associates or affiliates (based on information provided to the Company by such experts). As at the date hereof, the aforementioned persons, and the directors, officers, employees and partners, as applicable, of each of the aforementioned companies and partnerships beneficially own, directly or indirectly, in total, less than one percent of the securities of the Company.

The auditors of the Company are Davidson & Company LLP, Chartered Professional Accountants, of Vancouver, British Columbia. Davidson & Company LLP has advised the Company that it is independent within the meaning of the Code of Professional Conduct of the Chartered Professional Accountants of British Columbia.

Neither the aforementioned persons, nor any director, officer, employee or partner, as applicable, of the aforementioned companies or partnerships, is currently expected to be elected, appointed or employed as a director, officer or employee of the Company or of any associate or affiliate of the Company.

INFORMATION ON AUDIT COMMITTEE

The Company is subject to NI 52-110, which has been adopted by the Canadian Securities Administrators and which prescribes certain requirements in relation to audit committees. NI 52-110 requires the Company to disclose annually certain information concerning the constitution of its Audit Committee and its relationship with its independent auditors, which is set forth below.

Audit Committee Charter

The Company's Audit Committee is governed by an audit committee charter, the text of which is set out in Appendix A – Audit Committee Charter of this AIF.

Composition of the Audit Committee

The Company's Audit Committee is comprised of three directors: Richard Meli, Tayfun Eldem, and David Anderson. All members are considered independent members of the Audit Committee pursuant to the meaning of "independent" provided in NI 52-110 and all members of the Audit Committee are considered financially literate as provided for in NI 52-110. Mr. Richard Meli acts as chair of the Audit Committee.

Relevant Education and Experience

This section describes the education and experience of the Company's Audit Committee members that are relevant to the performance of their responsibilities in that role.

Richard J. Meli

Mr. Meli earned a B.S. in Economics in 1969 and an M.S. in Accounting in 1971, both from the Wharton School at the University of Pennsylvania. Mr. Meli began his career with PricewaterhouseCoopers (formerly known as Price Waterhouse & Co.) in 1971, spending eight years in the firm's New York office, becoming a CPA and reaching the level of audit manager. Mr. Meli was President of La Mancha Resources Inc. from September 2004 until May 2006; President of Luzenac America, a subsidiary of Rio Tinto plc, from 1999 to 2001; and Senior Executive Business Development of Rio Tinto plc from 1996 to 1999.

Tayfun Eldem, P. Eng.

Mr. Eldem is an accomplished mining executive with over 35 years of operations and project development experience. Mr. Eldem's previous roles include Chief Operating Officer and Group EVP at Baffinland Iron Mines (2020-2025), President and CEO at Alderon Iron Ore Corp. (2011-2015, 2018-2020) and Managing Director and Associate at Hatch Ltd. (2015-2018). Prior experience also includes over 20 years working for the Iron Ore Company of Canada (IOC), a Rio Tinto subsidiary, in various senior roles including Chief Operating Officer, Vice President, Expansion Projects & Engineering, and General Manager of Processing Operations. As COO, Mr. Eldem was accountable for all of IOC's operations from the mine through the processing plants to rail and port and oversaw the development and delivery of a nearly $2.0 billion program of green and brown fields expansion projects. Mr. Eldem is currently a director on the Pearson College Board, UWC of the Pacific, an international education institution. A graduate of Dalhousie University, Mr. Eldem is a professional engineer and has completed the Operations Management Program at the Richard Ivey School of Business and the Strategic Leadership Program at London Business School.

David Anderson

Mr. Anderson is an investment banking professional with over 30 years of capital markets experience, including extensive experience in mergers and acquisitions, corporate restructurings, capital raising and going-public transactions. He was a founder and former Vice Chairman of Dundee Securities Limited, where he served as Head of Investment Banking from 1998 to 2016. From 2017 to 2020, Mr. Anderson served as Vice Chairman of Investment Banking at Echelon Partners, and from 2020 to 2023, he served as Head of Capital Markets for Industrial Alliance, with oversight responsibilities including investment banking, syndication, institutional sales and trading and fixed income activities. Mr. Anderson continues to act as a corporate advisor on strategic growth and financing initiatives. He holds a Bachelor of Arts in Economics and a Master of Business Administration from the University of Manitoba.

Audit Committee Oversight

Since the commencement of the Company's most recently completed financial year ended June 30, 2026, the Board has not failed to adopt a recommendation of the Audit Committee to nominate or compensate an external auditor.

Reliance on Certain Exemptions

Since the commencement of the Company's most recently completed financial year ended June 30, 2026, the Company has not relied on the exemptions contained in Section 2.4 "De Minimis Non-Audit Services" or Section 8 "Exemptions" of NI 52-110. Section 2.4 provides an exemption from the requirement that the Audit Committee must pre-approve all non-audit services to be provided by the auditor, where the total amount of fees related to the non-audit services is not expected to exceed 5% of the total fees payable to the auditor in the fiscal year in which the non-audit services were provided. Section 8 permits a company to apply to a securities regulatory authority for an exemption from the requirements of NI 52-110, in whole or in part.

The Company has not relied on and is not currently relying on any of the exemptions to the requirement to have all audit committee members be independent (as contained in sections 2.4, 3.2, 3.3(2), 3.4, 3.5 and

3.6 of NI 52-110) or that all committee members be financially literate (as contained in section 3.8 of NI 52-110) or the exemption from NI 52-110, in whole or in part, granted under Part 8 of NI 52-110.

Pre-Approval Policies and Procedures

The Audit Committee has not adopted specific policies and procedures for the engagement of non-audit services. Subject to the requirements of NI 52-110, the engagement of non-audit services is considered by the Board, and where applicable the Audit Committee, on a case-by-case basis.

External Audit Service Fees

The fees paid by the Company to its auditor in each of the last two financial years, by category, are as follows:

Financial Year Ending	Audit Fees	Non-Audit Related Fees	Tax Fees	All Other Fees
June 30, 2026	$350,000	$Nil	$Nil	$Nil
June 30, 2025	$300,000	$90,000	$Nil	$29,355

ADDITIONAL INFORMATION

Additional information relating to the Company may be found on SEDAR+ at www.sedarplus.ca. Additional information, including the remuneration and indebtedness of the directors and officers of the Company, principal holders of the Company's securities and securities authorized for issuance under equity compensation plans, compliance with securities law and corporate governance assessment will be contained in the Company's management information circular for its upcoming annual meeting of shareholders of the Company. Additional financial information is provided in the Company's consolidated financial statements and management discussion and analysis for the 2026 Fiscal Year.

When the securities of the Company are in the course of a distribution pursuant to a short form prospectus, or a preliminary short form prospectus has been filed in respect of a distribution of its securities, copies of the following documents may be obtained via SEDAR+ (www.sedarplus.ca) or upon request from the Corporate Secretary of the Company, Lion One Metals Limited, 306 - 267 West Esplanade, North Vancouver, British Columbia, Canada V7M 1A5:

(a) this AIF, together with one copy of any document, or the pertinent pages of any document, incorporated by reference in this AIF;
(b) Lion One's comparative financial statements for its most recently completed financial year for which financial statements have been filed, together with the Company's report of the auditor and a copy of the most recent interim financial statements of the Company that have been filed, if any, for any period after the end of its most recently completed financial year;
(c) Lion One's information circular in respect of its most recent annual meeting of shareholders; and
(d) any other documents that are incorporated by reference into the preliminary short form prospectus or the short form prospectus that are not required to be provided under paragraphs (a), (b) or (c).

At any other time, copies of any other documents referred to in paragraphs (a), (b) and (c) above may be obtained upon request from the Corporate Secretary of the Company. A person who is not a security holder of the Company may be required to pay a reasonable charge for such copies.

APPENDIX A - AUDIT COMMITTEE CHARTER

National Instrument 52-110 (the "Instrument") relating to the composition and function of audit committees applies to every TSX Venture Exchange listed company, including the Company. The Instrument requires all affected issuers to have a written audit committee charter (the "Charter") which must be disclosed, as stipulated by Form 52-110 F2, in the management information circular of the Company wherein management solicits proxies from the security holders of the Company for the purpose of electing directors to the Board.

This Charter has been adopted by the Board in order to comply with the Instrument and to more properly define the role of the Audit Committee in the oversight of the financial reporting process of the Company. Nothing in this Charter is intended to restrict the ability of the Board or Audit Committee to alter or vary procedures in order to comply more fully with the Instrument, as amended from time to time.

1.0 PURPOSE

The purpose of the Audit Committee (the "Committee") is to: a) assist the Board in fulfilling its oversight responsibilities with respect to financial reporting and disclosure requirements; b) ensure that an effective risk management and financial control framework has been implemented by management of the Company; and c) be responsible for external and internal processes.

2.0 COMPOSITION AND MEMBERSHIP

The Board will appoint the members ("Members") of the Committee after the annual general meeting of shareholders of the Company. The Members will be appointed to hold office until the next annual general meeting of shareholders of the Company or until their successors are appointed. The Board may remove a Member at any time and may fill any vacancy occurring on the Committee. A Member may resign at any time and a Member will cease to be a Member upon ceasing to be a director. The Committee will consist of three directors that meet the criteria for independence and financial literacy established by applicable laws and the rules of the stock exchange upon which the Company's securities are listed, including Multilateral Instrument 52-110 Audit Committees. In addition, each director will be free of any relationship which could, in the view of the Board, reasonably interfere with the exercise of a member's independent judgment. The Board will appoint one of the Members to act as the Chairman of the Committee. The secretary of the Company (the "Secretary") will be the secretary of all meetings and will maintain minutes of all meetings and deliberations of the Committee. In the absence of the Secretary at any meeting, the Committee will appoint another person who may, but need not, be a Member to be the secretary of that meeting.

3.0 MEETINGS

Meetings of the Committee will be held at such times and places as the Chairman may determine. Twenty-four (24) hours advance notice of each meeting will be given to each Member orally, by telephone, by facsimile or email, unless all Members are present and waive notice, or if those absent waive notice before or after a meeting. Members may attend all meetings either in person or by conference call. At the request of the external auditors of the Company, the Chief Executive Officer or the Chief Financial Officer of the Company, or any member of the Committee, the Chairman will convene a meeting of the Committee. Any such request will set out in reasonable detail the business proposed to be conducted at the meeting so requested. The Chairman, if present, will act as the Chairman of meetings of the Committee. If the Chairman is not present at a meeting of the Committee, then the Members present may select the acting Chairman of the meeting. A majority of Members will constitute a quorum for a meeting of the Committee. Each Member will have one vote and decisions of the Committee will be made by an affirmative vote of the

majority. The Chairman will not have a deciding or casting vote in the case of an equality of votes. Powers of the Committee may also be exercised by written resolution signed by all Members. The Committee may invite from time to time such persons as it sees fit to attend its meetings and to take part in the discussion and consideration of the affairs of the Committee. In advance of every regular meeting of the Committee, the Chairman, with the assistance of the Secretary, will prepare and distribute to the Members and others as deemed appropriate by the Chairman, an agenda of matters to be addressed at the meeting together with appropriate briefing materials. The Committee may require officers and employees of the Company to produce such information and reports as the Committee may deem appropriate in order to fulfill its duties.

4.0 DUTIES AND RESPONSIBILITIES

The duties and responsibilities of the Committee are as follows:

4.1 Financial Reporting and Disclosure

a) Review and recommend to the Board for approval, the quarterly financial statements, management discussion and analysis, financial reports and any public release of financial information through press release or otherwise.
b) Review and recommend to the Board for approval, the audited annual financial statements, including the auditors' report thereon, management discussion and analysis and financial reports.
c) Review and recommend to the Board for approval, where appropriate, financial information contained in any prospectuses, annual information forms, material change disclosures of a financial nature and similar disclosure documents.
d) Review with management of the Company and with external auditors significant accounting principles and disclosure issues and alternative treatments under Canadian generally accepted accounting principles ("GAAP") all with a view to gaining reasonable assurance that financial statements are accurate, complete and present fairly the Company's financial position and the results of its operations in accordance with Canadian GAAP.

4.2 Internal Controls and Audit

e) Review and assess the adequacy and effectiveness of the Company's system of internal control and management information systems through discussions with management and the external auditors.
f) Satisfy itself that adequate procedures are in place for the review of the Company's disclosure of financial information extracted or derived from the Company's financial statements.
g) Periodically assess the adequacy of such systems and procedures to ensure compliance with regulatory requirements and recommendations.
h) Review and discuss the Company's major financial risk exposures and the steps taken to monitor and control such exposures, including the use of any financial derivatives and hedging activities.
i) Review annually insurance programs relating to the Company and its investments.

4.3 External Audit

j) Review the performance of the external auditors who are accountable to the Committee and the Board as representatives of the shareholders and recommend to the Board the external auditors to be nominated for the purpose of preparing or issuing an audit report.
k) Oversee the work of the external auditors appointed by the shareholders of the Company with respect to preparing and issuing an audit report.
l) Review the results of the external audit and the report thereon including, without limitation, a discussion with the external auditors as to the quality of accounting principles used, any alternative treatments of financial information that have been discussed with management of the Company, the ramifications of their use as well as any other material changes.

m) Review the reasons for any proposed change in the external auditors which is not initiated by the Committee or Board and any other significant issues related to the change, including the response of the incumbent auditors, and enquire as to the qualifications of the proposed auditors before making its recommendations to the Board.
n) Review the independence of the external auditors, including a written report from the external auditors respecting their independence and consideration of applicable auditor independence standards.

4.4 Associated Responsibilities

Establish, monitor and periodically review a whistleblower policy and associated procedures for the receipt, retention and treatment of: a) complaints received by the Company regarding accounting, internal accounting controls or auditing matters; and b) the confidential, anonymous submission by directors, officers and employees of the Company of concerns regarding questionable accounting or auditing matters.

4.5 Non-Audit Services

Pre-approve all non-audit services to be provided to the Company or any subsidiary entities by its external auditors. The Committee may delegate to one or more of its members the authority to pre-approve non-audit services but pre-approval by such member or members so delegated shall be presented to the full audit committee at its first scheduled meeting following such pre-approval.

4.6 Oversight Function

While the Committee has the responsibilities and powers set forth in this Charter, it is not the duty of the Committee to plan or conduct audits or to determine that the Company's financial statements are complete and accurate or are in accordance with GAAP and applicable rules and regulations. These are the responsibilities of Management and the external auditors. The Committee, the Chairman and any Members identified as having accounting or related financial expertise are members of the Board, appointed to the Committee to provide broad oversight of the financial, risk and control related activities of the Company, and are specifically not accountable or responsible for the day-to-day operation or performance of such activities. Although the designation of a Member as having accounting or related financial expertise for disclosure purposes is based on that individual's education and experience, which that individual will bring to bear in carrying out his or her duties on the Committee, such designation does not impose on such person any duties, obligations or liability that are greater than the duties, obligations and liability imposed on such person as a member of the Committee and Board in the absence of such designation. Rather, the role of a Member who is identified as having accounting or related financial expertise, like the role of all Members, is to oversee the process, not to certify or guarantee the internal or external audit of the Company's financial information or public disclosure.

5.0 REPORTING

The Chairman will report to the Board at each Board meeting on the Committee's activities since the last Board meeting. The Secretary will circulate the minutes of each meeting of the Committee to the members of the Board.

6.0 ACCESS TO INFORMATION AND AUTHORITY

The Committee will be granted unrestricted access to all information regarding the Company and all directors, officers and employees will be directed to cooperate as requested by members of the Committee. The Committee has the authority to retain, at the Company's expense, independent legal, financial and

other advisors, consultants and experts, to assist the Committee in fulfilling its duties and responsibilities. The Committee also has the authority to communicate directly with internal and external auditors.

7.0 REVIEW OF CHARTER

The Committee will review and assess, on an annual basis, the adequacy of this Charter and recommend any proposed changes to the Board for approval.