LION ONE METALS LIMITED

MANAGEMENT'S DISCUSSION AND ANALYSIS

PERIOD ENDED MARCH 31, 2014

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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 nine month period ended March 31, 2014. The discussion below should be read in conjunction with the Company's unaudited condensed consolidated interim financial statements for the nine months ended March 31, 2014 and for the audited consolidated financial statements for the year ended June 30, 2013. Those financial statements are prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board. All dollar figures included in the following Management Discussion and Analysis ("MD&A") are quoted in Canadian dollars unless otherwise indicated. This MD&A has been prepared as at May 13, 2014.

The Company is listed on the TSX Venture Exchange ("TSX-V") under the symbol LIO and the Australian Securities Exchange ("ASX") under the symbol LLO (OTCQX: LOMLF; FSX:FY1).

Additional information related to the Company is available on SEDAR at www.sedar.com and the Company's website at www.liononemetals.com.

BACKGROUND AND CORE BUSINESS

Lion One Metals Limited was incorporated on November 12, 1996 under the name X-Tal Minerals Corp. ("X-Tal") under the laws of the Province of British Columbia, Canada. On January 28, 2011, the Company executed a reverse takeover ("RTO") of X-Tal by American Eagle Resources Inc. ("AME") and changed its name to Lion One Metals Limited.

In June 2013 the Company completed a merger with Avocet Resources Limited ("Avocet"), an Australian exploration company based in Perth, WA. Subsequent to the merger, Avocet underwent a name change to Lion One Australia Pty Ltd ("Lion One Australia"). Lion One Australia remains a wholly-owned subsidiary of the Company holding several exploration-stage properties in Australia, and two exploration-stage properties in Argentina through a 100% owned subsidiary, Piche Resources Pty Ltd.

The Company's primary asset is the 100% held Tuvatu Gold Project ("Tuvatu"), located on the island of Viti Levu in Fiji. The company operates in Fiji under its wholly-owned subsidiary Lion One Limited (Fiji).

The Company's head office and principal address is 311 West 1st Street, North Vancouver, BC, V7M 1B5. The address of the registered and records office is 20th Floor, 250 Howe Street, Vancouver, BC, V6C 3R8.

COMPANY HIGHLIGHTS

During the three month period ended March 31, 2014 and subsequent the Company:

- Announced the approval of its Environmental Impact Assessment ("EIA") for Tuvatu
- Reached an agreement with Fiji's iTaueki Land Trust Board covering terms of a Surface Lease for Tuvatu
- Advanced discussions with Fiji's Mineral Resources Dept. covering terms of a Mining License for Tuvatu
- Commissioned an updated independent NI 43-101 Resource Estimate for Tuvatu
- Announced an initial NI 43-101 resource estimate for the Olary Iron Project in South Australia

Environmental Impact Assessment Approved

On February 11, 2014 the Company announced that Fiji's Department of Environment approved the Environmental Impact Assessment ("EIA") for Tuvatu. In addition to ongoing exploration activities, the EIA contemplated the impact of both surface and underground mining at Tuvatu. The Department of Environment has notified the Mineral Resources Department ("MRD") the EIA is approved and recommends that mining activities may proceed at Tuvatu.

Surface Lease Agreement – Tuvatu

Subsequent to the period ended March 31, 2014, the Company entered into a Surface Lease agreement with the iTaueki Land Trust Board ("TLTB") which governs the native land ownership rights in Fiji. The TLTB manages the lease agreements between native land owners and tenants. The Surface Lease between the Company and the TLTB is required to proceed obtaining a mining lease from the MRD. The Company has successfully completed the negotiation of a 21 year Surface Lease with the TLTB. The Surface Lease agreement is a critical component of the Mining License for the Tuvatu Gold Project.

Under the terms of the Surface Lease, the Company must make a one-time payment of FJD$1,000,000 (CAD$597,400) of which FJD$700,000 (CAD$418,180) is due within 21 days of acceptance of the Surface Lease agreement and the balance of FJD$300,000 (CAD$179,220) is due upon the first gold production from mining operations in Tuvatu. An additional lease payment of FJD$30,000 (CAD$17,922) is payable per annum to the local communities for education and community development over the 21-year term of the Surface Lease agreement.

Mining License – Tuvatu – Application Filed

The Company filed its application for a Mining License with the MRD for Tuvatu in 2013. During the period ending March 31, 2014 the Company was notified by the MRD that the Director of Mines published the Company's Notice of Application in the Fiji Government Gazette and two national newspapers for a period of thirty days in December 2013, with no objections received during the prescribed period. The Company awaits further guidance from the MRD with respect to the status of its Mining License application.

Tuvatu Gold Project Resource Estimate

During the period ended March 31, 2014, the Company commissioned an updated independent geology review and resource estimate (the "report") for Tuvatu. The report will incorporate new exploration data generated through the 2012 and 2013 drilling programs and will be carried out and completed by Mining Associates Pty Ltd. of Brisbane, Australia. The Company expects to receive the report subsequent to the period ended March 31, 2014.

Olary Iron Ore Project Resource Estimate

On March 6, 2014, the Company published an initial National Instrument ("NI") 43-101 Mineral Resource Estimate for the Olary Iron Ore Project, in South Australia. The technical report "Olary Iron Project Mineral Resource Estimate, South Australia" was commissioned by the Company's joint venture partner Yukuang Australia (WA) Resources Pty Ltd ("Yukuang") and completed by SRK Consulting Australasia Pty Ltd ("SRK").

Highlights of the estimate include:

Olary Iron Project Resource Estimate Summary									
Category	**Tonnage**	**Fe %**	**SIO2%**	**Al2O3%**	**LOI%**	**S%**	**P%**	**DTR%**	**Density**
Indicated	214,000,000	26.3	40.8	6.9	3.9	0.029	0.24	26.4	3.12
Inferred	296,000,000	26.4	41.3	6.9	3.7	0.027	0.25	27.3	3.10

Table 1: Summary of Olary Iron Project Resource Estimate using cutoff grade of 20% Fe

		DTR Concentrate Grades					
Category	**Concentrate Tonnage**	**Fe %**	**SIO2%**	**Al2O3%**	**LOI%**	**S%**	**P%**
Indicated	57,000,000	69.6	2.9	0.3	-3.1	0.008	0.01
Inferred	81,000,000	69.8	2.6	0.2	-3.1	0.009	0.008

Table 2: Davis Tube Recovery (DTR) test results and Fe content for the magnetic concentrate for composite RC and Diamond drillhole samples at grind size of 38 microns and 10% DTR cut-off grade

Refer to "Properties – Australia" below for a detailed discussion on the Olary Iron Ore Project and Joint Venture agreement.

EXPLORATION AND EVALUATION ASSETS

PROPERTIES - FIJI

Tuvatu Gold Project, Viti Levu

The Tuvatu Gold Project is located near the city of Nadi on the main island of Viti Levu in Fiji. The project is held within three contiguous Special Prospecting License ("SPL's") areas granted by the Mineral Resources Department of Fiji ("MRD") that collectively covers 121.65 square kilometers ("km") on the margins of the Navilawa Caldera.

The Navilawa Caldera is a volcanic intrusive complex situated along the Viti Levu Lineament, a mineral belt hosting Fiji's known gold deposits. The Navilawa Caldera's geological setting bears many similarities with the nearby Tavua Caldera, which hosts Fiji's largest defined gold deposit and oldest operating gold mine at Vatukoula (Vatukoula Gold Mines PLC). Vatukoula has produced over 7 million oz. gold since the 1930's, with 4.2 million oz. current resources and 790,000 oz. reserves (www.vgmplc.com, 2014).

The Fijian Islands are located along the Pacific Islands Arc, which hosts a number of major deposits that include the Lihir, Porgera, Ok Tedi, and Wafi-Golpu gold deposits in Papua New Guinea.

Gold mineralization at Tuvatu is evident in two deposit styles; low-sulphidation epithermal gold-silver, and porphyry-style copper-gold both associated with rocks of alkali affinity. The Tuvatu Gold Project currently contains an indicated mineral resource of 172,000 oz. Au (760,000 tonnes at 7.05 g/t Au) and an inferred mineral resource of 480,000 oz. Au (2,618,000 tonnes at 5.71 g/t Au).

Historical and recent geological information, maps, photos and cross sections for to the Tuvatu Gold Project is available at the Company's website www.liononemetals.com.

The Company holds a total of five (5) Special Prospecting Licenses ("SPL's") in Fiji. Tuvatu is situated within the boundaries of SPL's 1283 (Tuvatu) and 1296 (Yavuna), which were renewed in late 2013 for a further three year period expiring September 3, 2016. The Company is committed to spend $2,100,000 Fijian dollars (CAD$1,254,540) on each of the tenements over the three year term.

The Nagado (SPL 1465) property adjoins the southern boundary of SPL 1283. The Company received notice of the renewal of this tenement, which has now been extended for a three year period to December 2, 2016. The expenditure commitment on SPL 1465 over the term of the renewal is $1,800,000 Fijian dollars (CAD$1,075,320).

The Company has been actively consulting with the Mineral Resources Department, the iTaueki Land Trust Board, local communities, and landowner groups in delineating an area around Tuvatu in SPL's 1283 and 1296 to be rezoned for a Special Mining License. The Company filed its application for a Mining License in 2013 and has accepted the terms offered for a Surface Lease.

While, by definition, Mineral Resources have "reasonable prospects for economic extraction" the actual economic viability of the Company's Tuvatu mineral property has not been established.

Exploration Properties, Vanua Levu, Fiji

The Delaikoro (SPL 1467) and Vunimoli (SPL 1468) properties cover a combined 27,489 hectares in the Labasa area on the island of Vanua Levu and are early-stage exploration projects. Both SPL's were renewed in late 2013 for a term of three years.

On October 11, 2013, the Company received the notice of renewal of SPL 1468 which has been extended to October 2, 2016. The Company is obligated to spend $289,500 Fijian dollars (CAD$172,947) on the tenement over the three year term.

On December 10, 2013, the Company received the notice of renewal of SPL 1467 which has been extended to November 6, 2016. The Company is obligated to spend $650,500 Fijian dollars (CAD$388,609) on the tenement over the three year term.

Expenditures incurred on the Fiji properties are as follows:

	June 30, 2012	Additions	June 30, 2013	Additions	March 31, 2014
Acquisition costs	$21,915,063	$ -	$ 21,915,063	$ -	$ 21,915,063
Camp costs and field supplies	421,408	225,204	646,612	61,832	708,444
Consulting fees	1,397,113	305,414	1,702,527	142,142	1,844,669
Depreciation	96,502	113,660	210,162	82,933	293,095
Dewatering and environmental	-	102,719	102,719	52,948	155,667
Drilling	179,324	1,301,417	1,480,741	681,220	2,161,961
Fiji office administration	556,627	121,498	678,125	91,016	769,141
Permitting and community consults	43,665	57,200	100,865	38,659	139,524
Road building and site works	499,034	58,774	557,808	18,628	576,436
Salaries and wages	1,688,137	855,945	2,544,082	519,482	3,063,564
Sample preparation, assaying	566,043	400,248	966,291	135,501	1,101,792
Technical reports	-	-	-	209,774	209,774
Travel	384,588	30,211	414,799	62,678	477,477
Vehicle and transportation	160,376	75,885	236,261	33,320	269,581
Cumulative foreign currency translation adjustment	(3,046,158)	(16,377)	(3,062,535)	1,699,211	(1,363,324)
	$24,861,722	$ 3,631,798	$ 28,493,520	$ 3,829,344	$ 32,322,864

PROPERTIES – AUSTRALIA

Olary Creek, South Australia

The Olary Creek Project (Exploration License 4664) is located in South Australia 70 km southwest of Broken Hill, NSW, and 40 km south of the Barrier Highway. To the north of the area is an open access railway with direct routes to major capital cities and ports. The property is considered prospective for a range of minerals, having previously been drilled for uranium and copper, and subsequently for iron ore. The project contains several iron rich siltstone units of the Braemar Iron Formation, which are highly prospective for bulk magnetite deposits.

The original exploration joint venture on the Olary Creek Project was formed in 2010 between Lion One Australia and Perth- based HJH Nominees ("HJH"). In 2011 HJH signed a farm-in agreement with Yukuang Australia ("Yukuang"), the Australian subsidiary of Henan Yukuang, a state-owned mineral exploration and mining company based in Henan Province, Peoples Republic of China, to earn a combined 75% interest in the iron and manganese rights. In April 2012 the HJH/Yukuang partnership reached the $5,000,000 expenditure requirement with Lion One Australia retaining a 25% free carried interest. In July 2013 Lion One Australia exercised its preemptive right over the 22% interest held by HJH and negotiated new Farm-in, Joint Venture, and Split Commodity Agreements with Yukuang covering the iron and manganese rights. Lion One Australia holds a 51% interest in the tenement and has retained 100% rights for all other commodities.

Although the additional 22% equity acquired in the iron and manganese joint venture is a participating interest, the 25% free carried interest is a non-contributing interest. The Company holds the option, upon the completion of a bankable feasibility study and within 90 days of a decision to mine, to contribute to its proportional share of development expenditures or convert its 25% interest to a 2% FOB royalty, or to a 1% FOB royalty with a $0.50 per tonne production royalty.

In excess of 16,000 meters of diamond and reverse circulation drilling have been carried out by the joint venture partners to test zones of outcropping iron mineralization that extend along 7.5 kilometers of strike and have been observed to improve in grade and thickness at depth. The prospective Braemar Iron Formation remains open at depth and open along strike within the tenement area.

On March 6, 2014, the Company published an initial National Instrument ("NI") 43-101 Mineral Resource Estimate for the Olary Iron Ore Project in the Braemar Iron Province, South Australia.

Western Australia

An overview of the composition of the Company's Australian land package is included in the accompanying condensed consolidated interim financial statements. Historic geological work is discussed in Management's Discussion and Analysis for the year ended June 30, 2013.

Expenditures incurred on the Australian properties for the period ended March 31, 2014 are detailed in the table below. Expenditures from the date of acquisition on June 18, 2013 to June 30, 2013 are provided in management's discussion and analysis for the year ended June 30, 2013:

	Olary Creek, South Australia	Ashburton Project, Western Australia	Saltwater Pool JV, South Australia	Total
Balance, June 30, 2013[1]	$ -	$ 2,658	$ (448)	$ 2,210
Assays	-	11,232	14,170	25,402
Drafting and mapping	-	810	456	1,266
Drilling	-	31,469	36,942	68,411
Environmental	-	41	-	41
Field expenditures	-	1,534	1,521	3,055
Freight	-	885	1,210	2,095
Fuel	-	-	1,906	1,906
Geochemistry	134	789	781	1,704
Geological consulting	3,678	32,971	39,580	76,229
Salaries – management and geological	12,636	29,169	12,244	54,049
Site preparation and rehabilitation	-	10,761	18,341	29,102
Tenement fees	-	55,147	23,424	78,571
Travel	1,256	1,959	-	3,215
Vehicles	-	1,667	1,336	3,003
	17,704	178,434	151,911	348,049
Balance, March 31, 2014	$ 17,704	$ 181,092	$ 151,463	$ 350,259

[1] Balance as at June 30, 2013 reflects expenditures incurred from the acquisition of Lion One Australia on June 18, 2013 to June 30, 2013.

PROPERTIES – ARGENTINA

The Company manages two separate joint venture projects in the Patagonia area of the Chubut Province of Argentina; one for uranium (Sierra Cuadrada JV with U3O8 Corp) and the other for gold (Cerro Chacon JV with MH Argentina). Both are managed through the Company's wholly owned subsidiary, Piche Resources.

An overview of the joint venture agreements is available in the accompanying condensed consolidated interim financial statements for the period ending March 31, 2014.

Expenditures incurred on the Argentine properties for the period ended March 31, 2014 are detailed in the table below. Expenditures from the date of acquisition of the properties on June 18, 2013 to June 30, 2013 are provided in management's discussion and analysis for the year ended June 30, 2013:

	Sierra Cuadrada	Cerro Chacon	Total
Balance, June 30, 2013[1]	$ 6,541	$ 837	$ 7,378
Assaying	-	4,706	4,706
Environmental	4,747	6,171	10,918
Geological consulting	1,677	40,756	42,433
Legal fees	2,612	3,233	5,845
Salaries – management and geology	2,539	2,423	4,962
Travel	720	549	1,269
	12,295	57,838	70,133
Balance, March 31, 2014	$ 18,836	$ 58,675	$ 77,511

[1] Balance as at June 30, 2013 reflects expenditures incurred from the acquisition of Lion One Australia on June 18, 2013 to June 30, 2013.

A full tenement listing is provided in Schedule "A" at the end of this MD&A.

Rob McLeod, P.Geo, a Qualified Person under the meaning of Canadian National Instrument 43-101, is a consultant to the Company and responsible for the technical content of this Management's Discussion and Analysis.

OUTLOOK

The Company's focus is the advancement of the Tuvatu Gold Project. Following the 2012-2013 drilling programs, the Company engaged independent consultants to validate its extensive geological database and undertake an updated resource estimate for Tuvatu. The Company has also prioritized the permitting process, having conducted over 200 consultations with various communities, landowner groups, government agencies, and stakeholders since 2010.The Company has received Department of Environment approval for its EIA, secured a Surface Lease, has filed its application for a Mining License at Tuvatu. Over the next quarter, the Company expects to provide guidance to shareholders on the status of its Mining License application in addition to the scope of further exploration and development options. The Company believes that Fiji is a favorable jurisdiction for mineral exploration, mining, and foreign investment, with over 70 current exploration licenses issued and several new mines permitted in recent years.

Results of Operations for the nine month period ended March 31, 2014 compared to 2013

The comprehensive income for the nine month period increased by $1,520,462 to $417,781 (2013 – loss of $1,102,681). Significant changes to the comprehensive income (loss) are explained as follows:

- Consulting fees decreased by $45,056 to $95,625 (2013 - $140,681). The Company incurred significant expenses in the period ended March 31, 2013 while performing a due diligence review over the acquisition of Lion One Australia.

- Investor relations expenses have decreased by $101,964 to $179,637 (2013 - $281,601) as the Company attended fewer conferences in the current period and reduced the recurrent fees by reducing the staffing allocated to shareholder relation activities.

- Professional fees decreased by $74,308 to $153,423 (2013 - $227,731). The decrease relates to professional fees incurred in the prior period related to the acquisition of Lion One Australia.

- Shareholder communications and filings increased by $38,533 to $158,465 (2013 - $119,932) as the Company realized additional costs for filings related to its ASX listing and work performed by the transfer agent in both jurisdictions following the merger.

- Share-based payments expense decreased by $168,242 to $148,777 (2013 - $317,019) due to the timing of options vesting and granted. The Company did not grant any options in the nine months ended March 31, 2014 and realized a recovery of share-based payments for unvested options which were forfeit in the period. This resulted in an overall lower expense compared to the prior period.

- During the nine month period ended March 31, 2014, the Company made a payment of $283,394, in respect of a claim recently asserted against the Company. Refer to "Settlement" under Related Party Transactions for further discussion.

- During the nine month period ended March 31, 2014, the Company recognized a foreign exchange gain of $2,086,419 on its net assets denominated in Fijian and Australian dollars reflecting a strengthening of the Fijian dollar and Australian dollar against the Canadian dollar since June 30, 2013. A gain of $488,953 was recognized in the comparative period resulting in a significant swing in comprehensive loss when comparing periods.

Results of Operations for the three month period ended March 31, 2014 compared to 2013

The comprehensive income for the three month period increased by $2,134,081 to $1,485,595 (2013 – loss of $648,486). Significant changes to the comprehensive loss are explained as follows:

- Investor relations expenses have decreased by $57,113 to $59,670 (2013 - $116,783) as the Company attended fewer conferences in the current period and reduced overall expenses in light of the current economic trends.

- Professional fees decreased by $137,186 to $33,826 (2013 - $171,012). The Company incurred significant costs associated with the acquisition of Lion One Australia in the prior period.

- Share-based payments expense decreased by $73,297 to $27,817 (2013 - $101,114) due to the timing of options granted and vesting.

- During the three month period ended March 31, 2014, the Company recognized a foreign exchange gain of $1,853,494 on its net assets denominated in Fijian and Australian dollars reflecting a strengthening of the Fijian dollar and the Australian dollar against the Canadian dollar since December 31, 2013. A loss of $107,637 was recognized in the comparative period.

Cash flows for the nine month period ended March 31, 2014 compared to 2013

Cash has decreased by $4,636,034 to $8,940,232 at March 31, 2014 from a balance of $13,576,266 as at June 30, 2013.

Cash outflows from operating activities increased by $880,141 to $1,742,026 (2013 – $861,885). This is consistent with increased corporate activity following the acquisition of Lion One Australia in June 2013 and as discussed in Results of Operations.

Cash outflows from investing activities of $2,997,263 (2013 - $2,179,773) materially reflect the drilling program on the Tuvatu Gold Property, professional costs for the Environmental Impact Assessment, permitting of the Tuvatu property and technical reporting work in process on the Tuvatu property. The outflow has increased over the prior period due to the increased property portfolio following the merger and investment in technical reports in the current period and timing of the drill programs completed. Detail with respect to the exploration expenditures is included in the property discussions above.

Summary of Quarterly results

	March 31, 2014	December 31, 2013	September 30, 2013	June 30, 2013
Total assets	$ 46,516,657	$ 45,041,099	$ 45,188,579	$ 46,522,825
Exploration and evaluation assets	36,161,193	34,072,878	32,770,851	31,686,823
Working capital	9,128,127	9,709,582	10,900,288	13,089,357
Interest income	40,815	33,364	47,487	39,973
Net loss for the period	(367,899)	(528,410)	(772,328)	(669,764)
Comprehensive income (loss) for the period	1,485,595	116,997	(1,184,811)	(1,235,609)
Basic and diluted loss per share	(0.01)	(0.01)	(0.01)	(0.02)

	March 31, 2013	December 31, 2012	September 30, 2012	June 30, 2012
Total assets	$ 41,558,607	$ 41,920,146	$ 41,795,574	$ 42,096,133
Exploration and evaluation assets	27,534,071	26,797,214	25,621,707	24,861,722
Working capital	12,978,442	14,123,850	15,258,399	16,334,492
Interest income	42,329	47,255	52,517	52,656
Net loss for the period	(540,849)	(680,380)	(370,405)	(695,580)
Comprehensive loss for the period	(648,486)	(175,609)	(278,586)	(245,456)
Basic and diluted loss per share	(0.01)	(0.01)	(0.01)	(0.01)

The focus of the Company over the periods presented has consistently been the exploration and development of its Fijian exploration and evaluation assets. 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 Limited, which is maintained in Fijian dollars. On June 18, 2013, the Company acquired Lion One Australia which resulted in an increase in the exploration and evaluation assets and exposes the comprehensive loss of the Company to fluctuations in the Australian dollar.

Financial Position

Receivables increased by $122,116 to $405,980 (June 30, 2013 - $283,864) due to accumulating input credits under the Value-Added Tax ("VAT") program with the Government of Fiji. The Company remits its VAT return annually and anticipates recovering the VAT credits.

Accounts payable and accrued liabilities decreased by $563,178 to $240,205 (June 30, 2013 - $803,383) following the settlement of professional fees for the Lion One Australia acquisition completed in June 2013 and reduced exploration expenditure on its exploration and evaluation assets while technical reporting reviews are undertaken.

Shareholders' equity decreased by $550,275 to $46,235,969 (June 30, 2013 - $45,685,694) which reflects the comprehensive loss recognized for the period offset by share-based payments.

LIQUIDITY AND CAPITAL RESOURCES

At March 31, 2014, the Company had working capital of $9,128,127, including cash of $8,940,232 as compared to working capital of $13,089,357, including cash of $13,576,266 at June 30, 2013.

While the Company believes it has adequate financing to execute its plans for the coming year, the Company's continued development is contingent upon its ability to raise sufficient financing in the long-term. There are no guarantees that additional sources of funding will be available to the Company; however, management is committed to pursuing all possible sources of financing in order to execute its business plan including new equity issues and debt issuances.

Pursuant to the Surface Lease with the TLTB on the Tuvatu property, the Company anticipates that the initial payment of FJD$700,000 (CAD$418,180) will be paid in May 2014. The Company does not have any other material payment obligations in the near term.

OUTSTANDING SHARE DATA

At the date of this report the Company has 60,175,608 issued and outstanding common shares, and 2,465,000 outstanding stock options.

OFF STATEMENT OF FINANCIAL POSITION ARRANGEMENTS

At March 31, 2014, the Company had no material off statement of financial position 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.

PROPOSED TRANSACTIONS

The Company does not have any proposed transactions in process.

RELATED PARTY TRANSACTIONS

The 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 is comprised of Walter Berukoff, Chief Executive Officer, George Young, Director and former President, Hamish Greig, Vice-President and Corporate Secretary, Stephen Mann, Managing Director, Samantha Shorter, Chief Financial Officer, Stephanie Martel, VP Administration and Directors of the Company. The remuneration of the key management personnel is as follows:

		2014		2013
Payments to key management personnel:				
Cash compensation	$	499,052	$	463,500
Share-based payments		102,075		255,957

During the period ended March 31, 2014, the Company paid $135,000 (2013 - $135,000) in rent to Cabrera Capital Corp. ("Cabrera"), a company controlled by a director of the Company. As at March 31, 2014, the Company had an advance of $99 (June 30, 2013 – $8,257) with Cabrera.

During the period ended March 31, 2014, the Company paid professionals services fees of $53,437 (2013 - $Nil) to a management services company owned by a director of the Company's subsidiary.

During the period ended March 31, 2014, the Company paid directors' fees of $6,625 (2013 - $Nil) to non-executive board members.

As at March 31, 2014, the amount of $18,304 (June 30, 2013 - $45,338) is due to related parties. All balances are unsecured, non-interest bearing, have no fixed repayment terms, and are due on demand.

Settlement

A payment of $283,394 has been authorized and paid in the period ended March 31, 2014, for a director of the Company in respect of a claim recently asserted against the Company. The claim was in recognition of a tax liability which arose due to the design of the director's previous employment contract with a subsidiary of the Company. The Directors have elected to fix the amount of this claim and prevent any possibility of escalation beyond this amount by making the relevant payments directly to the taxing authority; in return, the director has waived his right to pursue the matter against the subsidiary or its directors, in favor of the Company. The Company will pursue any and all remedies that may be available to it for recovery of these amounts and the director will cooperate fully with the Company in its pursuit of such remedies.

CRITICAL ACCOUNTING ESTIMATES

The Company's accounting policies are described in note 2 and 3 of its audited consolidated financial statements for the year ended June 30, 2013. 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 period. 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:

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 the condensed consolidated interim financial statements for the period ended March 31, 2014.

Exploration and evaluation assets

The carrying value and recoverability of exploration and evaluation assets requires management to make certain estimates, judgments and assumptions about its projects. Management considers the economics of the project, including the latest resources prices and the long-term forecasts, and the overall economic viability of the project. The user is advised to refer to the risks of the Company discussed in the Annual Information Form for the year ended June 30, 2013 which discuss factors that could impair the Company's ability to develop its exploration and evaluation assets in the future.

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.

Equity measurements

The value of shares issued for non-cash transactions is measured by the fair value of the services or goods received unless the market value of the shares issued on the date of issuance is a more reliable estimate. In the year ended June 30, 2013, the Company made a significant estimate with respect to the valuation of the shares issued for Lion One Australia (Avocet Resources Limited). The valuation is discussed in Note 4 of the unaudited condensed consolidated interim financial statements for the period ended March 31, 2014.

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.

CHANGES IN ACCOUNTING POLICIES

As of July 1, 2013, the Company adopted the new and amended IFRS pronouncements in accordance with transitional provisions outlined in the respective standards. The Company has adopted these new and amended standards without any significant effect on its financial statements.

IFRS 10 Consolidated Financial Statements and IAS 27 Separate Financial Statements

IFRS 10 establishes a single control model that applies to all entities including special purpose entities. IFRS 10 replaces the parts of previously existing IAS 27 *Consolidated and Separate Financial Statements* that dealt with consolidated financial statements and SIC-12 *Consolidation – Special Purpose Entities*. IFRS 10 changes the definition of control such that an investor controls an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. To meet the definition of control in IFRS 10, all three criteria must be met, including: (a) an investor has power over an investee; (b) the investor has exposure, or rights, to variable returns from its involvement with the investee; and (c) the investor has the ability to use its power over the investee to affect the amount of the investor's returns.

IFRS 11 Joint Arrangements and IAS 28 Investment in Associates and Joint Ventures

IFRS 11 replaces IAS 31 *Interests in Joint Ventures* and SIC-13 *Jointly-controlled Entities — Non-monetary Contributions by Venturers*. IFRS 11 removes the option to account for jointly controlled entities (JCEs) using proportionate consolidation. Instead, JCEs that meet the definition of a joint venture under IFRS 11 must be accounted for using the equity method.

IFRS 12 Disclosure of Interests in Other Entities

IFRS 12 sets out the requirements for disclosures relating to an entity's interests in subsidiaries, joint arrangements, associates and structured entities.

IFRS 13 Fair Value Measurement

IFRS 13 is a comprehensive standard for all fair value measurement and disclosure requirements for use across all IFRS standards. The new standard clarifies that fair value is the price that would be received to sell an asset, or paid to transfer a liability in an orderly transaction between market participants, at the measurement date. It also establishes additional disclosures regarding fair value measurements.

New standards not yet adopted

The following new standards, amendments to standards and interpretations have been issued and are effective for the year ended June 30, 2015:

- IAS 32 (Amendment) — New standard that clarifies requirements for offsetting financial assets and financial liabilities.
- IAS 36 (Amendment) — This amendment addresses the disclosure of information regarding the recoverable amount of impairment assets as the amount is based on fair value less costs of disposal.
- IFRIC 21 — This is an interpretation of IAS 37, Provisions, Contingent Liabilities and Contingent Assets. IAS 37 sets out criteria for the recognition of a liability, one of which is the requirement for the entity to have a present obligation as a result of a past event, known as an obligating event. The interpretation clarifies that the obligation event that gives rise to a liability to pay a levy is the activity described in the relevant legislation that triggers the payment of the levy.

The Company anticipates that the application of these standards, amendments and interpretations will not have a material impact on the results and financial position of the Company.

FINANCIAL INSTRUMENTS AND OTHER INSTRUMENTS

Financial instruments of the Company comprise cash, receivables, deposits, and accounts payable and accrued liabilities. 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.

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. The Company does not currently maintain cash deposits in Argentina.

Receivables mainly consist of government sales tax ("GST") receivable from the Government of Canada, GST receivable from the Government of Australia, and value added tax 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

The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As at March 31, 2014, the Company had a working capital of $9,128,127.

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's financial assets exposed to interest rate risk consist of cash. The Company's current policy is to invest excess cash in investment-grade short-term deposit certificates issued by its banking institutions. The Company periodically monitors the investments it makes and is satisfied with the credit ratings of its banks. Management believes the interest rate risk is low given the current low global interest rate environment.

b) Foreign currency risk

The Company's property development and exploration work occurs in Fiji, Australia and Argentina and is conducted in Canadian dollars, Australian dollars, Fijian dollars and, to a lesser degree, Argentinean pesos. As such, the Company is exposed to foreign currency risk in fluctuations among these currencies. Fluctuations in the exchange rate among the Canadian dollar, Australian dollar and Fijian dollar may have a material adverse effect on the Company's business and financial condition.

As at March 31, 2014, the Company's net foreign denominated financial assets are as follows:

		Foreign currency		Canadian dollar equivalent
Australian Dollar	$	1,319,449	$	1,352,567
Fijian Dollar		731,990		437,291

The sensitivity of the Company's comprehensive loss due to changes in the carrying values of monetary assets and liabilities denominated in foreign currencies is as follows.

Increase / decrease in foreign exchange rate		March 31, 2014		June 30, 2013
+ 5%	$	89,463	$	113,468
- 5%		(89,463)		(113,468)

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.

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.

INTERNAL CONTROLS OVER FINANCIAL REPORTING

Disclosure Controls and Procedures ("DC&P")

The Company has established disclosure controls and procedures to ensure that information disclosed in this MD & A and the related interim condensed consolidated financial statements was properly recorded, processed, summarized and reported to the Company's Board and Audit Committee. The Company's certifying officers conducted or caused to be conducted under their supervision an evaluation of the disclosure controls and procedures as required under Canadian Securities Administration regulations, as at March 31, 2014. Based on the evaluation, the Company's certifying officers concluded that the disclosure controls and procedures were effective to provide a reasonable level of assurance that information required to be disclosed by the Company in its annual filings and other reports that it files or submits under Canadian securities legislation is recorded, processed, summarized and reported within the time period specified and that such information is accumulated and communicated to the Company's management, including the certifying officers, as appropriate to allow for timely decisions regarding required disclosure.

It should be noted that while the Company's certifying officers believe that the Company's disclosure controls and procedures provide a reasonable level of assurance and that they are effective, they do not expect that the disclosure controls and procedures will prevent all errors and fraud. A control system, no matter how well conceived or operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met.

Internal Control over Financial Reporting ("ICFR")

The Company's certifying officers acknowledge that they are responsible for designing internal controls over financial reporting, or causing them to be designed under their supervision in order to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS.

The Company did not have any significant changes to its ICFR systems from the date of its last MD&A.

Limitations of Controls and Procedures

The Company's management, including the Chief Executive Officer and Chief Financial Officer, believe that any disclosure controls and procedures or internal controls over financial reporting, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met. Further, the design of a control system must reflect the fact that there are resource constraints, and the benefits of controls must be considered relative to their costs. Because of the inherent limitations in all control systems, they cannot provide absolute assurance that all control issues and instances of fraud, if any, within the Company have been prevented or detected. These inherent limitations include the realities that judgments in decision-making can be faulty, and that breakdowns can occur because of simple error or mistake. Additionally, controls can be circumvented by the individual acts of some persons, by collusion of two or more people, or by unauthorized override of the control. The design of any systems of controls also is based in part upon certain assumptions about the likelihood of future events, and there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions. Accordingly, because of the inherent limitations in a cost effective control system, misstatements due to error or fraud may occur and not be detected.

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.liononemetals.com.

SCHEDULE "A"

LION ONE METALS LIMITED
TENEMENT LISTING

TENEMENT DESCRIPTION	TENEMENT NUMBERS [(1)]	PERCENTAGE INTEREST	CHANGES IN THE QUARTER
FIJI			
TUVATU GOLD PROJECT, VITI LEVU			
Tuvatu	SPL 1283	100%	
Yavuna	SPL 1296	100%	
VITI LEVU			
Nagado	SPL 1465	100%	
VANUA LEVU			
Delaikoro	SPL 1467	100%	
Vunimoli	SPL 1468	100%	
WESTERN AUSTRALIA			
Kennedy Well	EL 52/2698	100%	
Ristretto	EL 52/2767	100%	
CAMECO JOINT VENTURE [(2)]			
Yilbrinna Pool	EL 52/1916	50%	
Mt Vernon North	EL 52/1917	50%	
Canyon Creek	EL 52/1893	50%	
Atlantis	EL 52/1880	50%	
Turee Creek 5	EL 52/2450	50%	
SALTWATER POOL JOINT VENTURE			
Saltwater Pool A	E 52/1890	Earning 51%	
Saltwater Pool B	E 52/1892	Earning 51%	
SOUTH AUSTRALIA			
Olary Creek	EL 4664	51%[(3)]	
ARGENTINA			
CERRO CHACON JOINT VENTURE			
Puesto Chacon	15164/06	Earning 60%	
S/N	15257/07	Earning 60%	
Puesto Chacon 2	15258/07	Earning 60%	
Cateo Condor	15312/07	Earning 60%	
Puesto Chacon 3	15348/07	Earning 60%	
Chacon 4	15349/07	Earning 60%	
Chacon 5	15419/08	Earning 60%	
Puesto Chacon 4	15490/08	Earning 60%	
Chacon 7	15517/08	Earning 60%	
Chacon 10	15626/09	Earning 60%	
Chacon 11	15701/10	Earning 60%	
Fernet	16328/12	Earning 60%	
Ginebra	16329/12	Earning 60%	
SIERRA CUADRADA JOINT VENTURE			
Sierra Mora I	15352/07	Earning 51%	
Sierra Mora IV a	16294/12	Earning 51%	
Sierra Mora IV b	16295/12	Earning 51%	
Sierra Mora V	14568/05	Earning 51%	
Terrazas 1 a	16296/12	Earning 51%	
Terrazas 1 b	16297/12	Earning 51%	
Terrazas 1 c	16417/13	Earning 51%	New tenement application
Terrazas 2	16298/12	Earning 51%	
Terrazas 3	16299/12	Earning 51%	
Sierra Mora II	14565/05	Earning 51%	

TENEMENT DESCRIPTION	TENEMENT NUMBERS (1)	PERCENTAGE INTEREST	CHANGES IN THE QUARTER
Sierra Mora III	14566/05	Earning 51%	
Mamuny 1	15888/10	100%	
Mamuny 2	15889/10	100%	
Mamuny 3	15890/10	Under application	
Mamuny 4	15891/10	Under application	

(1) Tenured ground held in Fiji is held under Special Prospecting Licences (SPL's), those held in Australia are held under Exploration Licenses (EL), and those held in Argentina are held as either Manifestations or Cateos.

(2) Cameco are not contributing to exploration expenditure

3) Under the Olary Creek Farm-In and Joint Venture Agreement ("Olary Creek JV"), the Company maintains a 51% ownership of the tenement. The Company has a 47% interest in the Olary Creek JV which consists of a 25% free carried interest to the decision to mine and a 22% contributing interest. Refer to the audited consolidated financial statements for the year ended June 30, 2013 for additional information as filed under the Company's profile at www.sedar.com.