

*No securities regulatory authority or regulator has assessed the merits of these securities or reviewed this document. Any representation to the contrary is an offence. This offering may not be suitable for you, and you should only invest in it if you are willing to risk the loss of your entire investment. In making this investment decision, you should seek the advice of a registered dealer.*

Offering Document under the Listed Issuer Financing Exemption

July 19, 2024

LION ONE METALS LIMITED



PART 1 SUMMARY OF OFFERING

What are we offering?

<p><b>Offering:</b></p>	<p>Lion One Metals Limited (“<b>Lion One</b>” or the “<b>Company</b>”) is hereby offering 27,027,027 units in the capital of the Company (the “<b>Units</b>”) offered in connection with this offering document (the “<b>Offered Units</b>”).</p> <p>This offering of Offered Units is a best-efforts private placement offering being carried out by the Company and by Eight Capital as lead agent and sole bookrunner consisting of 27,027,027 Units for gross proceeds of \$10,000,000 (the “<b>Private Placement</b>”) pursuant to the listed issuer financing exemption (“<b>LIFE Exemption</b>”) under Part 5A of NI 45-106 in all of the provinces of Canada, including Québec, and therefore will not be subject to resale restrictions pursuant to applicable Canadian securities laws.</p> <p>Each Unit consists of one common share (a “<b>Common Share</b>”) and one Common Share purchase warrant (each whole warrant, a “<b>Warrant</b>”). Each Warrant entitles the holder to purchase one Common Shares at a price of \$0.50 for a period of 36 months from the Closing Date.</p>
<p><b>Common Share Rights:</b></p>	<p>Each Common Share is entitled to one vote at meetings of shareholders and carries with it equal rights with respect to dividends, if any, and entitlement to any assets or other residual interests upon dissolution of the Company in the event of a liquidation or winding-up of the Company whether voluntary or involuntary. Purchasers of the Offered Units have no pre-emptive rights, nor any right to convert their shares into other securities. No dividends will be paid in the foreseeable future.</p>
<p><b>Offering Price:</b></p>	<p>The Units will be sold at a price of \$0.37 per Unit (the “<b>Offering Price</b>”) for gross proceeds of \$10,000,000.</p>

<b>Offering Amount:</b>	27,027,027 Offered Units, for gross proceeds of up to \$10,000,000, on the terms and conditions set out herein, and subject to all necessary regulatory approvals.
<b>Resale Restrictions</b>	The Offered Units will be free trading in Canada; certain trading restrictions may apply outside of Canada.
<b>Closing Date:</b>	Completion of this offering is expected to take place on or about July 26, 2024 (the “ <b>Closing Date</b> ”).
<b>Exchange:</b>	The Company’s Common Shares are listed on the TSX Venture Exchange (the “ <b>TSX-V</b> ”) under the trading symbol “LIO” and on the OTCQB Venture Marketplace (the “ <b>OTCQB</b> ”) under the trading symbol “LOMLF”. The Company is in the process of de-listing from the Australian Securities Exchange.
<b>Last Closing Price:</b>	The last closing price of the Company’s common shares on the TSX-V on July 18, 2024 was \$0.44 and the OTCQB on July 18, 2024 was USD\$0.32.

#### General Information

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

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

#### CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING INFORMATION

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

- estimates related to the Tuvatu Gold Project economics, including estimates of capital costs to continue to ramp up and expand production and of sustaining capital costs, estimates of operating costs and total costs, net present value and economic returns;
- proposed production timelines and rates;
- funding availability;
- resource estimates; and
- future exploration, development and operating plans.

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

All forward-looking statements are made based on Lion One’s current beliefs as well as various assumptions made by Lion One and information currently available to Lion One, which assumptions Lion One’s management believes to be reasonable. Generally, these assumptions include, among others: the presence of and continuity of metals at the Tuvatu Gold Project (as defined below) at estimated grades; the availability of personnel, machinery, and equipment at estimated prices and within estimated delivery times; currency exchange rates; metals sales prices and exchange rates assumed; appropriate discount rates applied to the cash flows in economic analyses; tax rates and royalty rates applicable to the mining operations; the availability of acceptable financing; anticipated mining losses and dilution; and success in realizing operations. Forward-looking statements are subject to a number of risks and uncertainties that may cause the actual results of Lion One to differ materially from those discussed in the forward-looking statements and, even if such actual results are realized or substantially realized, there can be no assurance that they will have the expected consequences to, or effects on, Lion One. Factors that could cause actual results or events to differ materially from current expectations include, among other things: risks and uncertainties related to future sales or issuances of securities that adversely affect prevailing market prices for the Common Shares, risks related to the costs relating to the development and ramp up of the Tuvatu Gold Project; the future market price of the Common Shares, the future use of proceeds by the Company, the Company’s ability to pay dividends, the Company’s ability to repay its outstanding debt of US\$35,223,884.41 under the Loan Facility and satisfy all covenants under the Loan Facility, the future liquidity of the Company’s Common Shares, there being a market for the Company’s securities other than its Common Shares; risks and uncertainties related to expected production rates; timing and amount of production and total costs of production; risks and uncertainties related to the ability to obtain, amend, or maintain necessary licenses, permits, or surface rights; risks associated with technical difficulties in connection with mining development activities; risks and uncertainties related to the accuracy of mineral resource estimates and estimates of future production, future cash flow, total costs of production, and diminishing quantities or grades of mineral resources; risks associated with geopolitical uncertainty and political and economic instability in Fiji; risks and uncertainties related to interruptions in production; the possibility that future exploration, development, or mining results will not be consistent with Lion One’s expectations; uncertain political and economic environments and relationships with local communities and governmental authorities; developments in world metals markets; and risks related to fluctuations in currency exchange rates.

Although management of Lion One has attempted to identify important factors that could cause actual results to differ materially from those contained in forward-looking statements, there may be other factors that cause results not to be as anticipated, estimated, or intended. There is no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such forward-looking statements. Accordingly, readers should not place undue reliance on forward-looking statements. Any forward-looking statement speaks only as of the date on which it is made and, except as may be required by applicable Canadian securities laws, the Company disclaims any

intent or obligation to update any forward-looking information, whether as a result of new information, changing circumstances, or otherwise.

## **Scientific and Technical Information**

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

## **PART 2 SUMMARY DESCRIPTION OF BUSINESS**

### **What is our business?**

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

### **Recent developments**

On August 24, 2023, the Company announced the discovery of a new mineralized structure carrying bonanza grade gold 1km to the north of the Tuvatu Gold Project. Surface sampling returned multiple high-grade results up to 92.55 g/t AU.

On October 10, 2023, the Company announced that it had poured first gold at the Tuvatu Gold Project. Completion of the Tuvatu Mine was completed ahead of schedule. Mill construction began in August 2022 and commissioning began in September 2023.

On January 2, 2024, the Company announced that it had exercised its option to receive an additional US\$8 million of its senior secured financing facility (the “**Facility**”) provided by Nebari Gold Fund 1, LP, Nebari Natural Resources Credit Fund I, LP, and Nebari Natural Resources Credit Fund II, LP (collectively, “**Nebari**”), previously announced on Jan. 13, 2023. The Company has now drawn down a total of USD \$31 million out of USD \$35 million available in the Facility. Concurrently with drawing down Tranche 2 under the Facility, the Company amended certain reporting covenants under the facility agreement and agreed to re-price the 15,333,087 warrants issued at a price of \$1.49 to \$1.15 with the expiry date extended from August 9, 2026 to February 9, 2027. Interest on the first USD \$23 million drawn in Tranche 1 of the Facility is 8% (plus three-month SOFR), and amortization is on the Maturity Date 42 months from the original closing date, with no closing fees payable. Tranches 2 (and 3) funding is subject to an 8% original issue discount and interest is 10% plus SOFR, with progressive amortization over 42 months from the Tranche 2 funding date, with closing fees equal to 2% of the amounts funded. In connection with the facility agreement, the Company will pay Nebari a royalty equal to 0.5% of the net smelter returns from the first 400,000 ounces (equivalent to 2,000 ounces) of gold produced and sold from the Tuvatu Gold Project following the first month in which the Tuvatu Gold Project produces at least 2,000 ounces of gold.

On February 14, 2024, the Company announced that it had closed the underwritten offering of 24,150,000 units of the Company at a price of \$0.50 per unit for aggregate gross proceeds of \$12,075,000, which included the exercise, in full, by the underwriters of the over-allotment option granted by the Company to purchase up to an additional 3,150,000 units at a price of \$0.50 per unit pursuant to the terms of an underwriting agreement dated as of February 8, 2024, among the Company, Cantor Fitzgerald Canada Corporation, Canaccord Genuity Corp., Eight Capital, and Raymond James Ltd., as underwriters. The net proceeds received by the Company from the sale of such units will be used for development and ramp up expenses at the Tuvatu Gold Project, as well as for general corporate expenses and purposes.

On March 4, 2024, the Company announced the discovery of copper porphyry-style mineralization in a newly identified mineralized system 1 km northeast of the Tuvatu Gold Project. Porphyry-style mineralization was discovered from surface drilling at the Wailoaloa prospect as part of the Company's regional exploration program.

On June 5, 2024, the Company announced the start of mechanized production, and reported significant new high-grade gold results, at the Tuvatu Gold Project. The first remote bogging at Tuvatu occurred on May 16, 2024, and the first long hole stope blast occurred on May 18, 2024; both are also firsts for the country of Fiji. This is a major milestone for the Company as it represents the transition from predominantly development mining to predominantly production mining. The processing plant can now also sustainably process over 400 tons per day, which is above the plant's name plate capacity of 300 tons per day.

On June 26, 2024, the Company announced record preliminary gold production at Tuvatu for the month of June and a significant expansion of the surface gold-in-soil anomaly to the south of Tuvatu. The Company also announced an increase in the planned mill expansion to 600-700 TPD, and that it had filed an updated NI 43-101-compliant Technical Report with an effective date of June 24, 2024. High-grade gold in soil results were recovered along a north-south corridor directly south of and along strike from the known deposit at Tuvatu. The gold anomaly is coincident with wider arsenic, lead, and zinc anomalies, which are known pathfinders for gold, thereby widening the potential footprint of the gold mineralization. The Tuvatu deposit has a north-south strike length of approximately 950 m. The southern soil extension therefore represents a potential 70% increase in the overall strike length of Tuvatu. These soil results are a significant discovery at Tuvatu and represent a prime target for near-mine exploration and resource expansion. They highlight the potential for more discovery both near-mine at Tuvatu and regionally throughout the Navilawa Caldera.

On June 30<sup>th</sup>, 2024, Mr. David Tretbar resigned his position as a director of the Company.

On July 12, 2024, the Company announced its gold production results for Tuvatu for the three-month period ended June 30<sup>th</sup>, 2024. The Company produced 3,551 oz of gold during the three-month period ending June 30<sup>th</sup>, 2024, marking an increase from the prior three-month period ending March 31<sup>st</sup>, 2024, during which 1,394 oz of gold was produced, and representing a ramp-up of mining and processing activities during the pilot plant phase of operations. The increase in production was due to the introduction of mechanized production in May and June, as well as the increased mill throughput from February to May. A total of 32,100 tonnes of mineralized material was processed during the three-month period ended June 30<sup>th</sup>, 2024, compared to 20,751 tonnes in the prior three-month period ending March 31<sup>st</sup>, 2024.

On July 18, 2024, the Company announced that it had entered into an agreement with Eight Capital as lead agent and sole bookrunner in connection with a "best efforts" private placement of up to 20,271,000 units of the Company at a price of \$0.37 per unit (for aggregate gross proceeds of up to \$7,500,270, pursuant to the listed issuer financing exemption available under National Instrument 45-106 – Prospectus Exemptions, in each of the Provinces of Canada other than Quebec. Each unit will consist of one common share of the Company and one common share purchase warrant. Each warrant will entitle the holder thereof to acquire one Share at an exercise price of \$0.50 for a period of three years from the date of issuance. On July 19, 2024, the Company announced the upsizing of the private placement to 27,027,027 units of the Company at a price of \$0.37 per unit for aggregate gross proceeds of up to \$10,000,000.

### **Material facts**

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

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

The Company intends to use the net proceeds from the offering, together with the Company's current

working capital, for the following purposes in order to meet the business objectives described below:

<b>Business Objectives and Milestones</b>	<b>Target Date for Completion</b>	<b>Project Costs (\$)</b>
Fund ongoing development costs at the Tuvatu Gold Project as the Company continues to carry out ramp-up activities and mine development. The Company is ramping up production at the Tuvatu Gold Project at a 300 tons per day pilot plant phase of operations and plans to purchase additional mill and mining equipment necessary to expand operations to 600 tons per day.	Ongoing through 2024 and 2025	\$5,000,000
General Working Capital: As the Company ramps up production, it requires additional working capital to fund operations and manage operating costs against receipt of payments for mineral products.	Ongoing	\$25,841,600

### **PART 3 USE OF AVAILABLE FUNDS**

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

Based on the Company's existing working capital of \$17,000,000 and assuming the Private Placement is fully subscribed for gross proceeds of \$10,000,000, the expected availability of funds is \$30,841,600.

		<b>Assuming 100% of offering</b>
A	Amount to be raised by this offering	\$10,000,000
B	Selling commissions and fees	\$1,000,000
C	Estimated offering costs (e.g., legal, accounting, audit)	\$200,000
D	Net proceeds of offering: $D = A - (B+C)$	\$8,800,000
E	Working capital as at June 30, 2024 (1)	\$17,000,000
F	Additional sources of funding (2)	\$5,041,600
<b>G</b>	<b>Total available funds: <math>G = D+E+F</math></b>	<b>\$30,841,600</b>

Notes:

(1) Reflects internal management estimate as of June 30, 2024.

(2) Represents the currently undrawn amount under the Nebari Facility. The Company has drawn US\$31 million of the maximum US\$35 million Facility. Additional draw downs are subject to various conditions precedent. The Facility is denominated in United States dollars, so the available undrawn amount reflects

maximum net proceeds after applying the 8% original issue discount for tranche 3 of the Facility. The Company has used an exchange rate of USD\$1 = CAD\$1.37.

The Company's most recent audited and interim financial statements included a going concern note. The Company has not advanced its properties to commercial production and is a mineral exploration and development company. The Company's ability to continue as a going concern is dependent on its ability to attain profitable operations and generate funds therefrom, the successful results from its development and exploration activities and/or raise equity capital or borrowings sufficient to meet current and future obligations. The proceeds of this offering will be utilized to fund ongoing development costs at the Tuvatu Gold Project as the Company continues to carry out ramp-up activities and mine development, as well as for general working capital purposes.

The Company's working capital is dependent on the production and sale of gold from the Tuvatu Gold Project, financing activities and the timing of development work at the Tuvatu Gold Project. As the Company is in the ramp up stage of mining operations at its Tuvatu Gold Project, production has not yet reached levels at which the Company can operate profitably. The Company is dependent on its working capital to maintain operations while it ramps up production and expands the capacity at the Tuvatu Gold Project.

#### How will we use the available funds?

Description of intended use of available funds listed in order of priority	Assuming 100% of offering
Development activities at the Tuvatu Gold Project (1)	\$5,000,000
General working capital	\$25,841,600
<b>Total (equal to G in the Available Funds table above)</b>	<b>\$30,841,600</b>

#### Notes:

- (1) Comprised of acquiring additional mill and mining equipment required for the ramp up of mining operations at the Tuvatu Gold Project. The development activities outlined above are planned to be completed by the first half of 2025.

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

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

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

<b>Previous Financing</b>	<b>Intended Use of Funds</b>	<b>Actual Use of Funds</b>	<b>Variance and Impact on Business Objectives and Milestones</b>
<b>February 2024 Bought Deal Offering of Units</b> <ul style="list-style-type: none"> <li>Issuance of 24,150,000 Units at a price of \$0.50 per Unit for gross proceeds of \$12,075,000. Each Unit consisted of one common share and one common share purchase warrant exercisable at a price of \$0.65 for a period of 36 months from issuance.</li> </ul>	Development of the Company's Tuvatu Gold Project as well as general corporate expenses and purposes	Development of the Company's Tuvatu Gold Project as well as general corporate expenses and purposes	No variance
<b>Nebari Credit Facility</b> <ul style="list-style-type: none"> <li>Draw-down of second tranche (US\$8 million) of US\$35 million credit facility</li> </ul>	Development of the Company's Tuvatu Gold Project	Development of the Company's Tuvatu Gold Project	No variance

#### **PART 4 FEES AND COMMISSIONS**

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

<b>Agent:</b>	Eight Capital.
<b>Compensation Type:</b>	Cash and compensation warrants, as detailed below.
<b>Cash Fee:</b>	7% cash fee of the aggregate gross proceeds of the offering, and an additional success-based cash corporate finance fee of: (i) \$100,000 should aggregate gross demand for the Offering exceed \$6,000,000 but be less than \$7,000,000; (ii) \$150,000 should aggregate gross demand for the Offering exceed \$7,000,000 but be less than \$8,000,000; (iii) \$200,000 should aggregate gross demand for the Offering exceed \$8,000,000 but be less than \$9,000,000; (iv) \$250,000 should aggregate gross demand for the Offering exceed \$9,000,000 but be less than \$10,000,000; and (v) \$300,000 should aggregate gross demand for the Offering equal or exceed \$10,000,000.
<b>Compensation Warrants:</b>	Non-transferable compensation warrants (the " <b>Compensation Warrants</b> ") equal to 7% of the aggregate number of Units sold pursuant to the offering. Each of the Compensation Warrants will entitle the holder to purchase one common share of the Company at a purchase price of \$0.37 per Compensation Warrant exercisable for a period of 24 months after the issuance of such Compensation Warrants.



## **PART 5 PURCHASERS' RIGHTS**

### **Rights of Action in the Event of a Misrepresentation**

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

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

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

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

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

## **PART 6 ADDITIONAL INFORMATION**

### **Where can you find more information about us?**

Security holders can access the Company's continuous disclosure filings on SEDAR at [www.sedar.com](http://www.sedar.com) under the Company's profile.

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

## **PART 7 DATE AND CERTIFICATE**

**This offering document, together with any document filed under Canadian securities legislation on or after July 19, 2024, contains disclosure of all material facts about the securities being distributed and does not contain a misrepresentation.**

**July 19, 2024**

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

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