

LION ONE METALS LIMITED

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE YEAR ENDED JUNE 30, 2026

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INTRODUCTION

The Management Discussion & Analysis ("MD&A") has been prepared by management and reviewed and approved by the Board of Directors on October 28, 2026. Set out below is a review of the activities, results of operations and financial condition of Lion One Metals Limited ("LIO", "Lion One", or the "Company") and its subsidiaries for the year ended June 30, 2026. The following discussion of performance, financial condition and future prospects should be read in conjunction with the Company's annual audited consolidated financial statements for the year ended June 30, 2026 and the audited annual consolidated financial statements for the year ended June 30, 2025. Those financial statements are prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board. This discussion covers the year ended June 30, 2026 and the subsequent period up to October 28, 2026, the date of preparation of this MD&A. Monetary amounts in the following discussion are in Canadian dollars unless otherwise noted. The Company is listed on the TSX Venture Exchange ("TSX-V") under the symbol LIO and on the OTCQX market under the symbol LOMLF.

Mr. Melvyn Levrel, M. Sc., who is the Company's Senior Geologist and is a Member of the Australian Institute of Geoscientists is the Qualified Person under the meaning of Canadian National Instrument 43-101, and responsible for the exploration and geology technical content of this Management's Discussion and Analysis.

Mr. Mark Horan, P.Eng., who is the Company's Chief Mining Engineer, is a Qualified Person under the meaning of Canadian National Instrument 43-101, is responsible for the development and engineering content of this Management's Discussion and Analysis.

OBJECTIVES

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

Mineralization of the Tuvatu deposit is associated with the emplacement of an alkalic volcanic intrusive complex, with Navilawa Caldera being one of several volcanic calderas to host large mineralized alkaline gold systems, aligned along the Viti Levu Lineament, referred to as Fiji's gold corridor. The geologic setting of Tuvatu shares affinities with the Vatukoula deposit in the neighboring Tavua Caldera, where over seven million ounces ('oz') of gold have been recovered since mining commenced at Vatukoula in 1933. The Fijian Islands are located along the Pacific Island Arc, which hosts several other well-known major mineralized alkaline gold systems. This variety of gold system is not prolific in number globally but are among the largest producers of gold in the world, with notable examples in the Pacific Island Arc including the Porgera (>25 million ounces gold) and Lihir (>40 million ounces gold) gold mines in Papua New Guinea, and Vatukoula in Fiji (>11 million ounces gold), only 40km from Tuvatu. A North American example is the Cripple Creek gold mine, which is the largest gold mine in the Colorado mineral belt. These deposits, like other alkaline hosted gold deposits, are associated with deep crustal magmas, characteristic alteration mineral assemblages, and are valued for their high grades and deep vertical profiles, resulting in large gold endowments.

In 2019, the Company commenced a deep diamond drilling program targeting feeder structures at depth below the known Tuvatu mineralization and discovered the Zone 500 feeder system in July 2020. The discovery of Zone 500 supported the alkaline gold model and the concept that Tuvatu has high-grade gold mineralization extending and evolving to great depths. The deep drilling program reached depths of over 1,000m below the surface and was designed to gain a better understanding of the underlying plumbing system which served as a conduit for the gold-rich fluids from the base of the crust in that area. The Company also owns and operates a fleet of six diamond drilling rigs and a fully accredited metallurgical and geochemical assay laboratory at its Fiji head office close to the mine site.

The Company achieved steady state mine and mill production of approximately 350 tonnes per day in 2024 during the initial pilot plant phase of operations, with plans to expand operations to 700 tonnes per day. Resource infill drilling and underground grade control drilling targeting areas of planned production at Tuvatu is ongoing and will continue 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. During the dry seasons, the Company will also carry out a regional exploration program aimed at identifying deep high-grade resources for the eventual development of a larger and richer resource base, thereby demonstrating that the Tuvatu property has the potential to become a multi-million ounce gold camp.

HIGHLIGHTS AND SIGNIFICANT SUBSEQUENT EVENTS

Health & Safety (Quarter Ended June 30, 2026)

Lion One is committed to providing a safe and healthy working environment for our employees and contractors:

- Total Recordable Injury Frequency Rate ("TRIFR") of 4.37 in the fourth quarter *(Frequency Rate is calculated as incidents per 200,000 hours worked)*
- Lost time injury frequency rate ("LTIFR") of 0
- The Company had 7 recordable injuries at the Tuvatu mine and 0 lost time injuries in the fourth quarter

*Financial Highlights***

	Three months ended June 30, 2026	Year ended June 30, 2026
Gold ounces (oz) sold	3,349	13,291
Average realized selling price gold (oz)	$6,243	$5,732
Cost of sales per gold (oz)* (net of silver revenue)	$4,647	$3,516
Cost of sales per gold (oz) excluding depreciation * (net of silver revenue)	$3,548	$2,874
Revenue – gold	$20,906,418	$76,185,034
Cost of sales (net of silver revenue)*	(15,561,122)	(46,729,454)
Mine operating income	$5,343,296	$29,455,580

* Cost of sales per gold oz (net of silver revenue) and Cost of sales per gold oz excluding depreciation (net of silver revenue) is a non-IFRS measure with no standard definition under IFRS and is calculated using ounces sold. See the "Non-IFRS financial performance measures."

** The Company's financial results are presented in Canadian dollars.

During the three-month period ended June 30, 2026, the Company achieved the following:

- Mine operating income of $5,343,296
- Gold revenue of $20,906,418 from sale of 3,349 gold oz
- Average realized gold selling price of $6,243 per oz
- Cost of sales (net of silver revenue)* of $4,647 per gold oz
- Cost of sales excluding depreciation (net of silver revenue)* of $3,548 per oz

During the twelve-month period ended June 30, 2026, the Company achieved the following:

- Mine operating income of $29,455,580
- Gold revenue of $76,185,034 from sale of 13,291 gold oz
- Average realized gold selling price of $5,732 per oz
- Cost of sales (net of silver revenue)* of $3,516 per gold oz
- Cost of sales excluding depreciation (net of silver revenue)* of $2,863 per oz

Underground Mine Development

During the three-month period ended June 30, 2026, the Company achieved the following mining physicals:

- Total tonnes mined of 84,603 with 49,539 tonnes of waste and 35,064 tonnes of mineralized material at average grade of approximately 3.9 g/t Au
- Total capital development of 516 meters including decline advancement of 250 meters
- Total operating development of 1,144 meters

The Company achieved underground mine development of 1,660 m, which is also a significant improvement compared to the previous quarter during which 1,289 m of development was achieved.

During the twelve-month period ended June 30, 2026, the Company achieved the following mining physicals:

- Total tonnes mined of 297,501 with 166,147 tonnes of waste and 131,354 tonnes of mineralized material at average grade of approximately 4.64 g/t Au
- Total capital development of 2,218 meters including decline advancement of 1,068 meters
- Total operating development of 3,936 meters

The focus of mining activities for the three and twelve month periods ending on June 30, 2026, was the development of the underground mine, with the goal of advancing the main decline to the 500 Zone as quickly and as safely as possible. A secondary goal during this phase of operations is the development of as many stope access points as

feasible in advance of the plant expansion. This included the ccommissioning of new Yantai boggers and ordering critical parts for multiple loaders to support higher stoping tonnes.

Pilot Plant Mill Operations

The Company produced 3,291 oz of gold at an average head grade of 4.3 g/t Au for the quarter ended June 30, 2026. This represents a 21% increase from the previous quarter during which 2,726 oz of gold was recovered. The average grade for the quarter was 4.3 g/t gold, which represents a 3% increase from the previous quarter during which the average grade was 4.2 g/t gold. The Company achieved record quarterly gold recovery of 84.9%, which is a significant improvement from the previous quarter during which 70.9% recovery was achieved.

During the three-month period ended June 30, 2026, the Company achieved the following mill physicals:

- Processed 27,985 tonnes of mineralized materials at an average head grade of 4.3 g/t Au
- Quarterly production of 3,291 oz gold recovered
- The Company also achieved mill utilization of 90%
- Mill achieved overall recovery of 84.9% for the quarter

During the twelve-month period ended June 30, 2026, the Company achieved the following mill physicals:

- Processed 117,625 tonnes of mineralized materials at an average head grade of 4.8 g/t Au
- 14,485 oz of gold recovered and 13,291 oz of gold refined and sold
- The Company also achieved mill utilization of 91%
- Mill achieved overall recovery of 80.3% for the period

Compared to the three-month period ending on March 31, 2026, this quarter's 3,291 oz gold recovered represents a 21% increase in production due primarily to lower gold grades from January to March 2026, as well as poor recovery of 55% in March due to the commissioning of the flotation circuit. Eight days were also lost due to adverse weather conditions in the quarter. Construction of the flotation circuit was completed by end of March 2026, with gold recoveries anticipated to increase gradually over the year. A record recovery of 87.7% was achieved in June 2026.

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 either of the recovery of minerals or of the cost of such recovery, including increased risks associated with developing a commercially mineable deposit.

On July 21, 2026, the Company announced the start of Phase 1 of the 700 TPD expansion. Phase 1 of the expansion consists of the Filtered Tailings Expansion Project, which is designed to double the filtration capacity at the plant. The filtration circuit at Tuvatu was identified as the primary bottleneck for processing operations and currently consists of two filter presses. The Filtered Tailings Expansion Project includes the addition of two new filter presses, one filter feed tank, two filter feed pumps, associated structural and piping modifications, and one additional tailings truck. Once complete, the project is anticipated to increase nominal mill capacity from 300 TPD to 400 TPD. This increase in production is anticipated to generate an additional 2,100 oz of gold per year based on a minimal incremental gold grade of 3 g/t. The overall cost for the Filtered Tailings Expansion Project is C$1,900,000, with additional incremental operating costs of C$230,000 annually.

The increase in production to 400 TPD is expected to achieve payback within 3 months of operation, with significant ongoing annual benefits. The new filter presses will be identical to the filter presses currently in operation at Tuvatu thereby ensuring commonality of component parts and operating procedures. Construction of the filtration expansion project is anticipated to take 9 months, with a target completion date by April 2027. No additional mining or processing equipment is needed to support the increase in production to 400 TPD.

On October 20, 2026, the Company announced preliminary operating results for the quarter ending September 30, 2026:

- 3,796 oz of gold recovered from mill operations
- 882 oz of gold from mill draw-down and carbon shipments, for total 4,678 oz total gold produced
- 4.3 g/t gold average head grade and 83.8% metallurgical recovery
- 32,588 tonnes milled with 95.1% mill utilization
- 1,539 m underground mine development

This is a 15% increase in production compared to the previous quarter and a 39% increase in production from the quarter ending March 31, 2026. In addition to recovered gold, the Company also produced 882 oz of gold from the draw-down of gold in inventory and carbon shipments, for total production of 4,678 oz of gold during the quarter. Total gold production for the quarter was therefore 4,678 oz of gold, which is a record quarterly gold delivery.

The Company also announced for the quarter ending September 30, 2026, that it incurred 1 lost time incident and 2 medical aid incidents during the quarter resulting in a Total Recordable Incident Frequency (TRIF) of 1.83, which represents 1.83 recordable incidents per 200,000 hours worked. This is the second consecutive quarter of improvement for the company, as the previous quarter (April to June) had a TRIF of 4.37, and the quarter before that (January to March) had a TRIF of 6.55.

June 2026 Quarter Exploration Summary

During the three-month period ended June 30, 2026, the Company continued with its exploration program to confirm and expand the potential for a high-grade alkaline gold system. A total of five drill rigs were operating during this quarter, all of which were focused on infill and grade control drilling from underground (three drills) and surface (two drills) in areas earmarked for near-term mining.

During this period, the Company completed 11,181 meters of diamond drilling in 60 completed holes, with a further 5 drill holes still in progress.

June 2026 Quarter Exploration Summary

Activity	Number
# of drill holes completed	60
# of drill holes in progress at end of Quarter	5
# of meters drilled	11,181
# of drill core samples submitted for analysis	14,145
# of channels excavated and sampled	35
# of samples from channel sampling	395
# of surface rock chip samples collected	54
# of samples analyzed in Lion One Laboratory	10,761

On August 20, 2026, the Company reported significant new high-grade gold results from 3,337.30 meters of underground infill and grade control drilling at Tuvatu. Top new drill results:

- 715.15 g/t Au over 4.2 m (including 6,571.20 g/t Au over 0.45 m) (TGC-0650, from 121.1 m depth)
- 35.24 g/t Au over 5.1 m (including 325.75 g/t Au over 0.4 m) (TGC-0633, from 131.5 m depth)
- 40.93 g/t Au over 3.6 m (including 162.75 g/t Au over 0.5 m) (TGC-0625, from 65.5 m depth)
- 237.58 g/t Au over 0.4 m (TUE-0004, from 113.45 m depth)
- 95.28 g/t Au over 0.5 m (TGC-0617, from 110.5 m depth)
- 26.32 g/t Au over 1.8 m (including 72.83 g/t Au over 0.6 m) (TGC-0633, from 116.1 m depth)
- 13.23 g/t Au over 2.7 m (including 37.38 g/t Au over 0.4 m) (TGC-0633, from 123.4 m depth)
- 22.91 g/t Au over 1.3 m (including 28.9 g/t Au over 0.7 m) (TGC-0611, from 111.6 m depth)
- 15.34 g/t Au over 1.5 m (including 52.75 g/t Au over 0.4 m) (TGC-0630, from 61.85 m depth)

* Drill intersects are downhole lengths, 3.0 g/t cutoff. True width not known.

Drill results include multiple very high-grade assay results, including 325.75 g/t over 0.4 m, 237.58 g/t over 0.4 m, 162.75 g/t over 0.5 m, 126.93 g/t over 0.4 m, and 6,571.20 g/t over 0.45 m, which is the highest-grade assay result ever returned at Tuvatu. Most of the high-grade drill intersects are located within 15 m to 75 m of underground development (within 50 m vertical distance) and are anticipated to be incorporated into the mine plan within the next twelve months. These drill results are focused on an area of limited prior drilling and are outside the current resource. The headline interval of 4.2 m of 715.15 g/t gold is located 55 m from the Western Decline and intersected a shallow-dipping roscoelite bearing vein that is part of the Murau lode system. Roscoelite mineralization is a defining characteristic of alkaline gold systems and is directly associated with high-grade gold. Similar mineralization is observed at analog alkaline gold deposits, including the nearby Vatukoula gold mine in Fiji and the Porgera gold mine in PNG, which has produced over 25 million ounces of gold.

New Appointments and Changes in Management

On May 1, 2026, the Company announced that Mr. Tony Young, the Company's Chief Financial Officer ("CFO"), was appointed as Interim CEO, and Ms. Zamand Shokri, the Company's Corporate Controller, was appointed as Interim CFO. Mr. Young had been the CFO of the Company for 8 years while Ms. Shokri had been the Corporate Controller for the Company for 6 years. Both Mr. Young and Ms. Shokri have deep knowledge of the Tuvatu operations and provide continuity for the Company during the transition to a new CEO.

On May 1, 2026, the Company announced that Campbell Olsen ceased serving as Chief Executive Officer and a director of the Company.

On May 5, 2026, The Company appointed Mr. Eric Setchell as Director of Operations. Mr Setchell is a highly accomplished mining executive with more than 40 years of experience across underground and open pit mining operations, with a strong focus on gold mining.

On June 3, 2026, Walter Berukoff retired as Chairman and President of the Company and resigned from the Company's Board of Directors. Mr. Berukoff transitioned to the role of Chairman Emeritus and Advisor to the Company.

On June 3, 2026, Tayfun Eldem was reappointed as an independent director of the Company and Todd Romaine was appointed Chairman of the Board following Walter Berukoff's retirement and resignation.

On June 16, 2026, Ian Berzins was reappointed as President and Chief Executive Officer and a Director of the Company.

On June 29, 2026, the Company announced that Tony Young and Zamand Shokri had resumed their roles as CFO and Corporate Controller of the Company.

On July 14, 2026, the Company announced the appointment of Ronan Geoghegan and Vice President of Corporate Development and Investor Relations for the Company, and the departure of the Company's long time Vice President, Corporate Secretary, and former director, Hamish Greig.

Arete Transaction

On December 30, 2025, the Company announced that it entered into a subscription agreement with Arete Capital Advisory Pty Ltd (the "Subscriber"), a specialist mining investment syndicate advised and managed by Arete Capital Advisors ("Arete") pursuant to which the Subscriber agreed to acquire, on a non-brokered private placement basis, 44,264,800 units at a price of $0.34 per unit (the "Issue Price") for gross proceeds to the Company of $15,050,032 (the "Offering"), with each unit consisting of one common share (the "Common Shares") and one common share purchase warrant (the "Warrants"). Each Warrant will enable the Subscriber to acquire one Common Share at a price of $0.39 for a period of three years following the closing of the Offering. The Common Shares being purchased were to represent 9.9% of the Company's outstanding shares on a pro forma basis, not giving effect to the exercise of the Warrants.

The Offering was part of a broader strategic partnership between the Company and Arete. Upon closing of the Offering, the Company and the Subscriber were to enter into an investor rights agreement (the "Investor Rights Agreement") and a master services agreement (the "MSA"). Pursuant to the MSA, Arete was to provide management services for the operation of the Tuvatu Gold Mine in Fiji and would become the operator of the project subject to the oversight of the board of directors of the Company. On March 20, 2026, the Company announced the receipt of conditional approval from the TSX Venture Exchange (the "TSXV") for the Offering.

While the Company continued to engage with Arete on the Offering, on May 1, 2026, the Company announced it is no longer pursuing its previously announced subscription agreement with Arete Capital Advisory Pty Ltd and that the Company will not proceed with a strategic partnership between Lion One and Arete Capital Advisors. The Offering did not complete.

Loan Facility Update ("the Facility")

On January 31, 2026, the Company received a notice from Nebari Gold Fund 1, LP, Nebari Natural Resources Credit Fund I, LP and Nebari Natural Resources Credit Fund II, LP (each as Lender and collectively, "Nebari") stating that an event of default had arisen from non-financial covenants and therefore the margin component of the interest rate payable under the Facility was increased in accordance with the terms of the Facility, effective February 20, 2026. A second subsequent financial default event occurred on March 31, 2026 as the Company was in breach of the $7,000,000 working capital covenant. The interest on the loan facility would remain at the default rate until the events of default had been remedied or otherwise resolved to Nebari's satisfaction.

On June 29, 2026, the Company closed the first tranche of a non-brokered private placement of 12,500 convertible debenture units for gross proceeds of $12,500,000, as well the first tranche of a non-brokered private placement of units ("Units") for gross proceeds of $2,788,185 (the "Private Placement"). As at June 30, 2026, the Company has working capital of $12,645,537 (Note 22), which is above the $7,000,000 working capital covenant as required under the Facility.

On July 22, 2026, the Company announced that it had entered into a forbearance agreement (the "Forbearance Agreement") with Nebari pursuant to which Nebari has agreed to extend the final repayment date for Tranche 1 of the Company's loan facility to December 31, 2026. The Company also announced that it had cured the financial and non-

financial default events that occurred under the terms of the loan facility. Forbearance requires the Company to remain in compliance with its obligations under the loan facility going forward.

Private placement:

On July 10, 2026, the Company closed the second tranche of its non-brokered private placement of, of 5,475,505 units at a price of $0.13 per unit for gross proceeds of $711,816. Each unit consists of one common share of the Company and one common share purchase warrant. Each common share purchase warrant may be exercised to purchase a common share purchase at a price of $0.175 for a period of 36 months following the closing date of the Offering.

In connection to the offering, the Company incurred broker, filing and legal fees of $62,882 and recognized as share issuance costs.

Convertible Debenture:

On July 10, 2026, the Company closed the second tranche of a non-brokered private placement of 1,500 convertible debenture units for gross proceeds of $1,500,000. Each debenture unit consists of (i) one 10% subordinated secured convertible debenture having a face value of $1,000, which is convertible into common shares of the Company at a conversion price of $0.13 per common share and matures four years from the closing date; and (ii) 7,692.3 common share purchase warrants of the Company (the "Warrants").

Each Warrant entitles the holder thereof to purchase one common share at C$0.175 per share for a period of four years from the date of issuance. In aggregate, 1,500 convertible debentures and 11,538,459 Warrants were issued.

The Company incurred $108,129 of issuance costs directly attributable to the issuance of the convertible debenture units.

Stock Option:

On July 10, 2026 the Company granted stock options to various employees, officers and directors of the Company to purchase up to an aggregate of 18,900,000 common shares of the Company. The stock options are exercisable at $0.16 per share and expire 5 years from the date of grant.

On September 24, 2026 the Company granted stock options to various employees, officers and directors of the Company to purchase up to an aggregate of 1,750,000 common shares of the Company. The stock options are exercisable at $0.24 per share and expire 5 years from the date of grant.

BACKGROUND AND CORE BUSINESS

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

The Company's primary asset is the 100% held Tuvatu Gold Project, located 17 km from the Nadi International Airport on the main island of Viti Levu in Fiji. Discovered in 1987, Tuvatu is a high-grade underground gold project situated along the Viti Levu lineament, Fiji's corridor of high-grade alkaline gold deposits. The Tuvatu resource covers a 5-hectare footprint within the 384-hectare mining lease. The project contains numerous high-grade prospects proximal to Tuvatu, at depth, and along strike from the resource area, giving near-term production and further discovery upside on one of Fiji's largest and underexplored alkaline gold systems. The Tuvatu Project was acquired by Lion One in 2011 and has over 250,000 meters of drilling completed to date.

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

The Company achieved steady state mine and mill production of approximately 350 tonnes per day in 2024 during the initial pilot plant phase of operations with plans to expand operations to 700 tonnes per day. Resource infill drilling and

underground grade control drilling targeting areas of planned production at Tuvatu is ongoing and will continue 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. 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.

Operations Update

From July to December 2025, Lion One achieved the strongest six-month period in the Company's history in terms of gold production and grade, with the first ever consecutive quarters of over 4,000 oz of gold produced, and the first ever consecutive quarters with an average head grade of over 5 g/t gold achieved. For the quarter ending September 30, 2025, the company produced 4,086 oz of gold at an average head grade of 5.1 g/t gold. For the quarter ending December 31, 2025, the company achieved record quarterly gold production of 4,383 oz of gold, at an average head grade of 5.4 g/t gold. This included monthly gold production of 1,519 oz in November, at an average head grade of 5.6 g/t gold, and monthly gold production of 1,524 oz in December, at an average head grade of 5.8 g/t gold. The average gold recovery from July to December 2025 was 82.1%. During this time, the bulk of the construction of the Company's flotation circuit was completed.

On December 31, 2025, the Company's Tuvatu mineral property achieved commercial production by establishing three consecutive months of capital and operating development meters of over 6.0 meters a day and over 8.0 meters day, coupled with tonnes of mineralized material mined of over 350 tonnes per day at over 4.5 g/t Au. During the three-month period ended December 31, 2025, the Company achieved the pre-established criteria and declared commercial production on January 1, 2026.

The management transition to Arete on January 10, 2026, introduced operational variances that altered established mine and mill processes. These administrative changes, combined with initial commissioning bottlenecks in the flotation circuit and adverse weather, contributed to a temporary contraction in gold production and recovery rates during the period.

For the quarter ending March 31 2026, gold production at Tuvatu was 2,726 oz, with an average head grade of 4.2 g/t gold, and an average gold recovery of 70.9%. This represents a 38% drop in production, a 22% drop in head grade and an 11% drop in recovery compared to the previous quarter, and resulted in the lowest quarterly gold production at Tuvatu since March 31, 2024. Adverse weather conditions during the quarter contributed to approximately 8 days of lost production, and gold recoveries in March were impacted by significant carbon fouling as a result of the flotation circuit commissioning combined with high rainfall.

On May 1, 2026, Arete departed the Company and Lion One resumed operational control of the Tuvatu Gold Mine. Mr Setchell returned as Director of Operations, and Mr Ian Berzins returned as CEO.

For the quarter ending June 30, 2026, the Company recovered approximately 3,291 oz of gold, which represents a 21% increase from the previous quarter. The average grade for the quarter was 4.3 g/t gold, which represents a 3% increase from the previous quarter. The Company also achieved record quarterly gold recovery of 84.9%, which is a significant improvement from the previous quarter during which 70.9% recovery was achieved. The Company had strong underground mine development of 1,660 m, compared to the previous quarter during which 1,288 m of development was achieved.

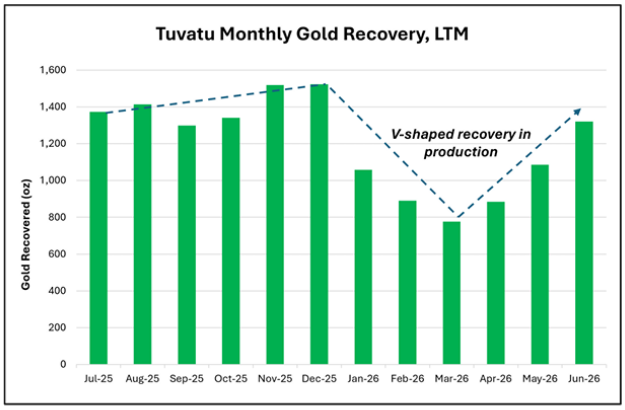


Figure 1. Tuvatu Monthly Gold Production, July 2025 to June 2026. Lion One achieved a V-shaped recovery in gold production this quarter with the return of Eric Setchell as Director of Operations of the Company.

Underground Mine Development

	Three months ended June 30, 2026	Three months ended June 30, 2025	Year ended June 30, 2026	Year ended June 30, 2025
Mineralized Material Mined (in tonnes)	35,064 tonnes at 3.9 g/t Au	25,321 tonnes at 4.8 g/t Au	131,354 tonnes at 4.64 g/t Au	119,590 tonnes at 5.0 g/t Au
Waste Material Mined (in tonnes)	49,539	32,669	166,147	105,954
Capital Development (in meters)	516	489	2,218	1,396
Decline Development (in meters)	250	230	1,068	572
Operating Development (in meters)	1,144	1,014	3,936	3,200

For the three-month period ending on June 30, 2026, the Company mined of 84,603 tonnes, with 49,539 tonnes of waste and 35,064 tonnes of mineralized material at average grade of approximately 3.9 g/t Au. The tonnes mined increased by 10% when compared to the three-month period ending on March 31, 2026, due to adverse weather conditions and lower productivity due to management changes at mine site. On a year over year basis for three-month period ending in June, the total tonnes mined increased by 9,743 tonnes (30%) including 1,660 m of mine development, which is an increase of 157 m (10%) when compared to 1,503 m of mine development in prior year quarter, primarily due to improved mine development rates following the addition of mining equipment in mid-2025.

For the year ended June 30, 2026, the Company mined of with 297,501 tonnes, with 166,147 tonnes of waste and 131,354 tonnes of mineralized material at average grade of approximately 4.64 g/t Au. On a year over year comparative basis for twelve-month period ending in June, the total tonnes mined increased by 60,193 tonnes (32%) including 6,154 m of mine development, which increased by 1,558 meter (34%) when compared to 4,596 m of mine development in prior year ended June 30, 2025, primarily due to improved mine development rates with the addition of over $5 million of mining equipment since mid-2025 and critical mine infrastructure projects such as the raise bore and mine ventilation project, which was completed in April 2025.

Pilot Plant Mill Operations

	Three months ended June 30, 2026	Three months ended June 30, 2025	Year ended June 30, 2026	Year ended June 30, 2025
Mineralized material processed (tonnes)	27,985	33,726	117,625	122,483
Gold head grade (g/t)	4.3	3.6	4.8	4.6
Recovery (%)	84.9	81.6	80.3	80.6
Gold recovered (oz)	3,291	3,214	14,485	14,707
Operating days	82	91	331	343

During the three-month period ended June 30, 2026, the Company milled 27,985 tonnes of mineralized material at an average head grade of 4.3 g/t Au, recovering 3,291 oz of gold. The 3,291 oz recovered is 21% higher compared = to the three-month period ending on March 31, 2026. The increase in production was due primarily to higher gold recovery rates as a result of the flotation circuit commissioning in March 2026.

For the year ended June 30, 2026, the Company milled 117,625 tonnes of mineralized material at an average head grade of 4.8 g/t Au, recovering 14,485 oz of gold. On a year over year comparative basis for twelve-month period ending in June, the gold production dropped 2% from 14,707 to 14,485 oz due to the lower recoveries achieved in March 2026. Gold recovery in March 2026 was 55%, which is significantly below the annual rate of 80.3%, with the drop in recovery due to significant carbon fouling resulting from the flotation circuit commissioning.

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 either of the recovery of minerals or of the cost of such recovery, including increased risks associated with developing a commercially mineable deposit.

Tailings Storage Facility (TSF) Stage–2B Lift Construction

- TSF Stage-2B construction has been initiated during this period to raise the tailings dam to EL.125m from the existing EL.120 of Stage-2A. The construction of TSF Stage-2B will be carried out in 2 consecutive dry seasons from 2026 to 2027.
- Work planned to carry out in 2026 for TSF Stage-2B lift is to raise the embankment at downstream of the existing tailings dam to the same level of the existing dam crest at EL.120m. As of end of September 30, 2026, the embankment construction has been completed.
- The remaining embankment construction, pond area expansion, and HDPE liner installation will be carried out in the 2027 dry season from April 2028.

Relocation and tie-in of the two existing diesel generator power plants

To improve efficiency of power consumption, the Company decided to relocate the existing three (3) mine diesel generators to the location of the existing diesel generator power plant for the mill and tie them together. This will reduce the standby redundance and improve power consumption efficiency. The generators and MCC room have been relocated. Tie-in and commissioning are on-going.

Raise bore for surface ventilation fan

The Company decided to install a second primary ventilation fan on the surface next to the exhaust opening of the raise bore for the existing primary ventilation fan. After commissioning the second ventilation fan, the existing ventilation fan will be decommissioned, relocated to the surface and installed next to the second ventilation fan. The raise bore drilling pad preparation was completed in October.

Surface Development for Flotation and 700TPD Plant Upgrade

The Company has been operating the nominal 300 TPD pilot plant since late 2023 and has learned significantly about the nature of the mineralization from the Tuvatu underground mine. The Company decided that increasing the capacity of the mine to 700 TPD will improve the overall profitability of the operation. The Company plans to double plant design capacity to 700 TPD with the expansion occurring in stages. As part of the expansion process, a flotation circuit along with a tower regrinding circuit was added to the processing plant in March 2026. The first phase of the expansion to 700 TPD is now underway, with the Filtered Tailings Expansion Project, which will double the filtration capacity of the plant and will increase production capacity from 300 TPD to 400 TPD on an interim basis until the full expansion to 700 TPD is complete.

Filter Press Expansion
Highlights of the Filtered Tailings Expansion Project:

- Double filtration capacity at Tuvatu processing plant
- Remove primary bottleneck from processing operations
- Increase plant capacity from 300 TPD to 400 TPD upon completion
- Increase production by an estimated 2,100 oz of gold per annum
- Capital expenditure of C$1,900,000
- Achieve 3-month payback and significant ongoing benefits
- Targeted completion date by April 2027

The Filtered Tailings Expansion Project started in July 2026. Engineering drawings for the expansion were completed in early October 2026. Filter presses and other major equipment were purchased in August 2026.

The Tuvatu Mill Expansion Project is designed to increase plant capacity from 300 TPD to 700 TPD and will be constructed in phases with a total estimated capital cost of $13,500,000, which includes the Filter Press Expansion. Phase 1 of the 700 TPD expansion is now in progress and consists of the Filtered Tailings Expansion Project, which is designed to double the filtration capacity at the plant. The filtration circuit at Tuvatu has been identified as the primary bottleneck for processing operations and currently consists of two filter presses. The Filtered Tailings Expansion Project includes the addition of two new filter presses, one filter feed tank, two filter feed pumps, associated structural and piping modifications, and one additional tailings truck. Once Phase 1 is complete, the project is anticipated to increase nominal mill capacity substantially from 300 TPD to 400 TPD. The overall cost for the Filtered Tailings Expansion Project is $1,900,000, with additional incremental operating costs of $230,000 annually.

The increase in production to 400 TPD is expected to achieve payback within 3 months of operation, with significant ongoing annual benefits. Design and construction activities have begun on the Filtered Tailings Expansion Project. The new filter presses will be identical to the filter presses currently in operation at Tuvatu thereby ensuring commonality of component parts and operating procedures. Construction of the filtration expansion project is anticipated to take 6 to 9 months, with a target completion date by April 2027. No additional mining or processing equipment is needed to support the increase in production to 400 TPD.

The 700 TPD process flow diagrams have been developed and finalized including the general layout for the additional facilities to upgrade the plant. In general, the expansion to 700 TPD consists of the following remaining items:

- The existing 1,000 TPD crushing plant will be used with very few modifications and will have increased operating hours from the current 300 t/d scenario.
- The fine ore bin will be modified to provide additional capacity and will be fitted with a single discharge arrangement including a new apron feeder.
- A new, larger primary grinding mill will be installed in closed circuit for improved grinding capacity and performance.
- Additional pumps and blowers will be installed to handle the increased plant capacity.
- The existing mills will be used in a secondary closed grinding circuit and using the existing batch concentrators, intensive cyanidation and dedicated electrowinning circuit.
- Additional pre-treatment tanks, Carbon-In-Leach ("CIL") leach tanks and aeration systems and will be added to sustainably handle the additional throughput.
- Modifications will be made to the ADR (Adsorption, Desorption, Recovery) plant. The existing carbon elution vessel and associated pumps and heating systems may need to be replaced. The Company is currently investigating the need for these potential modifications.
- The cyanide detoxification circuit will be expanded to treat the additional solution and solid tailings.

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 increased uncertainty of achieving any particular level of recovery of minerals or cost of such recovery, including increased risks associated with developing a commercially mineable deposit.

EXPLORATION PROGRAM

The Company continues to advance its deposit-scale diamond drilling and regional exploration programs to demonstrate that the project has the potential to become a multi-million ounce gold camp, consistent with Tuvatu as an example of a world-class alkaline gold system. Alkaline gold systems typically have large gold endowments due to their high grade and deep vertical extents. Predominant vein minerals include quartz, biotite, potassium-rich feldspar, hydrothermal apatite, epidote, and late-stage carbonate minerals. Roscoelite, a vanadium-rich hydrothermal mica, is also a predominant vein mineral and is of particular importance as it is characteristic of alkaline gold mineralized systems and is directly associated with high-grade gold. Gold occurs as native free Au, as well as in association with pyrite, lesser chalcopyrite, sphalerite, galena, trace tetrahedrite, minor telluride minerals, and roscoelite. The mineral textures observed reflect rapid deposition of gold from boiling of a metal-saturated ore-forming colloid or fluid; a process referred to as "flashing". Such rapid gold-deposition can result from sudden pressure drops or a sudden change in physico-chemical conditions which destabilizes the fluid, triggering the rapid precipitation of metals. These conditions are known to generate very high grades in epithermal gold systems. Tuvatu is a low-sulphur and low-silica system with sulphide minerals accounting for less than 5% overall, and include pyrite (2 generations), lesser marcasite, sphalerite, chalcopyrite, and lesser galena, traces of arsenopyrite, tetrahedrite, molybdenite and bornite

The Company is currently undertaking two primary tiers of drilling for brownfields exploration, infill, grade-control and development purposes:

1) Near-mine exploration and resource expansion drilling from surface targeting areas for long-term development;
2) Resource infill and grade control drilling from underground targeting areas of planned near- and mid-term production.

In addition to these programs the company is also engaged in regional exploration, which typically requires access to remote parts of the Navilawa caldera (SPL1512). These regional exploration programs are interrupted during the wet season, which typically runs from November to March. During this period the regional exploration programs transition to near-mine exploration programs. During the quarter ending June 30, 2026, the focus for drilling has been to define and expand the Tuvatu deposit resource. As such, no regional exploration drilling was carried out during this period, though some near-mine exploration drilling programs were continued (HT Zone, HTC Zone).

On August 20, 2026 the Company reported significant new high-grade gold results from 3,337.30 meters of underground infill and grade control drilling including one of the top drill results ever recorded at Tuvatu. Top New Drill Results:

- 715.15 g/t Au over 4.2 m (including 6,571.20 g/t Au over 0.45 m) (TGC-0650, from 121.1 m depth)
- 35.24 g/t Au over 5.1 m (including 325.75 g/t Au over 0.4 m) (TGC-0633, from 131.5 m depth)
- 40.93 g/t Au over 3.6 m (including 162.75 g/t Au over 0.5 m) (TGC-0625, from 65.5 m depth)
- 237.58 g/t Au over 0.4 m (TUE-0004, from 113.45 m depth)
- 95.28 g/t Au over 0.5 m (TGC-0617, from 110.5 m depth)
- 26.32 g/t Au over 1.8 m (including 72.83 g/t Au over 0.6 m) (TGC-0633, from 116.1 m depth)
- 13.23 g/t Au over 2.7 m (including 37.38 g/t Au over 0.4 m) (TGC-0633, from 123.4 m depth)
- 22.91 g/t Au over 1.3 m (including 28.9 g/t Au over 0.7 m) (TGC-0611, from 111.6 m depth)
- 15.34 g/t Au over 1.5 m (including 52.75 g/t Au over 0.4 m) (TGC-0630, from 61.85 m depth)

** Drill intersects are downhole lengths, 3.0 g/t cutoff. True width not known.*

The primary target of the drill program was the southern and down-dip extensions of the Ura and Murau lodes in Zone 2 below level 1061, which was the lowest level of underground development in Zone 2 at the time of the drill program. Drilling was conducted from one near surface underground drill station on the 1103 level. The Company intersected high-grade mineralization in 14 out of 18 drillholes with three drill holes abandoned. Drill results include multiple very high-grade assay results, including 325.75 g/t over 0.4 m, 237.58 g/t over 0.4 m, 162.75 g/t over 0.5 m, 126.93 g/t over 0.4 m, and 6,571.20 g/t over 0.45 m, which is the highest-grade assay result ever returned at Tuvatu. Most of the high-grade drill intersects are located within 15 m to 75 m of underground development (within 50 m vertical distance) and are anticipated to be incorporated into the mine plan within the next twelve months. These drill results are focused on an area of limited prior drilling and are outside the current resource. The Ura and Murau systems remain open at depth and along strike and represent a significant opportunity for resource expansion at Tuvatu. The drill program is ongoing. The headline interval of 4.2 m of 715.15 g/t gold is located 55 m from the Western Decline and intersected a shallow-dipping roscoelite bearing vein that is part of the Murau lode system. Roscoelite mineralization is a defining characteristic of alkaline gold systems and is directly associated with high-grade gold. Similar mineralization is observed at analog alkaline gold deposits, including the nearby Vatukoula gold mine in Fiji and the Porgera gold mine in PNG, which has produced over 25 million ounces of gold.

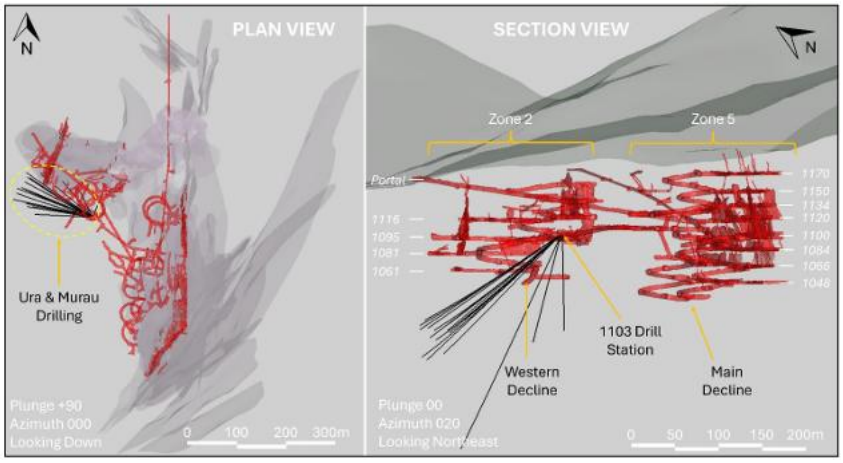


Figure 1. Location of the Zone 2 drilling reported in the August 20, 2026 news release. Left image: Plan view of the Zone 2 drilling in relation to the mineralized lodes shown in grey with Tuvatu underground development shown in red. Right image: Section view of the Zone 2 drilling looking Northeast with underground levels and declines in Zone 2 and Zone 5 identified. The primary target for the Zone 2 drilling is the down-dip and southern extension of the Ura and Murau lodes below level 1061, outside the current resource.

Zone 2 Ura and Murau Drilling the Zone 2 area of Tuvatu is located on the west side of the deposit and includes the Ura, Murau, and AV (formerly URW1) mineralized lode systems. The Ura and AV lode systems consist primarily of steeply dipping mineralized veins, while the Murau lode system consists primarily of shallow to flat-dipping veins between the Ura and AV lode systems. Similar shallow to flat-dipping veins are observed at the Vatukoula gold mine 40 km northeast of Tuvatu and are referred to locally as "flatmakes". The primary target for the drill holes in this news release was the shallow-dipping Murau flatmakes below level 1061 of the mine, while a secondary target was the down-dip extension of the Ura lodes below level 1061. Mineralization in the Murau and Ura lode systems was poorly constrained below level 1061 due to limited drilling below current underground workings in Zone 2. The purpose of this drill program is to increase resource confidence in those areas and bring them into the mine plan in the near term. Both

the Ura and Murau lode systems are largely untested at depth below level 1061. The systems remain open at depth and along strike and represent a significant opportunity for resource expansion.

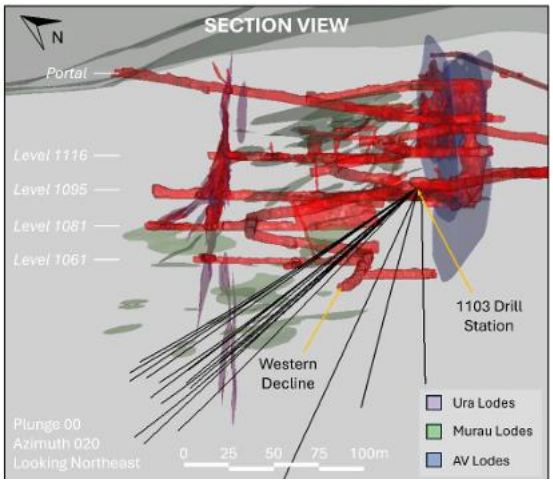


Figure 2. Ura, Murau and AV Lodes in Zone 2. Section view looking Northeast, showing the Ura and Murau drilling in relation to modeled high-grade mineralized structures of the Ura, Murau, and AV lode systems. The Murau lodes are shallow to flat-dipping structures between the steeply dipping Ura and AV lodes Drilling was conducted from the 1103 drill station underground and targeted a drill spacing of 12.5 m x 12.5 m in the Murau lodes and a drill spacing of 25 m x 25 m in the Ura lodes. 14 of the 18 completed drillholes intersected high grade mineralization, with most of the drill results located within 15 m to 75 m of underground development and within 50 m vertically. This represents approximately two additional levels of mining in Zone 2. The Murau lodes, or "flatmakes", are flat to shallow-dipping mineralized structures that typically strike E W and dip at approximately -20° to the north or northwest. They have a vuggy texture and consist of grey chalcedonic silica, arsenian pyrite, quartz, roscoelite, and visible gold. The presence of roscoelite is significant as quartz-roscoelite veining is directly related to high-grade gold mineralization and is the most economically important mineral assemblage at large alkaline gold deposits similar to Tuvatu, such as Vatukoula and Porgera.

On September 24, 2026, the Company reported significant new high-grade gold results from 4,370.20 meters of underground infill drilling. Top New Drill Results:

- 82.28 g/t Au over 4.6 m (including 302.15 g/t Au over 0.4 m) (TGC-0532, from 72.73 m depth)
- 169.47 g/t Au over 1.0 m (including 502.48 g/t Au over 0.3 m) (TGC-0532, from 58.42 m depth)
- 153.94 g/t Au over 1.1 m (including 547.05 g/t Au over 0.3 m) (TGC-0535, from 24.3 m depth)
- 93.94 g/t Au over 1.7 m (including 350.00 g/t Au over 0.4 m) (TGC-0544, from 60.5 m depth)
- 285.13 g/t Au over 0.3 m (TGC-0528, from 89.55 m depth)
- 186.00 g/t Au over 0.4 m (TGC-0542, from 108.1 m depth)
- 19.32 g/t Au over 3.0 m (including 64.05 g/t Au over 0.6 m) (TGC-0538, from 1.0 m depth)
- 10.64 g/t Au over 4.9 m (including 36.45 g/t Au over 0.6 m) (TGC-0515, from 16.8 m depth)
- 18.13 g/t Au over 2.8 m (including 46.83 g/t Au over 0.3 m) (TGC-0512, from 127.5 m depth)
- 14.15 g/t Au over 3.3 m (including 34.72 g/t Au over 1.2 m) (TGC-0535, from 98.5 m depth)

** Drill intersects are downhole lengths, 3.0 g/t cutoff. True width not known.*

The primary target of the drill program was the up-dip and down-dip extensions of the UR lodes in Zone 5. Drilling was conducted from two near surface underground drill stations – the 1160 drill station and the 1082 drill station. Drilling from the 1160 drill station primarily targeted mineralization up-dip of the 1150 level, whereas the drilling from 1082 drill station primarily targeted mineralization down dip of the 1066 level. These areas represent the uppermost and lowermost areas of active mining in Zone 5. The Company intersected high-grade mineralization in 30 out of 34 completed drillholes with three additional drill holes abandoned. Drill results include multiple very high-grade gold assay results, including 547.05 g/t Au over 0.3 m, 502.48 g/t Au over 0.3 m, 350.00 g/t Au over 0.4 m, 302.15 g/t Au over 0.4 m, 301.58 g/t Au over 0.4 m, and 285.13 g/t Au over 0.3 m. Most of the high-grade drill intersects are located within 25 m of underground development and are anticipated to be incorporated into the mine plan within the next six months. Very high-grade gold results are not unexpected at Tuvatu. Previous results from Zone 5 include 99.13 g/t Au over 3.3 m, 728.56 g/t Au over 0.7 m, and 2,749.86 g/t Au over 0.3 m.

EXPLORATION AND EVALUATION ASSETS

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

SML 62 is a designated area within the original boundaries of the Company's SPLs 1283 and 1296. SML 62 provides exclusive rights for the potential development, construction, and operation of mining, processing, and waste management infrastructure at Tuvatu. The Mining Lease area covers 384.5 hectares and contains all the current NI 43-101 resource and multiple high-grade prospects in the Navilawa Caldera. The Tuvatu camp is located 16 km by road from the Lion One Fiji head office adjacent to the International Airport in Nadi, and 35 km from the Port of Lautoka.

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

In May 2019, SPL 1512 was issued for the Navilawa tenement for a 5-year term ending in 2024 which for the first time consolidated the ownership of the entire Navilawa mineral complex under a tenement package with the Tuvatu 384.5 hectare SML 62 Mining Lease at its center. A 5-year renewal of SPL1512 submitted in May 2024 was granted in December 2024. A number of access tracks into the Navilawa tenement were completed and sampling of prospective zones continues with numerous additional targets identified to date. The Company has a large pipeline of drilling targets across the Navilawa Caldera and this program will include deep drilling, further geophysics, mapping and sampling, and targeted exploration of other prospects generated.

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

SPL	Issued	Expiry Date	Bond (Fijian $)	Bond (Canadian $)	Expenditure Requirement (Fijian $)	Expenditure Requirement (Canadian $)
1283**	Aug. 24, 2020	Aug. 23, 2025	158,180	99,514	1,400,000	880,762
1296**	Aug. 24, 2020	Aug. 23, 2025	158,180	99,514	1,600,000	1,006,586
1465*	Mar. 5, 2022	Mar. 4, 2025	67,979	42,767	679,789	427,666
1512	Dec. 11, 2024	Dec.11, 2029	633,223	398,371	1,200,000	754,939

* Renewal application has been submitted in March 2025 in accordance with statutory requirements and renewal is pending.
** Renewal applications have been submitted in September 2025 in accordance with statutory requirements and renewal is pending.

Selected Annual Information

	2026	2025*	2024*
Interest income	$ 297,532	$ 378,843	$ 900,116
Net income (loss)	5,957,022	(4,346,594)	(51,566,580)
Net income (loss) per share	0.02	(0.02)	(0.24)
Comprehensive income (loss)	14,384,287	(4,801,583)	(47,349,515)
Comprehensive income (loss) per share	0.04	(0.02)	(0.22)
Working capital	13,831,654	17,201,408	20,501,089
Property, plant and equipment	134,648,561	110,198,723	92,850,212
Exploration and evaluation assets	10,751,865	10,751,865	10,751,865
Total assets	217,360,367	157,012,054	134,146,310

*Amounts have been restated as a result of change in accounting policy – see "Change in Accounting Policy" for more details. The difference between net and comprehensive loss over the periods presented is attributed to the foreign exchange translation on the Company's long-term assets denominated in Fijian and Australian dollars.

Selected Quarterly Results

	June 30, 2026	March 31, 2026*	December 31, 2025*	September 30, 2025*
Total assets	$ 217,360,367	$ 196,489,884	$ 190,433,693	$ 182,758,528
Exploration and evaluation assets	10,751,865	10,751,865	10,751,865	10,751,865
Mineral property, plant and equipment	134,648,561	128,586,746	120,307,158	120,870,813
Working capital	13,831,654	506,013	7,425,129	(9,187,865)
Revenue	21,005,101	14,364,747	22,958,966	18,197,453
Interest income	52,021	99,837	110,976	34,698
Income (loss) for the period	(1,681,375)	(617,246)	8,362,636	(106,993)
Comprehensive income (loss) for the period	6,091,525	3,304,508	1,703,911	3,284,343
Basic and diluted income per share	0.00	0.01	0.02	0.00

	June 30, 2025*	March 31, 2025*	December 31, 2024*	September 30, 2024*
Total assets	$ 157,012,054	$ 163,914,633	$ 154,274,621	$ 147,616,636
Exploration and evaluation assets	10,751,865	10,751,865	10,751,865	10,751,865
Mineral property, plant and equipment	110,198,723	111,111,874	105,026,454	99,108,244
Working capital	17,201,408	22,794,082	22,992,711	26,747,147
Revenue	16,300,821	13,173,024	18,025,876	10,468,452
Interest income	72,557	115,182	87,736	103,368
Income (loss) for the period	262,556	(2,350,786)	(854,783)	(1,403,581)
Comprehensive income (loss) for the period	(2,681,952)	(2,970,115)	(1,329,442)	2,179,926
Basic and diluted income (loss) per share	0.00	(0.01)	0.00	(0.01)

*Amounts have been restated as a result of change in accounting policy – see "Change in Accounting Policy" for more details.

The focus of the Company over the periods presented has been the mine development and achievement of steady state pilot plant mine production at its Tuvatu Project. On September 30, 2023, the Company reclassified capitalized costs from exploration and evaluation assets to mineral property, plant and equipment and as the Company moved into mineral property development stage. The differential between net and comprehensive loss in each period reflects the translation adjustment of the assets and liabilities of the Company's subsidiary, Lion One PTE Limited, which is denominated in Fijian dollars. The Company's financial results are presented in Canadian dollars.

Over the period from July 1, 2022 to June 30, 2026, the Company completed multiple equity and loan financings, which has increased the total assets and funds available to accelerate the development of Tuvatu project from exploration stage to mine development stage including commissioning of the 300TPD pilot plant in November 2023, resulting in increases in exploration and evaluations assets, mineral property, plant and equipment, offset by declines in working capital to fund sustain operating losses during ramp up stage.

For the period from July 1, 2022 to June 30, 2026, the Company raised total gross financing proceeds of approximately $172 million including: $13 million equity financing in September 2022, $33 million financing in February 2023 (comprised of $30 million Tranche 1 loan facility and $3 million private placement), $27 million equity financing in May 2023, $11 million Tranche 2 loan facility financing in January 2024, $11 million equity financing in February 2024, $11 million equity financing in July 2024, $6 million Tranche 3 loan facility financing in December 2024, $11 million equity financing in February 2025, $34 million in September 2025, $2.8 million equity financing and $12.5 million convertible debenture financing in June 2026. From July 1, 2022 to June 30, 2026, the Company has used the proceeds from the equity financings and loan facility and incurred cash outflows of over $80 million on mineral properties, property and equipment (including deposits for equipment), to transform the Tuvatu project from exploration stage to mine development stage including commissioning of the 300TPD pilot plant in November 2023, including recent upgrades to achieve daily mill throughput of approximately 350 to 400TPD and incurred outflows on working capital to sustain operating activities.

During the quarters ended in December 2023 to June 2024, the pilot plant was commissioned resulting in gold revenues and mine operating losses due to ramp up and commissioning coupled with low gold grade feed of mineralized materials from mine development. The Company was able to access higher grade mineralized materials in mid-May 2024 and has achieved steady state operations for the pilot plant in June 2024, with mine operating income of $43 million for the two year period ending June 2026.

Financial Highlights**

	Three months ended June 30, 2026	Three months ended June 30, 2025	Year ended June 30, 2026	Year ended June 30, 2025
Gold ounces (oz) sold	3,349	3,576	13,291	14,746
Average realized selling price gold (oz)	$6,243	$4,541	$5,732	$3,920
Cost of sales per gold (oz)*(net of silver revenue)	$4,647	$3,745	$3,516	$2,987
Cost of sales per gold (oz) excluding depreciation * (net of silver revenue)	$4,176	$3,166	$2,874	$2,527
Revenue – gold	$20,906,418	$ 16,241,931	$ 76,185,034	$ 57,804,302
Cost of sales (net of silver revenue)*	(15,563,122)	(13,392,947)	(46,729,454)	(44,049,569)
Mine operating income	$ 5,343,296	$ 2,848,984	$ 29,455,580	$ 13,754,733

* Cost of sales per gold oz (net of silver revenue) is a non-IFRS measure with no standard definition under IFRS and is calculated using ounces sold. See the "Non-IFRS financial performance measures"
**The Company's financial results are presented in Canadian dollars.

Results of Operations for the year ended June 30, 2026, compared to 2025

The comprehensive income for the year ended June 30, 2026, was $14,384,287 (2025 – outflow $4,801,583). Significant changes to the comprehensive income are explained as follows:

- Revenue recognized of $76,526,267 (2025 - $57,968,173) on sale of 13,291 (2025 – 14,746) gold ounces and 4,569 (2025 – 3,694) silver ounces, with average realized selling price of gold of $5,732 (2025 – $3,920) per ounce. Revenue increased by $18,558,094 by 33%, due to $1,812 higher average realized selling price per oz offset by decrease of 1,455 gold oz (34%) sold due to a buildup of work in process in circuit gold inventory from 1,158 gold ounces to 2,483 gold ounces from June 30, 2025 to June 30, 2026. Please refer to Note 13 of the consolidated financial statements for the year ended June 30, 2026. Subsequent to year end June 30, 2026, the company drew down work in process in circuit gold inventory from June 30, 2026 from 2,483 gold ounces to 1,660 gold ounces by September 30, 2026.

- Cost of sales recognized of $47,070,687 (2025 - $44,213,440). Cost of sales increased from prior year due to higher production cost per ounce of gold, due to amortization of mineral properties as commercial production was achieved at Tuvatu mine on December 31, 2025, coupled with higher royalty costs and higher fuel costs in current year period compared to prior year period. Please refer to Note 14 of the consolidated financial statements for the year ended June 30, 2026.

- General and administrative expenses increased by $2,727,417 to $8,130,848 (2025 - $5,403,431) primarily due to higher salaries costs due to rise in head count and retirement allowance costs, legal fees and consulting fees associated with higher level of corporate activities compared to prior year period, please refer to Note 15 of the consolidated financial statements for the year ended June 30, 2026.

- During the year ended June 30, 2026, the Company recognized a foreign exchange translation gain of $8,427,265 on its net assets denominated in Fijian dollars reflecting a strengthening of the Fijian dollar against the Canadian dollar. A foreign exchange translation loss of $454,989 was recognized in the comparative period.

Results of Operations for the three months ended June 30, 2026, compared to 2025

The comprehensive income (loss) for the three months ended June 30, 2026, was $6,091,525 (2025 – loss $2,681,952). Significant changes to the comprehensive income are explained as follows:

- Revenue recognized of $21,005,101 (2025 - $16,300,821) on sale of 3,349 (2025 – 3,576) gold ounces and 1,031 (2025 – 1,233) silver ounces, with average realized selling price of gold of $6,243 (2025 – $4,541) per oz. Revenue increased by $4,704,280 (29%), due to $1,702 higher average realized selling price per gold oz offset by decrease of 227 gold oz (6%) sold due to a buildup of work in process in circuit gold inventory in current year period.

- Cost of sales recognized of $15,661,805 (2025 - $13,375,984). Cost of sales are higher than prior year period due to higher cost per ounce of gold sold, with the amortization of mineral properties as commercial production achieved at Tuvatu mine on December 31, 2026, higher royalty and fuel costs compared to prior year period, offset by lower gold sales due to a buildup of work in process in circuit gold inventory in current year period.

- General and administrative expenses increased by $1,176,949 to $2,846,016 (2025 - $1,669,067) primarily due higher salaries costs due to rise in head count and retirement allowance costs, legal fees and consulting fees associated with higher level of corporate activities compared to prior year period.

- During the period ended June 30, 2026, the Company recognized a foreign exchange translation gain of $7,772,900 on its net assets denominated in Fijian dollars reflecting a strengthening of the Fijian dollar against the Canadian dollar. A foreign exchange translation loss of $2,944,508 was recognized in the comparative period.

Cash flows for the year ended June 30, 2026, compared to 2025

Cash has increased by $8,653,278 to $13,755,470 at June 30, 2026, from a balance of $5,102,192 as at June 30, 2025, due to the $12,500,000 June 2026 convertible debenture financing and September/October 2025 $32,963,745 equity raise and $2,788,185 June 2026 equity raise, offset by $19,322,332 increase in inventory due to build up of work in process in circuit gold inventory by $6,087,989, mineralized materials by $3,996,949, material and supplies by 9,251,154, and by $5,864,702 increase in receivables primarily due to build up of VAT receivables related to increase in inventory and expenditures.

Cash inflows from operating activities increased by $7,602,109 to $166,149 (2025 – outflow $7,435,960), this is primarily due higher gold sales prices compared to prior year period, offset by increase in VAT receivables, increase in materials supplies inventory, mineralized materials and lower gold sales volumes resulting in a buildup of work in process in circuit gold inventory.

Cash outflows from investing activities increased by $11,332,269 to $28,345,246 (2025 - $17,012,977) due primarily to increase in purchases of mining and process plant equipment and increase in mine development activities including advancement of mine decline, compared to prior year period.

Cash inflows from financing activities increased by $14,298,954 to $37,010,637 (2025 - $22,711,683) due to the June 2026 convertible debenture financing and September/October 2025 and June 2026 equity raises, offset by Tranche 3 repayment and quarterly Tranche 2 repayment of debt facility.

Financial Position

Cash has increased by $8,653,278 to $13,755,470 as at June 30, 2026, from a balance of $5,102,192 as at June 30, 2025, due primarily $32,963,745 market public offering in September and October 2025, and $2,788,185 market public offering and $12,500,000 convertible debenture in June 2026 offset by expenditures on mineral property, plant and equipment and repayment of Tranche 3 and Tranche 2 debt facility.

Shareholders' equity increased by $51,953,774 to $152,234,876 (June 30, 2025 – $100,281,102) primarily due to the Company closing a market public offering on September 24, 2025, October 17, 2025 and October 23, 2025, by offering 105,100,016 units at a price of $0.32 per unit for gross proceeds of $32,963,745, and closing a market public offering on June 29, 2026 units at a price of $0.13 per unit for gross proceeds of $2,788,185, and 12,500 convertible debenture units at a price of $1.00 per unit for gross proceeds of $12,500,000.

LIQUIDITY AND CAPITAL RESOURCES

As at June 30, 2026, the Company had a working capital of $13,831,654, including cash of $13,755,470 as compared to working capital of $17,201,408 as at June 30, 2025.

As discussed above at the Credit Facility Update, on February 20, 2026, the Company was in breach of the $7,000,000 working capital covenant. The interest on the loan facility would remain at the default rate until the events of default had been remedied or otherwise resolved to Nebari's satisfaction. On June 29, 2026, the Company closed the first tranche of a non-brokered private placement of 12,500 convertible debenture units for gross proceeds of $12,500,000, as well the first tranche of a non-brokered private placement of units ("Units") for gross proceeds of $2,788,185 (the "Private Placement"). 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.

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On July 23, 2026, the Company announced that it has entered into a forbearance agreement (the "Forbearance Agreement") with Nebari pursuant to which Nebari has agreed to extend the final repayment date for Tranche 1 of the

Company's loan facility to December 31, 2026. The Company also announces that it has cured the financial and non-financial default events that occurred under the terms of the loan facility. Forbearance requires the Company to remain in compliance with its obligations under the loan facility going forward. The Company is actively pursuing strategic initiatives to repay the loan facility prior to the expiration of the forbearance period.

Management cautions that the Company's ability to raise further funding is not certain. Additional funds will be required in order to pursue the Company's current exploration, mine development and mill expansion plans. Many factors influence the Company's ability to raise funds, including the health of the resource market, the climate for mineral exploration investment, the Company's track record, and the experience and caliber of its management. Actual funding requirements may vary from those planned due to a number of factors, including the progress of exploration and development activities. Management continues to monitor liquidity and capital resources and has implemented measures to maintain compliance with financing obligations and support ongoing operations. Management believes it will be able to raise equity capital as required in the long term, but recognizes there will be risks involved that may be beyond their control.

CRITICAL ACCOUNTING ESTIMATES

The Company's accounting policies are described in Notes 2 and 3 of its consolidated financial statements for the year ended June 30, 2026. The preparation of the consolidated financial statements requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported expenses during the year. Actual results could differ from these estimates. Management considers the following estimates to be the most critical in understanding the judgments and estimates that are involved in the preparation of the Company's consolidated financial statements and the uncertainties that could impact the results of operations, financial condition and cash flows:

Assessment of impairment indicators of non-current assets
Management assesses whether any indication of impairment exists at the end of each reporting period or when a triggering event is identified. Judgment is required in assessing whether certain factors would be considered an indicator of impairment. Management considers both internal and external information to determine whether there is an indicator of impairment and, accordingly, whether impairment testing is required.

Mineral property, property, plant and equipment and determination whether the assets are ready for their intended use
Determining when the Tuvatu Gold Project is in the condition necessary to be capable of operating in the manner intended by management is a matter of judgment. The Company has established a framework in the context of IAS 16 – Property, Plant and Equipment with respect to determining when the Tuvatu Gold Project is deemed to be capable of operating in the manner intended by management. This framework considers factors such as the physical and technical performance of the asset. For further details on this framework and the factors considered, please refer to Note 3 "Material Accounting Policies – Mineral property, plant, and equipment – Mineral property – development phase". During the year ended June 30, 2026, management determined that the Tuvatu Gold Project has achieved commercial production effective December 31, 2025.

Functional currency
The functional currency of each of the subsidiaries and the Company were assessed to determine the economic substance of the currency in which each entity performed its operations. The functional currency of the Company is the Canadian dollar. The functional currencies of the Company's subsidiaries have been assessed and incorporate the Canadian dollar, Fijian dollar and Australian dollar as detailed in Note 2 of consolidated financial statements for the year ended June 30, 2026.

Going concern
The consolidated financial statements have been prepared on a going concern basis which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future. If the going concern assumptions were not appropriate for these consolidated financial statements, then adjustments would be necessary in the carrying value of assets and liabilities, the reported expenses and the consolidated statements of financial position.

Collectability and classification of VAT recoverable
VAT recoverable is collectible from the government of Fiji. The collection of VAT is subject to a complex application and collection process and therefore, there is risk related to the collectability and timing of payment from the Fijian government. The Company uses its best estimates based on the facts known at the time and its experience to determine its best estimate of the collectability and timing of these recoveries. Changes in the assumptions regarding collectability and the timing of collection could impact the valuation and classification as a current or non-current asset associated with VAT recoverable.

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

Mineral resource estimates
Judgements about the amount of mineral resources that can be economically and legally extracted from the Company's properties are made by management using a range of geological, technical and economic factors. Grade and tonnage balances are estimates of the amount of mineral that can be mined by the Company. The estimate of grade and tonnages is prepared and reviewed by professional geologists, engineers and members of the Company's management or independent qualified consultants. Changes in judgements surrounding reserves and resources may impact the carrying values of mineral property, plant and equipment, reclamation and closure provisions and timing, and amortization and depletion.

Income taxes
The determination of income tax is inherently complex and requires making certain estimates and assumptions about future events. While income tax filings are subject to audits and reassessments, the Company has adequately provided for all income tax obligations. However, changes in facts and circumstances as a result of income tax audits, reassessments, jurisprudence and any new legislation may result in an increase or decrease in the Company's provision for income taxes.

Share-based payments
Share-based payments are subject to estimation of the value of the award at the date of grant using pricing models such as the Black-Scholes option valuation model. The option valuation model requires the input of highly subjective assumptions including the expected share price volatility. Where such valuations are applied, such as the time of a stock option grant or issuance of shares from trust, management provides detailed valuation assumptions.

Inventory
Stockpiled mineralized materials, work-in-process inventory, and finished goods are measured at the lower of weighted average cost or net realizable value ("NRV"). The assumptions used in the valuation of work-in process inventory include estimates of the amount of gold and silver in the mill circuits and assumptions of the gold and silver prices expected to be realized when the metals are recovered. If these estimates or assumptions prove to be inaccurate, the Company could be required to write-down the recorded value of its work-in-process inventory, which would reduce the Company's earnings. The Company allocates mining costs between capital mine development activities and operating activities on a monthly basis, by using capital and operating meters advanced and ore tonnes and waste tonnes mined ore as a basis to allocate.

PROPOSED TRANSACTIONS

Other than as disclosed elsewhere in this document, the Company does not have any proposed transactions.

FINANCIAL INSTRUMENTS AND OTHER INSTRUMENTS

Financial instruments of the Company comprise of cash, receivables, deposits, accounts payable and accrued liabilities, lease liability, loan facility, convertible debentures and accrued interest. The carrying values of these financial instruments do not materially differ from their fair values due to their ability for prompt liquidation or their short terms to maturity. The fair value of long-term liabilities are initially recorded at fair value and subsequently carried at amortized cost using rates comparable to market interest rates.

Credit risk
Credit risk is the risk of potential loss to the Company if the counterparty to a financial instrument fails to meet its contractual obligations. The Company's credit risk is primarily attributable to its liquid financial assets including cash and receivables. The Company limits exposure to credit risk on liquid financial assets through maintaining its cash with high-credit quality financial institutions. Receivables mainly consist of Goods and Services Tax ("GST") receivable from the Government of Canada, and Value Added Tax ("VAT") receivable from the Government of Fiji. The Company has not had issues with respect to collectability of these amounts and believes that the credit risk concentration with respect to receivables is minimal.

Liquidity risk
Liquidity risk is the risk that the Company will not be able to meet its obligations associated with its financial liabilities. The Company will raise funds for future use from equity financings and other methods as contemplated by management to satisfy its capital requirements and will continue to depend heavily upon these financing activities. All of the Company's current financial liabilities have contractual maturities of 30 days or due on demand and are subject to normal trade terms. As at June 30, 2026, the Company had a working capital of $13,831,654 *(please refer to Liquidity and Capital Resources Section above).*

Market risk
Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign exchange rates, and commodity and equity prices. The Company does not have a practice of trading derivatives.

a) Interest rate risk
The Company has cash balances with its banking institution and long-term debt under the loan facility. The Company periodically monitors the investments it makes and is satisfied with the credit ratings of its banks. Advances under the loan facility will bear interest at the 3 month SOFR +8% for Tranche 1 and +10% for Tranche 2/3.

b) Foreign currency risk
The Company's revenue is generated in US dollars and has Fijian mine operations expenditures that are conducted in Fijian dollars, US dollars, Canadian dollars and Australian dollars. A portion of the Company's financial assets (liabilities) and other assets are denominated in US dollars and Australian dollars. As such, the Company is exposed to foreign currency risk in fluctuations. The Company manages this risk by entering into short term forward exchange contracts with durations of one to two months on an intermittent basis to minimize foreign exchange fluctuations.

c) Price risk
The Company is exposed to price risk with respect to commodity and equity prices. The Company closely monitors commodity prices to determine the appropriate strategic action to be taken by the Company. The Company sells gold production in the world market. The market prices of gold are the primary drivers of the Company's profitability and ability to generate cash flow.

OFF-BALANCE SHEET ARRANGEMENTS

At June 30, 2026, the Company had no material off balance sheet arrangements such as guarantee contracts, contingent interest in assets transferred to an entity, derivative instruments obligations or any obligations that trigger financing, liquidity, market or credit risk to the Company.

RELATED PARTY TRANSACTIONS

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

Key management personnel comprise of the: Chief Executive Officer, Chief Financial Officer, Chief Operating Officer, Senior Vice President Exploration and Vice President, Corporate Secretary of the Company, members of the Board of Directors and related companies. The remuneration of the key management personnel is as follows for the year ended June 30:

	2026	2025
Payments to key management personnel:		
Cash compensation expensed to management fees, professional fees, investor relations, directors' fees and consulting fees	$ 3,311,989	$ 1,793,152
Cash compensation capitalized to mineral property, plant and equipment and exploration and evaluation assets	268,077	407,149
Share-based payments	(7,759)	231,379

During the year ended June 30, 2026, the Company paid $180,000 (2025 - $180,000) in rent to Cabrera Capital Corp. ("Cabrera"), a company controlled by Walter Berukoff, a former director of the Company. As at June 30, 2026, the Company had a lease liability of $263,949 (June 30, 2025 – $378,386) due to Cabrera equal to the present value of office space lease payments over the term of the lease. As at June 30, 2026, the Company has a payable of $245,854 (June 30, 2025 – $234,706).

During the year ended June 30, 2026, the Company recognized share-based payment expense of $54,167 (2025 – $Nil) in respect of 5,000,000 restricted stock units (RSUs) granted to Walter Berukoff, a former director of the Company, as part of his retirement compensation arrangement following his resignation on June 3, 2026. The expense was recognized over the 12-month vesting period. As at June 30, 2026, the Company has a payable of $350,000 (June 30, 2025 – $Nil) owing to Walter Berukoff in respect of management fees.

The Company had a management and corporate services agreement with Cabrera pursuant to which Cabrera provides a fully furnished and equipped business premises as well as management and administration services to the Company. With the exception of rent expense, Cabrera charges the Company on a cost-recovery basis. On April 1, 2023, the Cabrera management and corporate services agreement was renewed for an additional 5-year term.

During the year ended June 30, 2026, the Company paid $234,660 (2025 - $228,997) in rent to Lions Den (Fiji) Pte Limited, a company controlled by Walter Berukoff, the former director of the Company, for short-term and long-term accommodations including utilities in Fiji, and as of June 30, 2026, has a receivable of $12,823 (June 30, 2025 – receivable $37,382).

During the year ended June 30, 2026, the Company paid $1,134,754 (2025 – $854,121) in royalty to Laimes Global, Inc, a company controlled by Walter Berukoff, the former director of the Company. As at June 30, 2026, the Company has a payable of $329,054 (June 30, 2025 – $249,961).

During the year ended June 30, 2026, the Company paid professional fees of $11,259 (2025 - $22,584) to a management services company owned by David McArthur, a director of the Company's subsidiary, Lion One Australia Pty Ltd. As at June 30, 2026, the Company had a payable of $1,080 (June 30, 2025 - $984).

During the year ended June 30, 2026, the Company paid professional fees of $240,000 (2025 - $60,000) to Richard Meli, a director of the Company, for consulting services. As at June 30, 2026, the Company had a payable of $Nil (June 30, 2025 - $Nil).

During the year ended June 30, 2026, the Company recorded $572,132 (2025 – $) in consulting fees to Arete Capital Advisory Pty a company controlled by Campbell Olsen, the former CEO of the Company. As at June 30, 2026, the Company has a payable of $572,132 (June 30, 2025 – $Nil).

CHANGE IN ACCOUNTING POLICY

Effective January 1, 2026, the Company changed its accounting policy for exploration and evaluation (E&E) expenditures from the policy previously adopted for its financial statements for the year ended June 30, 2024. The Company previously capitalized the acquisition costs of exploration and evaluation assets and deferred exploration expenditures directly related to specific exploration and evaluation assets.

Under the new policy, exploration and evaluation expenditures incurred prior to the determination of the feasibility of mining operations and a decision to proceed with development are charged to the statement of loss and comprehensive loss as incurred. Development expenditures incurred subsequent to a development decision, and to increase or to extend the life of existing production, are capitalized and will be amortized on the unit-of production method based upon estimated proven and probable reserves. The Company believes that expensing such costs as incurred provides more reliable financial information, eliminating the use of estimates and judgments regarding the valuation of exploration and evaluation expenditures and aligns the analysis to when the mineral property is considered economically and commercially viable.

Mineral property acquisition costs will continue to be capitalized and include consideration and transaction costs for mineral property interests. These costs are amortized over the estimated life of the property following commencement of commercial production. If, after management review, it is determined that the carrying amount of a mineral property is impaired, that property is written down to its estimated net realizable value. A mineral property is reviewed for impairment whenever events or changes in circumstances indicate that its carrying amount may not be recoverable.

The Company has accounted for this change in accounting policy on a retrospective basis. The change in accounting policy resulted in the following changes to the Company's consolidated financial statements:

Consolidated Statement of Financial Position as at **July 1, 2024**:

	As previously reported $	Effect on change in accounting policy $	As restated under new policy $
Non-current assets			
Exploration and evaluation assets (i)	35,009,969	(24,258,104)	10,751,865
Mineral property and PP&E assets (ii)	150,333,840	(57,483,628)	92,850,212
Total assets	215,888,042	(81,741,732)	134,146,310
Liabilities and shareholder's equity (deficiency)			
Deficit	(89,727,950)	(81,741,732))	(171,469,682)
Total shareholder's equity (deficiency)	165,225,554	(81,741,732)	83,483,822
Total liabilities and shareholder's equity (deficiency)	215,888,042	(81,741,732)	134,146,310

(i) All exploration and evaluation expenditures have been expensed to deficit rather than capitalized on the statement of financial position. $10,751,865 relates to the net book value of acquisition costs as at June 30, 2024.

(ii) The amounts previously reclassified from exploration and evaluation expenditures to mineral properties and Mine (CIP) as at July 1, 2023, have been expensed to deficit. Accordingly, these amounts have not been recognized as capitalized assets in the statement of financial position.

Consolidated Statement of Financial Position as at **June 30, 2025**:

	As previously reported $	Effect on change in accounting policy $	As restated under new policy $
Non-current assets			
Exploration and evaluation assets (iii)	36,641,501	(25,889,636)	10,751,865
Mineral property and PP&E assets (iv)	167,682,351	(57,483,628)	110,198,723
Total assets	240,385,318	(83,373,264)	157,012,054
Liabilities and shareholder's equity			
Deficit	(92,443,012)	(83,373,264)	(175,816,276)
Total shareholder's equity	183,654,366	(83,373,264)	100,281,102
Total liabilities and shareholder's equity	240,385,318	(83,373,264)	157,012,054

(iii) All exploration and evaluation expenditures have been expensed to deficit rather than capitalized on the statement of financial position. $10,751,865 relates to the net book value of acquisition costs as at June 30, 2025.

(iv) The amounts previously reclassified from exploration and evaluation expenditures to mineral properties and Mine (CIP) as at July 1, 2023, have been expensed to deficit. Accordingly, these amounts have not been recognized as capitalized assets in the statement of financial position.

Consolidated Statement of Operations and Comprehensive Loss for the year ended June 30, 2025**:**

	As previously reported $	Effect on change in accounting policy $	As restated under new policy $
Expenses			
Exploration expenses (v)	-	1,631,532	1,631,532
Comprehensive loss for the year	(3,170,051)	(1,631,532)	(4,801,583)
Basic and diluted loss per share	(0.02)	-	(0.01)
Weighted average number of common shares outstanding	273,789,076	-	273,789,076

(v) $1,631,532 in costs for the year ended June 30, 2025 which were previously capitalized in exploration and evaluation assets and recognized as investing activities have been reflected in loss and comprehensive loss for the year and thereby recognized in operating activities.

Consolidated Statement of Cash Flows for the year ended **June 30, 2025:**

	As previously reported $	Effect on change in accounting policy $	As restated under new policy $
CASH FLOWS (USED IN) OPERATING ACTIVITIES			
Net loss for the year	(2,715,062)	(1,631,532)	(4,346,594)
Non-cash items:			
Foreign exchange loss (gain)	(1,384,034)	(21,208)	(1,405,242)
Depreciation (Note 10)	113,234	(210,888)	(97,654)
Depreciation in cost of sales (Note 13)	6,788,650	-	6,788,650
Interest and finance expense	4,176,496	-	4,176,496
Debt modification gain	(259,926)	-	(259,926)
Share-based payments	471,182	113,537	584,719
Changes in non-cash working capital items:			
Receivables	(1,772,110)	-	(1,772,110)
Prepaid expenses	(1,665,427)	-	(1,665,427)
Inventory	(9,721,355)	-	(9,721,355)
Accounts payable and accrued liabilities	282,483	-	282,483
Cash used in operating activities	(5,685,869)	(1,750,091)	(7,435,960)
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of mineral property, plant and equipment	(16,893,998)	-	(16,893,998)
Exploration expenditures	(1,750,091)	1,750,091	-
Deposits	(118,979)	-	(118,979)
Cash used in investing activities	(18,763,068)	1,750,091	(17,012,977)

(vi) $1,750,091, in costs for the year ended June 30, 2025 which were previously capitalized in exploration and evaluation assets and recognized as investing activities have been reflected in loss and comprehensive loss for the year and thereby recognized in operating activities.

RISK FACTORS

Prior to making an investment decision, investors should consider the investment risks set out in the Annual Information Form ("AIF"), located on SEDAR at www.sedar.com, which are in addition to the usual risks associated with an investment in a business at an early stage of development. The directors of the Company consider the risks set out in the AIF to be the most significant to potential investors in the Company, but are not all of the risks associated with an investment in securities of the Company. If any of these risks materialize into actual events or circumstances or other possible additional risks and uncertainties of which the Directors are currently unaware, or which they consider not to be material in relation to the Company's business, actually occur, the Company's assets, liabilities, financial condition, results of operations (including future results of operations), business and business prospects, are likely to be materially and adversely affected. In such circumstances, the price of the Company's securities could decline and investors may lose all or part of their investment.

New accounting standards issued but not yet effective

IFRS 18 Presentation and Disclosure in Financial Statements

IFRS 18 Presentation and Disclosure in Financial Statements, which will replace IAS 1, Presentation of Financial Statements aims to improve how companies communicate in their financial statements, with a focus on information about financial performance in the statement of profit or loss, in particular additional defined subtotals, disclosures about management-defined performance measures and new principles for aggregation and disaggregation of information.

IFRS 18 is accompanied by limited amendments to the requirements in IAS 7 Statement of Cash Flows. IFRS 18 is effective from January 1, 2027. Companies are permitted to apply IFRS 18 before that date. The Company is in the process of assessing if the new accounting standards will have a significant effect on the Company's consolidated financial statements.

NON-IFRS PERFORMANCE MEASURES

The Company provides some non-IFRS measures as supplementary information that management believes may be useful to investors to explain the Company's financial results. Please refer to Note 13 and 14 of the consolidated financial statements for the year ended June 30, 2026. Below is our cost of sales (net of silver revenue) per gold oz sold non-IFRS reconciliation:

A summary of cost of sales for the year ended June 30:

Cost of sales (net of silver revenue)		2026		2025
Production costs	$	35,717,621	$	35,970,494
Depreciation		8,536,313		6,788,650
Refining and transportation costs		381,163		126,365
Royalties		2,435,590		1,327,931
Total cost of sales	$	47,070,687	$	44,213,440
Less: silver revenue		(341,233)		(163,871)
Total cost of sales (net silver revenue)	$	46,729,454	$	44,049,569
Less: depreciation		(8,536,313)		(6,788,650)
Total cost of sales excluding depreciation (net silver revenue)	$	38,193,141	$	37,260,919
Gold oz sold		13,291		14,746
Total cost of sales per gold oz sold (net silver revenue)	$	3,516	$	2,987
Total cost of sales excluding deprecation per gold oz sold (net silver revenue)	$	2,874	$	2,527

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

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

OUTSTANDING SHARE DATA

As at June 30, 2026, and October 28, 2026, the balance of common shares, stock options, warrants and compensation units were issued and outstanding as follows:

	Balance June 30, 2026	Balance October 28, 2026
Common Shares	424,301,970	429,777,475
Warrants	323,380,327	340,394,291
Compensation Warrants	2,088,312	2,088,312
Stock Options	5,691,666	26,341,666
Compensation Options	11,941,956	11,941,956
RSUs	5,000,000	5,000,000

INFORMATION REGARDING FORWARD LOOKING STATEMENTS

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

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

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

ADDITIONAL INFORMATION

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