



**LION ONE METALS LIMITED**

**CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

**(Expressed in Canadian Dollars)**

**FOR THE PERIOD ENDED MARCH 31, 2026**

**NOTICE OF NO AUDITOR REVIEW OF  
CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

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Under National Instrument 51-102, Part 4, subsection 4.3 (3) (a), if an auditor has not performed a review of the condensed consolidated interim financial statements, they must be accompanied by a notice indicating that an auditor has not reviewed the financial statements.

The accompanying unaudited condensed consolidated interim financial statements of the Company have been prepared by and are the responsibility of the Company's management.

The Company's independent auditor has not performed a review of these financial statements in accordance with standards established by the Chartered Professional Accountants of Canada for a review of interim financial statements by an entity's auditor.

**LION ONE METALS LIMITED**

## CONDENSED INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

(Expressed in Canadian Dollars)

**(Unaudited)**

	<b>March 31, 2026</b>	<b>June 30, 2025</b>
<b>ASSETS</b>		
<b>Current</b>		
Cash	\$ 8,152,761	\$ 5,102,192
Receivables (Note 4)	13,284,319	8,721,020
Inventory (Note 6)	28,481,442	16,587,541
Prepaid expenses	3,878,569	2,291,641
	<u>53,797,091</u>	<u>32,702,394</u>
<b>Non-current assets</b>		
Right-of-use asset (Note 10)	226,467	311,392
Deposits (Note 5)	2,682,288	2,602,253
Other assets (Note 8)	445,427	445,427
Mineral property, plant and equipment (Note 5, 17)	186,070,374	167,682,351
Exploration and evaluation asset (Note 5, 17)	38,710,394	36,641,501
	<u>281,932,041</u>	<u>240,385,318</u>
	\$	\$
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>		
<b>Current</b>		
Accounts payable and accrued liabilities (Note 9, 17)	\$ 10,762,374	\$ 7,368,567
Lease liability (Note 10, 17)	132,793	114,437
Loan facility (Note 7)	37,892,441	7,615,910
Accrued interest – loan facility (Note 7)	4,503,470	402,072
	<u>53,291,078</u>	<u>15,500,986</u>
<b>Non-current liabilities</b>		
Loan facility (Note 7)	1,700,844	35,384,189
Accrued interest – loan facility (Note 7)	136,932	4,411,495
Lease liability (Note 10, 17)	161,927	263,949
Reclamation and closure provision (Note 11)	1,221,342	1,170,333
	<u>56,512,123</u>	<u>56,730,952</u>
<b>Shareholders' equity</b>		
Share capital (Note 16)	241,358,027	227,086,021
Reserves (Note 16)	63,261,854	46,129,964
Accumulated other comprehensive income	3,535,758	2,881,393
Deficit	(82,735,721)	(92,443,012)
	<u>225,419,918</u>	<u>183,654,366</u>
	<u>\$ 281,932,041</u>	<u>\$ 240,385,318</u>

**Nature of operations (Note 1)**

Approved and authorized by the Board on June 1, 2026:

*"Todd Romaine"*

Director

*"Richard Meli"*

Director

The accompanying notes are an integral part of these condensed interim consolidated financial statements

**LION ONE METALS LIMITED****CONDENSED INTERIM CONSOLIDATED STATEMENTS OF INCOME AND COMPREHENSIVE INCOME**

(Expressed in Canadian Dollars)

**(Unaudited)**

	Three months ended March 31, 2026	Three months ended March 31, 2025	Nine months ended March 31, 2026	Nine months ended March 31, 2025
<b>Revenue</b> (Note 12)	\$ 14,364,747	\$ 13,173,024	\$ 55,521,166	\$ 41,667,352
Cost of sales (Note 13)	<u>(8,644,276)</u>	<u>(10,175,646)</u>	<u>(31,408,882)</u>	<u>(30,837,456)</u>
<b>Mine operating income</b>	5,720,471	2,997,378	24,112,284	10,829,896
<b>Expenses</b>				
General and administrative (Note 14)	(1,872,156)	(1,368,823)	(5,284,832)	(3,734,364)
Depreciation (Note 10)	(28,308)	(28,308)	(84,925)	(84,925)
Share-based compensation (Note 16)	<u>1,581</u>	<u>(74,744)</u>	<u>(59,598)</u>	<u>(453,203)</u>
	(1,898,883)	(1,471,875)	(5,429,355)	(4,272,492)
<b>Other income (expense)</b>				
Foreign exchange gain (loss)	(712,383)	262,786	(1,238,606)	(1,958,589)
Interest and finance expense (Note 15)	(2,550,199)	(3,924,849)	(7,982,543)	(8,277,685)
Debt modification gain (Note 7)	-	259,926	-	259,926
Interest income	<u>99,837</u>	<u>115,182</u>	<u>245,511</u>	<u>306,286</u>
<b>Income (loss) for the period</b>	658,843	(1,761,452)	9,707,291	(3,112,658)
<b>Other comprehensive income</b>				
Foreign currency translation adjustment	<u>3,921,754</u>	<u>(619,329)</u>	<u>654,365</u>	<u>2,489,519</u>
<b>Comprehensive gain for the period</b>	\$ <u>4,580,597</u>	\$ <u>(2,380,781)</u>	\$ <u>10,361,656</u>	\$ <u>(623,139)</u>
<b>Basic and diluted income (loss) per share</b>	\$ 0.00	\$ (0.01)	\$ 0.03	\$ (0.01)
<b>Weighted average number of common shares outstanding</b>				
Basic and diluted	402,854,395	281,855,001	365,445,783	265,829,797

The accompanying notes are an integral part of these condensed interim consolidated financial statements

**LION ONE METALS LIMITED****CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS**

(Expressed in Canadian Dollars)

**FOR THE NINE MONTHS ENDED MARCH 31**

	<b>2026</b>	<b>2025</b>
<b>CASH FLOWS (USED IN) OPERATING ACTIVITIES</b>		
Net income (loss) for the period	\$ 9,707,291	\$ (3,112,658)
Non-cash items:		
Foreign exchange loss	880,240	1,958,589
Depreciation (Note 10)	84,925	84,925
Depreciation in cost of sales (Note 13)	4,477,309	4,716,281
Interest and finance expense (Note 15)	1,022,845	2,860,953
Debt modification gain (Note 7)	-	(259,926)
Share-based payments	59,598	453,203
Changes in non-cash working capital items:		
Receivables	(4,346,484)	(685,038)
Prepaid expenses	(360,373)	(615,944)
Inventory	(13,536,850)	(8,927,981)
Accounts payable and accrued liabilities	3,294,180	350,356
	<u>1,282,681</u>	<u>(3,177,240)</u>
<b>CASH FLOWS (USED IN) INVESTING ACTIVITIES</b>		
Purchase of mineral property, plant and equipment	(21,156,256)	(14,200,570)
Exploration and evaluation asset expenditures	(1,454,346)	(1,333,794)
Deposits and other assets	(32,295)	(115,050)
	<u>(22,642,897)</u>	<u>(15,649,414)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Cash proceeds from sale of shares – private placement	33,632,005	22,461,169
Share issuance costs on private placement	(1,683,596)	(2,507,964)
Proceeds from loan facility, net of debt issue costs	-	4,947,786
Repayment on debt facility	(7,525,134)	-
Payment of lease liability	(135,000)	(135,000)
	<u>24,288,275</u>	<u>24,765,991</u>
<b>Effect of exchange rate changes on cash</b>	122,510	404,364
<b>Change in cash during the period</b>	3,050,569	6,343,701
<b>Cash, beginning of the period</b>	<u>5,102,192</u>	<u>6,731,873</u>
<b>Cash, end of the period</b>	\$ 8,152,761	\$ 13,075,574
<b>Supplementary cash flow information:</b>		
Cash	\$ 8,152,761	\$ 12,865,088
Restricted cash	-	210,486
Non-cash transactions:		
Depreciation expense capitalized to exploration and evaluation assets	\$ 148,591	\$ 257,501
Share-based payments expense capitalized to mineral property, plant and equipment, and exploration and evaluation assets	64,149	194,429
Depreciation included in inventory	904,521	1,014,131
Value of warrants issued in private placement	16,430,605	3,639,668
Share-based payments expense – share issuance costs	577,538	437,817
Shares issued for deferred debt cost	-	980,000
Shares issued in lieu of finders fee – share issuance costs	668,260	-
Accounts payable and accrued liabilities in mineral property assets	-	-

The accompanying notes are an integral part of these condensed interim consolidated financial statements

**LION ONE METALS LIMITED**

## CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

(Expressed in Canadian Dollars)

<b>Share Capital</b>						
	<b>Number</b>	<b>Amount</b>	<b>Reserves</b>	<b>Deficit</b>	<b>Accumulated Other Comprehensive Income (Loss)</b>	<b>Total</b>
<b>Balance, June 30, 2024</b>	230,550,241	\$ 210,257,725	\$ 41,359,397	\$ (89,727,950)	\$ 3,336,382	\$ 165,225,554
Share-based payments – stock options	-	-	647,632	-	-	647,632
Private placement	63,284,140	22,461,169	-	-	-	22,461,169
Share issuance costs	-	(2,945,781)	437,817	-	-	(2,507,964)
Value of warrants issued in private placement	-	(3,639,668)	3,639,668	-	-	-
Deferred debt cost – shares issued	3,920,000	980,000	-	-	-	980,000
Comprehensive loss for the period	-	-	-	<u>(3,112,658)</u>	<u>2,489,519</u>	<u>(623,139)</u>
<b>Balance, March 31, 2025</b>	297,754,381	\$ 227,113,445	\$ 46,084,514	\$ (92,840,608)	\$ 5,825,901	\$ 186,183,252
Share-based payments – stock options	-	-	45,450	-	-	45,450
Share issuance costs	-	(27,424)	-	-	-	(27,424)
Shares return to treasury	(2)	-	-	-	-	-
Comprehensive loss for the period	-	-	-	<u>397,596</u>	<u>(2,944,508)</u>	<u>(2,546,912)</u>
<b>Balance, June 30, 2025</b>	297,754,379	\$ 227,086,021	\$ 46,129,964	\$ (92,443,012)	\$ 2,881,393	\$ 183,654,366
Share-based payments – stock options	-	-	123,747	-	-	123,747
Private placement	105,100,016	33,632,005	-	-	-	33,632,005
Share issuance costs	-	(2,929,394)	577,538	-	-	(2,351,856)
Value of warrants issued in private placement	-	(16,430,605)	16,430,605	-	-	-
Comprehensive loss for the period	-	-	-	<u>9,707,291</u>	<u>654,365</u>	<u>10,361,656</u>
<b>Balance, March 31, 2026</b>	402,854,395	\$ 241,358,027	\$ 63,261,854	\$ (82,735,721)	\$ 3,535,758	\$ 225,419,918

The accompanying notes are an integral part of these condensed interim consolidated financial statements

# LION ONE METALS LIMITED

## NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in Canadian Dollars)

March 31, 2026

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### 1. NATURE OF OPERATIONS

Lion One Metals Limited ("Lion One" or the "Company") was incorporated on November 12, 1996 under the laws of the Province of British Columbia, Canada. The Company is in the business of mine development and exploration of mineral properties in Fiji. The Company is listed for trading on the TSX Venture Exchange ("TSX-V") under the symbol LIO and was listed on the Australian Securities Exchange ("ASX") under the symbol LLO until August 2024. The Company's head office and principal address is 306 - 267 West Esplanade, North Vancouver, BC, Canada, V7M 1A5. The address of the Company's registered and records office is Suite 1700 – 1055 West Hastings Street, Vancouver, BC, V6E 2E9.

The Company's condensed interim consolidated financial statements are presented in Canadian dollars.

These condensed interim consolidated financial statements have been prepared in accordance with IFRS Accounting Standards ("IFRS") with the assumption that the Company will be able to realize its assets and discharge its liabilities in the normal course of business rather than through a process of forced liquidation. The Company has not advanced its properties to commercial production.

The Company announced that it has received a notice from Nebari Collateral Agent, LLC ("Nebari"), on behalf of the lenders under the Company's senior secured loan facility (the "Facility"), stating that an event of default has occurred and is continuing under the Facility effective as of January 31, 2026. Nebari's notice states that the defaults arise from non-financial covenants and from what Nebari asserts to be a "Material Adverse Effect" under the Facility, in each case as set out in the Facility and related documents. The notice further states that, as a consequence, the margin component of the interest rate payable under the Facility has increased in accordance with the terms of the Facility, effective February 20, 2026, and will remain at the default rate until the events of default have been remedied or otherwise resolved to Nebari's satisfaction.

As at March 31, 2026, the Company has working capital of \$506,013 (Note 19), which is below the \$7,000,000 working capital covenant as required under the the Facility which indicates material uncertainties. Following the delivery of the monthly report for March 2026 to Nebari as required under the Facility, Nebari provided further notification that the Company is in breach of the working capital covenant in the Facility which requires the Company to maintain at least \$7,000,000 in working capital. The cure period for the covenant breach has expired. However, the Company has continued to engage with Nebari to discuss strategies to remedy the working capital deficiency and cure ongoing defaults under the Facility. To date, Nebari has not commenced enforcement action in respect of the Facility but is in a position to do so under the terms of the Facility. The Company continues to pursue financing alternatives in order to bring the working capital into compliance with the covenant.

In the event the Company is unable to attain profitable operations and generate funds therefrom and/or raise equity capital or borrowings sufficient to meet current and future obligations and the working capital covenant, may cast significant doubt upon the Company's ability to continue as a going concern. Lion One is in active discussions with Nebari with a view to stabilizing its financing arrangements.

The condensed interim consolidated financial statements do not include adjustments to amounts and classifications of assets and liabilities that might be necessary should the Company be unable to continue operations. Continued operations of the Company are dependent on the Company's ability to receive financial support, obtain necessary financings, and/or generate profitable operations in the future.

# LION ONE METALS LIMITED

## NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in Canadian Dollars)

March 31, 2026

### 2. BASIS OF PREPARATION

#### Statement of Compliance

These condensed interim consolidated financial statements, including comparatives, have been prepared in accordance with International Accounting Standards ("IAS") 34 'Interim Financial Reporting' ("IAS 34") using accounting policies consistent with IFRS Accounting Standards as issued by the International Accounting Standards Board ("IASB"). As such, these interim financial statements do not contain all the disclosures required by IFRS for annual financial statements and should be read in conjunction with the Company's audited consolidated financial statements for the years ended June 30, 2025 and 2024 ("annual consolidated financial statements").

The condensed interim consolidated financial statements have been prepared on a historical cost basis except for certain financial assets measured at fair value. All dollar amounts presented are in Canadian dollars unless otherwise specified.

These condensed interim consolidated financial statements incorporate the financial statements of the Company and its wholly controlled subsidiaries. Control exists when the Company has the power, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefits from its activities. The condensed interim consolidated financial statements include the accounts of the Company and its direct wholly-owned subsidiaries. All significant intercompany transactions and balances have been eliminated.

#### Basis of Consolidation and Presentation

##### Use of Estimates

The preparation of these condensed interim 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.

##### Judgments

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 as follows:

	Country of Incorporation	Effective Interest	Functional currency
American Eagle Resources Inc.	Canada	100%	Canadian Dollar
Laimes International Inc.	BVI	100%	Canadian Dollar
Auksas Inc.	BVI	100%	Canadian Dollar
Lion One Pte Limited	Fiji	100%	Fijian Dollar
Lion One Australia Pty Ltd.	Australia	100%	Australian Dollar
Piche Resources Pty Ltd.	Australia	100%	Australian Dollar

These condensed interim 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 condensed interim consolidated financial statements, then adjustments would be necessary in the carrying value of assets and liabilities, the reported expenses and the condensed interim consolidated statements of financial position.

##### Estimates

Significant assumptions about the future and other sources of estimation uncertainty that management has made at the end of the reporting period, that could result in a material adjustment to the carrying amounts of assets and liabilities in the event that actual results differ from assumptions made, are as follows:

The carrying value and recoverability of exploration and evaluation assets and mineral property, plant 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.

## LION ONE METALS LIMITED

### NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in Canadian Dollars)

March 31, 2026

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#### 2. BASIS OF PREPARATION (cont'd...)

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 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.

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.

The accounting policies and methods of computation applied by the Company in these condensed interim consolidated financial statements are the same as those applied in the Company's annual financial statements for the year ended June 30, 2025.

#### 3. MATERIAL ACCOUNTING POLICY INFORMATION

##### **New accounting standards issued**

###### *Amendments to IAS 1, Presentation of Financial Statements*

In January 2020, the International Accounting Standards Board ("IASB") issued "*Classification of Liabilities as Current or Non-current (Amendments to IAS 1)*". The amendments clarify that the classification of liabilities as current or non-current should be based on rights that exist at the end of the reporting period. The amendments also clarify the definition of a settlement and provide situations that would be considered as a settlement of a liability. In October 2022, the IASB issued "*Non-current Liabilities with Covenants (Amendments to IAS 1)*". These further amendments clarify how to address the effects on classification and disclosure of covenants that an entity is required to comply with on or before the reporting date and covenants that an entity must comply with only after the reporting date. The amendments are effective for reporting periods beginning on or after January 1, 2024. The Company has determined that there is no material impact on the condensed interim consolidated financial statements.

##### **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 condensed interim consolidated financial statements. The Company will defer implementation until the effective date.

# LION ONE METALS LIMITED

## NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in Canadian Dollars)

March 31, 2026

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### 3. MATERIAL ACCOUNTING POLICY INFORMATION ( cont'd...)

#### Mineral property, plant and equipment

##### Mineral property - development phase

Once the technical feasibility and commercial viability of an exploration property has been determined, it is then considered to be a mine under development and is reclassified to mineral property. The carrying value of capitalized exploration and evaluation costs are tested for impairment before they are transferred to mineral property. All costs relating to the construction, installation, or completion of a mine that are incurred subsequent to the exploration and evaluation stage are capitalized to mineral property. The Company assesses the stage of each mine under development to determine when a property reaches the stage when it is in the condition for it to be capable of operating in a manner intended by management ("commercial production"). Determining when a mine has achieved commercial production is a matter of judgement.

Depending on the specific facts and circumstances, the following factors may indicate that commercial production has commenced:

- all major capital expenditures to bring the mine to the condition necessary for it to be capable of operating in the manner intended by management have been completed;
- the completion of a reasonable period of testing of the mine plant and equipment;
- the ability to produce saleable product;
- the mine or mill has reached a predetermined percentage of design capacity;
- mineral recoveries are at or near the expected production level; and
- the ability to sustain ongoing production of mineralized materials (i.e., the ability to continue to produce mineralized materials at a steady or increasing level).

##### Proceeds before intended use

Revenue from the sale of gold and silver ounces recovered before items of mineral property, plant, and equipment, such as the mine or process plant, are operating in the manner intended by management are recognized, along with related costs, in the consolidated statement of loss and comprehensive loss.

IAS 16, Property, Plant and Equipment - Proceeds Before Intended Use (effective for annual periods beginning on or after January 1, 2022). The amendment prohibits deducting from the cost of property, plant and equipment amounts received from selling items produced while preparing the asset for its intended use. Instead, a company will recognize such sale proceeds and related cost in profit or loss.

##### Mineral property - production phase

When management determines that a property is capable of commercial production, amortization of costs capitalized during development begins. Once a mineral property has been brought into commercial production, the costs of any additional work on that property are expensed as incurred, except for exploration and development programs and mine capital development including mine decline development which constitute a betterment, which will be deferred and amortized over the remaining useful life of the related assets. Mineral properties include decommissioning and restoration costs related to the reclamation of mineral properties. Mineral properties are derecognized upon disposal, or impaired when no future economic benefits are expected to arise from continued use of the asset or the carrying value of the cash generating unit exceeds its recoverable amount. Any gain or loss on disposal of the asset, determined as the difference between the proceeds received and the carrying amount of the asset is recognized in the statement of loss and comprehensive loss. 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 following mining physicals: 36,944 tonnes of mineralized material (402 tonnes per day) at average grade of approximately 4.7 g/t Au, total capital development of 643 meters (6.9 meters a day) and total operating development of 850 meters (9.2 meters a day).

Mineral properties are amortized on the unit-of-production basis using the mineable tonnes extracted from the mine in the period as a percentage of the total mineable tonnes to be extracted in current and future periods based on mineral resources. Mineral properties are recorded at cost, net of accumulated depreciation and depletion and accumulated impairment losses and are not intended to represent future values. Recovery of capitalized costs is dependent on successful development of economic mining operations or the disposition of the related mineral property.

**LION ONE METALS LIMITED**

## NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in Canadian Dollars)

**March 31, 2026****4. RECEIVABLES**

Accounts receivables	March 31, 2026	June 30, 2025
GST and VAT receivables	\$ 12,815,824	\$ 8,429,148
Trade receivables	276,611	219,092
Other receivables	191,884	72,780
Balance, end of the period	\$ 13,284,319	\$ 8,721,020

**LION ONE METALS LIMITED**

## NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in Canadian Dollars)

**March 31, 2026**
**5. MINERAL PROPERTY, PLANT AND EQUIPMENT**

	Property, plant and equipment	Construction in progress (CIP)				Mineral property	Exploration and evaluation assets	Total
		Mill	Mine	Mill	Mine			
<b>Acquisition costs</b>								
Balance, June 30, 2024	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 11,163,198	\$ 10,751,865	\$ 21,915,063
Transfer to mineral property	-	-	-	-	-	-	-	-
Balance, June 30, 2025 and March 31, 2026						11,163,198	10,751,865	21,915,063
<b>Costs</b>								
Balance, June 30, 2024	\$ 42,773,383	\$ 2,096,011	\$ 24,088,020	\$ 27,151,598	\$ -	\$ 54,724,521	\$ 24,258,104	\$ 175,091,637
Additions for the period	7,787,731	265,212	9,909,527	2,968,864	-	4,108,697	1,652,741	26,692,772
Reclass from Mill to PPE	1,208,568	(794,305)	-	(414,263)	-	-	-	-
Transfer from CIP Mill to Mill	-	(608,586)	-	608,586	-	-	-	-
Foreign currency translation	(51,757)	(13,677)	(256,417)	(66,034)	-	(106,206)	(21,209)	(515,300)
Balance, June 30, 2025	51,717,925	944,655	33,741,130	30,248,751	-	58,727,012	25,889,636	201,269,109
Additions for the period	4,539,277	1,689,466	8,096,841	3,050,742	3,767,940	3,012,017	1,637,016	25,793,299
Transfer from CIP Mill to Mill	-	(2,289,038)	-	2,289,038	-	-	-	-
Transfer from CIP Mine to Mine	-	-	(40,175,536)	-	40,175,536	-	-	-
Foreign currency translation	900,347	(345,083)	(1,662,435)	800,226	1,857,551	913,943	431,877	2,896,426
Balance, March 31, 2026	\$ 57,157,549	\$ -	\$ -	\$ 36,388,757	\$ 45,801,027	\$ 62,652,972	\$ 27,958,529	\$ 229,958,834
<b>Accumulated depreciation</b>								
Balance, June 30, 2024	\$ 9,327,061	\$ -	\$ 17,918	\$ 2,313,326	\$ -	\$ 4,586	\$ -	\$ 11,662,891
Additions for the period	4,615,788	-	36,134	2,570,416	-	9,248	-	7,231,586
Cumulative translation	(34,157)	-	-	-	-	-	-	(34,157)
Balance, June 30, 2025	13,908,692	-	54,052	4,883,742	-	13,834	-	18,860,320
Additions for the year	4,267,273	-	18,215	1,878,220	8,910	1,776,793	-	7,949,411
Cumulative translation	283,398	-	-	-	-	-	-	283,398
Transfer from CIP Mine to Mine	-	-	(72,267)	-	72,267	-	-	-
Balance, March 31, 2026	\$ 18,459,363	\$ -	\$ -	\$ 6,761,962	\$ 81,177	\$ 1,790,627	\$ -	\$ 27,093,129
<b>Net book value</b>								
As at June 30, 2025	\$ 37,809,233	\$ 944,655	\$ 33,687,078	\$ 25,365,009	\$ -	\$ 69,876,376	\$ 36,641,501	\$ 204,323,852
As at March 31, 2026	\$ 38,698,186	\$ -	\$ -	\$ 29,626,795	\$ 45,719,850	\$ 72,025,543	\$ 38,710,394	\$ 224,780,768

# LION ONE METALS LIMITED

## NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in Canadian Dollars)

March 31, 2026

### 5. MINERAL PROPERTY, PLANT AND EQUIPMENT ( cont'd...)

#### Tuvatu Gold Project

The Company's primary asset is the Tuvatu Gold Project located near Nadi on the island of Viti Levu, Fiji.

In January 2015, the Mineral Resources Department ("MRD") of Fiji granted Special Mining Lease 62 ("SML 62") on the Tuvatu project to the Company. SML 62 is a designated area within the original boundaries of the Company's Special Prospecting Licenses ("SPL's") 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 terms of the mining lease provide for certain performance and reporting requirements. The SML has been granted for a term of ten years provided the Company complies with the terms of the lease. Extensions to the term can be applied subject to the terms of the lease and the Mining Act. In August 2022, SML 62 was extended for an additional 10 year term renewable to February 28, 2035. A performance and environmental bond of FJD\$2,634,795 (\$1,627,626) (June 30, 2025 - FJD \$2,634,795 (\$1,598,304) has been placed on deposit with the MRD. The SML is subject to annual lease payments of FJD\$73,697 (\$45,526).

The Fiji properties are subject to a perpetual production royalty of 0.5% to 1.5% of net smelter returns. This NSR is payable to Laimes Global Inc., a company controlled by Walter Berukoff, director of the Company. In addition, SML 62 is subject to a step royalty payable to the government of Fiji starting at 0% in 2023, 0.5% in 2024, 1.1% in 2025, 2% in 2026, 3% in 2027 and 5% then onwards.

#### Surface Lease Agreement

The Company holds a 21-year 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. Under the terms of the Surface Lease, the Company must make a one-time payment of FJD\$1,000,000 of which FJD\$700,000 (\$432,420) was paid upon acceptance of the Surface Lease agreement. In March 2019, the Company paid FJD\$249,497 (\$154,125) to the TLTB with FJD\$50,503 (\$31,198) remaining is due upon the first gold production from mining operations in Tuvatu. An additional lease payment of FJD\$30,000 (\$18,532) is payable per annum to the local communities for education and community development over the 21-year term of the Surface Lease agreement.

The application of the Company's accounting policy for mineral property development costs required judgement to determine when the Tuvatu Project Project's technical feasibility and commercial viability had been demonstrated. The Company considered the approval of the Company's Board of Directors to start the detailed engineering, procurement, and construction of the 500 tonne per day Tuvatu Project process plant, along with the substantial amount of work that had been completed on the 300 tonne per day pilot plant to date, and concluded that the technical feasibility and commercial viability had been achieved.

#### Fiji Exploration Properties

The Company holds four exploration licenses (SPL's) for the Tuvatu properties as granted by the MRD. 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	97,715	1,400,000	864,840
1296**	Aug. 24, 2020	Aug. 23, 2025	158,180	97,715	1,600,000	988,389
1465**	Mar. 5, 2022	Mar. 4, 2025	67,979	41,993	679,789	419,935
1512	Dec. 11, 2024	Dec. 11, 2029	633,223	391,169	1,200,000	741,292

\*\*The Company is in the process of renewing SPL 1283, SPL 1296 & SPL 1465.

# LION ONE METALS LIMITED

## NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in Canadian Dollars)

March 31, 2026

### 5. MINERAL PROPERTY, PLANT AND EQUIPMENT ( cont'd...)

#### Deposits

As at March 31, 2026, the Company paid \$385,790 other deposits in Fiji (June 30, 2025 - \$347,128).

#### Bonds

The SPL's require the posting of bonds as security against future reclamation obligations. As at March 31, 2026, the Company has bonds of \$2,256,218 (June 30, 2025 - \$2,215,571) held with the MRD pursuant to SML62 and the SPL's and an environmental bond of \$40,280 (June 30, 2025 - \$39,554) held with the Ministry of Environment. These are recorded as Deposits on the statements of financial position.

### 6. INVENTORY

The Company's inventory is comprised of the following:

	March 31, 2026	June 30, 2025
Mineralized materials	\$ 1,984,579	\$ 380,959
Work-in-process	9,996,416	4,184,377
Finished goods	522,575	841,059
Materials and supplies	15,977,872	11,181,146
Total inventory	\$ 28,481,442	\$ 16,587,541

### 7. LONG TERM DEBT

#### Financing Facility

On January 19, 2023 the Company entered into a facility agreement with Nebari Gold Fund 1, LP, Nebari Natural Resources Credit Fund I, LP and Nebari Natural Resources Credit Fund II, LP (collectively, "Nebari"), with Nebari Collateral Agent, LLC as collateral agent and certain Lion One subsidiaries as guarantors, for a financing facility of up to US\$37,000,000 (the "Financing Facility"). The Financing Facility consists of a US\$35,000,000 senior secured first lien term loan (the "Loan Facility") and a US\$2,000,000 (\$2,687,800) equity investment ("the Equity Investment") in common shares of the Company.

The total amount of the Loan Facility was funded in three tranches, with the US\$23,000,000 funded on February 9, 2023 ("Tranche 1"), US\$6,000,000 funded on December 29, 2023 and US\$2,000,000 funded on January 3, 2024 ("Tranche 2") net of 2% closing fee, US\$4,000,000 funded on December 2, 2024 ("Tranche 3") net of 2% closing fee. Tranche 1 was subject to interest of 8% plus the three-month secured overnight financing rate, as administered by Federal Reserve Bank of New York ("SOFR"), with no scheduled principal repayments until maturity on August 8, 2026. Tranche 2 was subject to an 8% Original Issue Discount ("OID") and interest is 10% plus SOFR, with progressive amortization over 42 months from the funding date. Tranche 2 principal repayments are to be made in seven equal installments starting on December 31, 2025 to June 30, 2027. Tranche 3 was subject to an 8% OID and interest is 10% plus SOFR, with progressive amortization over 6 months from June 30, 2025. Tranche 3 principal repayments are in three equal installments starting on June 30, 2025, September 30, 2025 and December 31, 2025. As at October 2024, in Nebari's opinion under the market disruption terms in the loan agreement, the Term SOFR rate did not accurately reflect the cost of funding the Loan, and 4.61% which was the SOFR rate as at September 30, 2024 better reflects the cost of funding and was used to calculate the interest rate from October 1, 2024 to June 30, 2025. Following the first month in which the Tuvatu Project produces at least 2,000 ounces of gold, the Company shall pay to Nebari a royalty equal to 0.5% of the net smelter returns on the first 400,000 ounces of gold produced and sold from the Tuvatu Project.

On February 9, 2023, the Company received total proceeds of US\$25,000,000 from its Financing Facility, which was comprised of US\$23,000,000 (\$30,452,000) from Tranche 1 and completion of the US\$2,000,000 (\$2,687,800) Equity Investment, with Nebari purchasing 3,125,348 common shares of the Company at a price of \$0.86 per share. The Tranche 1 interest accrued from February 9, 2023 to June 30, 2024 was capitalized and added to the principal amount outstanding of the Loan Facility.

## LION ONE METALS LIMITED

### NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in Canadian Dollars)

March 31, 2026

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#### 7. LONG TERM DEBT (cont'd...)

The Company received US\$7,840,000 net of 2% closing fee for Tranche 2 which was comprised of US\$6,000,000 (\$7,935,600) received on December 29, 2023 and US\$2,000,000 (\$2,671,200) received on January 3, 2024. The Company recorded an OID fee of \$944,000 to the principal. The interest with respect to Tranche 2 was to be expensed and added to the principal amount outstanding of the Loan Facility from December 29, 2023 to September 30, 2024, with monthly interest payments beginning on September 30, 2024.

The Company received US\$4,000,000 (\$5,622,400) net of 2% closing fee from Tranche 3. The Company recorded an OID fee of \$488,904 to the principal. The interest with respect to Tranche 3 will be expensed and with monthly interest payments beginning on December 31, 2024. The Company issued 3,920,000 common shares of the Company to Nebari. These common shares were valued at \$980,000 and netted with the proceeds from Tranche 3 as debt issue costs.

In September 2024, the Company entered into an agreement to defer interest payments related to Tranche 1 and 2, due on September 30, 2024 to November 22, 2024. During the period ended March 31, 2026, the Company paid interest payments of \$5,076,137 (June 30, 2025 - \$7,236,808) to Nebari for Tranche 1, 2 and 3. As at March 31, 2026, interest accrued was \$4,640,402 (June 30, 2025- \$4,813,567).

Subsequent to the year ended June 30, 2025, on maturity of Tranche 1 of the Financing Facility in August 2026, Tranche 1 was reclassified as a current liability. The Forbearance Agreement extends to December 31, 2025 and is subject to ongoing compliance covenants, including the raising of capital to ensure the timely principal and accrued interest repayments, which the Company satisfied by closing non brokered private placement offerings in September and October 2025, with a total of 105,100,016 common shares issued at a price of \$0.32 each for gross proceeds of \$33,632,005 (Note 16).

On February 20, 2026, the Nebari provided formal notice that an Event of Default has occurred, effective as of January 31, 2026, and therefore, the Margin component of the rate of interest under the Facility Agreement will increase on Tranche 1 SOFR plus 8% to SOFR plus 16% and on Tranche 2 SOFR plus 10% to SOFR plus 16%. Following the delivery of the monthly report for March 2026 to Nebari as required under the Facility, Nebari provided further notification that the Company is in breach of the working capital covenant in the Facility which requires the Company to maintain at least \$7,000,000 in working capital (Note 1).

#### Debt Issue Costs

As part of the Tranche 1 loan facility with Nebari, the Company issued 15,333,087 warrants ("Tranche 1 Warrants") of the Company to Nebari, exercisable into common shares of the Company at a price of \$1.49 for a period of 42 months from issuance (Note 16 (d)).

The Tranche 1 Warrants were valued at \$5,194,865 using the Black-Scholes option pricing model using the following assumptions: risk free interest rate 2.99%, expected life of 3.5 years, annualized volatility 75% and dividend rate at nil. The Company also incurred deferred debt costs for professional and legal fees of \$850,804. Of the total debt issue costs incurred, the Company recorded \$559,100 as transaction costs which are netted against Tranche 1 with the debt and amortized over the term of the Loan Facility on an effective interest basis, and \$194,469 was recorded as transaction costs for Tranche 2, recognized during the year ended June 30, 2024. The remainder of \$97,235 was recorded as transaction costs for Tranche 3, recognized during the year ended June 30, 2025. All transaction costs are netted with the proceeds and amortized over the term of each respective Tranche on an effective interest rate basis.

As part of Tranche 2, the Company amended the facility agreement to re-price the 15,333,087 Tranche 1 Warrants issued from \$1.49 to \$1.15 with expiry date extended from August 9, 2026 to February 9, 2027. The Company also incurred deferred debt costs for professional and legal fees of \$186,132, a closing fee of \$213,696 and an OID fee of \$944,000.

As part of Tranche 3, the Company issued 3,920,000 common shares of the Company to Nebari, the common shares were valued at \$980,000. The Company also incurred deferred debt costs for professional and legal fees of \$577,379, a closing fee of \$112,448 and an OID fee of \$488,904. The Company recognized a \$259,926 debt modification gain.

During the period ended March 31, 2026, the Company recorded \$2,825,920 (June 30, 2025 - \$4,051,371) of accretion and \$5,076,137 (June 30, 2025 - \$7,236,808) to interest and finance expenses.

**LION ONE METALS LIMITED**

## NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in Canadian Dollars)

**March 31, 2026****7. LONG TERM DEBT ( cont'd...)**

All debts under the Loan Facility are guaranteed by the Company and its subsidiaries: American Eagle Resources, Inc., Laimes International Inc., Auksas Inc., and Lion One Pte Limited, and secured by the assets of the Company and pledges of the securities of the aforementioned Company's subsidiaries. The Loan Facility includes certain covenants that are calculated on the last day of each calendar month. As at March 31, 2026, the Company was in compliance with all covenants.

Repayment of current and long-term debt:

The annual commitments over the term of the loan is as follows:

Less than one year	\$42,395,911
One to two years	\$1,837,776

<b>Loan Facility</b>	March 31, 2026	June 30, 2025
Balance, beginning of the period	\$ 43,000,099	\$ 37,634,301
Drawdown	-	6,223,752
Deferred debt costs incurred	-	(2,255,966)
Loan repayment	(7,525,134)	(1,981,884)
Debt modification gain	-	(259,926)
Deferred debt costs amortized	2,825,920	4,051,371
Foreign exchange (gain) loss	1,292,400	(411,549)
<b>Total debt, net of deferred debt costs</b>	<b>39,593,285</b>	<b>43,000,099</b>
Loan facility (current)	37,892,441	7,615,910
Loan facility (long-term)	1,700,844	35,384,189
Current accrued interest	4,503,470	402,072
Non-current accrued interest	136,932	4,411,495
	<b>\$ 44,233,687</b>	<b>\$ 47,813,666</b>

<b>Deferred Debt Cost</b>	March 31, 2026	June 30, 2025
Balance, beginning of the period	\$ (3,950,099)	\$ (5,745,504)
Deferred debt costs incurred	-	(2,255,966)
Deferred debt costs amortized	2,825,920	4,051,371
<b>Total deferred debt costs</b>	<b>\$ (1,124,179)</b>	<b>\$ (3,950,099)</b>

**8. OTHER ASSETS****Mining Equipment Deposit**

In July 2018, the Company paid an AUD\$1,097,280 (\$1,075,334) deposit to an Australian mining contractor towards the refurbishment and purchase of certain mining equipment. In May 2021, the Company requested the delivery of the mining equipment to Fiji and to date it has not been delivered. During the year ended June 30, 2021, the Company wrote down the deposit by \$632,147 to its estimated carrying value. As at March 31, 2026, the estimated carrying value is \$445,427 (June 30, 2025 - \$445,427).

**LION ONE METALS LIMITED**

## NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in Canadian Dollars)

**March 31, 2026****9. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES**

	March 31, 2026	June 30, 2025
Accounts payable and accrued liabilities		
Trade payables	\$ 7,623,821	\$ 5,192,967
Accrued liabilities	2,382,168	1,734,800
Payroll related liabilities	756,385	440,800
Balance, end of the period	\$ 10,762,374	\$ 7,368,567

**10. RIGHT-OF-USE ASSET AND LEASE LIABILITY**

On April 1, 2023, the Company recognized \$566,168 for a right-of-use-asset for the office space lease and \$566,168 for the lease liability equal to the present value of office space lease payments over a 60-month period ending March 31, 2028, discounted by using the Company's estimated incremental borrowing rate of 20.0%.

**Right-of-use asset**

	March 31, 2026	June 30, 2025
Opening balance	\$ 311,392	\$ 424,626
Depreciation	(84,925)	(113,234)
	\$ 226,467	\$ 311,392

**Lease liability**

	March 31, 2026	June 30, 2025
Opening balance	\$ (378,386)	\$ (472,234)
Payments	135,000	180,000
Accreted interest	(51,334)	(86,152)
	\$ (294,720)	\$ (378,386)
Lease liability (current)	(132,793)	(114,437)
Lease liability (non-current)	(161,927)	(263,949)
	\$ (294,720)	\$ (378,386)

The annual commitment over the term of the lease is as follows:

Less than one year	\$180,000
One to two years	\$180,000

**11. RECLAMATION AND CLOSURE PROVISION**

The Company has recorded a reclamation provision of \$1,191,038 (June 30, 2025 - \$1,170,333) for future reclamation costs associated with the Tuvatu pilot plant and gold mine project currently in construction in Fiji. The reclamation costs has been calculated to reflect the amount of expected future net cash outflows discounted to present value for the future reclamation of disturbances incurred as at March 31, 2026. The reclamation provision has been recorded using a discount rate of 3.9% and an inflation factor of approximately 5.1%. As at March 31, 2026, total undiscounted estimated reclamation costs are approximately \$981,000 (June 30, 2025 - \$981,000).

	March 31, 2026	June 30, 2025
Balance, beginning of the period	\$ 1,170,333	\$ 1,132,300
Increase in estimated cash flows resulting from current activities	-	-
Accretion	29,152	38,973
Effect of changes in foreign exchange rates	21,857	(940)
Balance, end of the period	\$ 1,221,342	\$ 1,170,333

**LION ONE METALS LIMITED**

## NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in Canadian Dollars)

**March 31, 2026****12. REVENUE**

The Company had revenue of \$55,521,166 (2025 - \$41,667,352) from sale of 9,942 (2025 – 11,170) gold ounces and 3,538 (2025 – 2,461) silver ounces to one customer.

A summary of revenue for the period ended March 31:

	Three months ended March 31, 2026	Three months ended March 31, 2025	Nine months ended March 31, 2026	Nine months ended March 31, 2025
Revenue				
Gold	\$ 14,316,008	\$ 13,148,931	\$ 55,278,616	\$ 41,562,371
Silver	48,739	24,093	242,550	104,981
Total revenue	\$ 14,364,747	\$ 13,173,024	\$ 55,521,166	\$ 41,667,352

**13. COST OF SALES**

A summary of cost of sales for the period ended March 31:

	Three months ended March 31, 2026	Three months ended March 31, 2025	Nine months ended March 31, 2026	Nine months ended March 31, 2025
Cost of sales				
Production costs	\$ 4,341,585	\$ 8,053,259	\$ 22,671,822	\$ 25,124,464
Depreciation	3,617,872	1,764,553	6,958,420	4,716,281
Refining and transportation costs	33,080	18,717	172,164	94,570
Royalties	651,739	339,117	1,606,476	902,141
Total cost of sales	\$ 8,644,276	\$ 10,175,646	\$ 31,408,882	\$ 30,837,456

**14. GENERAL AND ADMINISTRATIVE**

A summary of general and administrative expenses for the period ended March 31:

	Three months ended March 31, 2026	Three months ended March 31, 2025	Nine months ended March 31, 2026	Nine months ended March 31, 2025
General and administrative				
Professional fees	\$ 481,145	\$ 288,106	\$ 1,513,727	\$ 963,745
Office expenses	226,766	296,008	986,074	832,426
Investor relations	415,168	204,402	720,843	497,173
Management fees	254,240	168,286	573,238	328,286
Shareholder communications and filings	62,003	62,701	157,883	257,041
Travel	91,533	51,673	214,768	138,557
Licenses, dues, and insurance	160,777	195,794	559,208	397,765
Consulting fees	121,195	97,853	410,051	307,371
Directors' fees	59,329	4,000	149,040	12,000
Total general and administrative expenses	\$ 1,872,156	\$ 1,368,823	\$ 5,284,832	\$ 3,734,364

**LION ONE METALS LIMITED**

## NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in Canadian Dollars)

**March 31, 2026****15. INTEREST AND FINANCE EXPENSE**

A summary of interest and finance expense for the period ended March 31:

	Three months ended March 31, 2026	Three months ended March 31, 2025	Nine months ended March 31, 2026	Nine months ended March 31, 2025
Interest and finance				
Accretion expense – Lease liability (Note 10)	\$ 15,717	\$ 20,986	\$ 51,334	\$ 66,387
Interest expense – Financing facility (Note 7)	1,860,606	1,904,281	5,076,137	5,416,901
Accretion expense – Deferred debt costs (Note 7)	664,130	1,989,750	2,825,920	2,765,091
Accretion expense - Reclamation and closure provision (Note 11)	9,746	9,832	29,152	29,306
Total interest and finance expense	\$ 2,550,199	\$ 3,924,849	\$ 7,982,543	\$ 8,277,685

**16. SHARE CAPITAL AND RESERVES**

## a) Authorized share capital

Unlimited number of common shares without par value.

## b) Bought Deal Offering

On October 23, 2025, the Company closed brokered sidecar private placement of, of 25,969,517 units at a price of \$0.32 per unit for gross proceeds of \$8,310,245. Each unit consists of a 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 \$0.42 until October 23, 2028. The Company recognized \$4,316,003 residual value relating to the share purchase warrants from the offering.

In connection to the Offering, the Company incurred broker, filing and legal fees of \$157,616 and recognized \$174,218 of share issuance costs related to the issuance of 1,987,200 non-transferable compensation options ("CO") (Note 16(e)), each CO is exercisable to purchase a common share at a price of \$0.32 until October 23, 2027. The fair value of the CO's of \$174,218 was determined using the Black-Scholes option pricing model using the following assumptions: risk free interest rate 2.46%, expected life of 2 years, annualized volatility 71.2% and dividend rate at nil. In lieu of receiving \$321,760 of cash finders fee, one finder received 1,005,500 Offered Units at the issue price of \$0.32.

On October 17, 2025, the Company closed the second tranche a market public offering, of 18,557,334 units at a price of \$0.32 per unit for gross proceeds of \$5,938,347. Each unit consists of a 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 \$0.42 until October 17, 2028. The Company recognized \$2,798,366 residual value relating to the share purchase warrants from the offering.

In connection to the Offering, the Company incurred broker, filing and legal fees of \$664,379 and recognized \$112,837 of share issuance costs related to the issuance of 1,202,403 non-transferable compensation options ("CO") (Note 16(e)), each CO is exercisable to purchase a common share at a price of \$0.32 until October 17, 2027. The fair value of the CO's of \$112,837 was determined using the Black-Scholes option pricing model using the following assumptions: risk free interest rate 2.46%, expected life of 2 years, annualized volatility 71.03% and dividend rate at nil. In lieu of receiving \$31,500 of cash finders fee, one finder received 98,437 Offered Units at the issue price of \$0.32.

On September 24, 2025, the Company closed a market public offering, of 58,484,853 units at a price of \$0.32 per unit for gross proceeds of \$18,715,153. Each unit consists of a 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 \$0.42 until September 24, 2028. The Company recognized \$9,316,236 residual value relating to the share purchase warrants from the offering.

# LION ONE METALS LIMITED

## NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in Canadian Dollars)

March 31, 2026

### 16. SHARE CAPITAL AND RESERVES (cont'd...)

In connection to the Offering, the Company incurred broker, filing and legal fees of \$861,601 and recognized \$290,483 of share issuance costs related to the issuance of 3,306,087 non-transferable compensation options ("CO") (Note 16(e)), each CO is exercisable to purchase a common share at a price of \$0.32 until September 24, 2027. The fair value of the CO's of \$290,483 was determined using the Black-Scholes option pricing model using the following assumptions: risk free interest rate 2.65%, expected life of 2 years, annualized volatility 69.5% and dividend rate at nil. In lieu of receiving \$315,000 of cash finders fee, one finder received 984,375 Offered Units at the issue price of \$0.32.

On February 14, 2025, the Company closed a market public offering, of 31,798,761 units at a price of \$0.34 per unit for gross proceeds of \$10,811,579. Each unit consists of a 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 \$0.41 until February 14, 2028. The Company recognized \$1,593,118 residual value relating to the share purchase warrants from the offering.

In connection to the Offering, the Company incurred broker, filing and legal fees of \$1,203,426 and recognized \$238,144 of share issuance costs related to the issuance of 2,000,375 non-transferable compensation options ("CO") (Note 16(e)), each CO is exercisable to purchase a common share at a price of \$0.34 until February 14, 2028. The fair value of the CO's of \$238,144 was determined using the Black-Scholes option pricing model using the following assumptions: risk free interest rate 2.51%, expected life of 3 years, annualized volatility 66.33% and dividend rate at nil.

#### c) Stock options

The TSX-V accepted the Company's Stock Option Plan, which was approved by the Company's shareholders at the Annual General Meeting ("AGM") held on December 12, 2025. A rolling stock option plan has been implemented whereby a maximum of 10% of the issued shares will be reserved for issuance under the plan. Options can be granted for a term not to exceed ten years. Shareholder approval must also be obtained yearly at the Company's AGM and in addition, submitted for review and acceptance by the TSX-V each year. Stock option transactions are summarized as follows:

	Number of Stock Options	Weighted Average Exercise Price
Balance, June 30, 2024	14,131,666	\$ 1.17
Forfeited and expired	(2,611,666)	1.35
Balance, June 30, 2025	11,520,000	1.13
Forfeited and expired	(2,833,334)	1.16
Balance, March 31, 2026	8,686,666	\$ 1.12

The following stock options are outstanding and exercisable as at March 31, 2026:

	Number of Options Outstanding	Exercise price	Number of Options Exercisable	Expiry date
Stock Options	1,745,000	\$1.25	1,745,000	June 2, 2026
	2,311,666	1.25	2,311,666	September 3, 2027
	4,630,000	1.00	4,630,000	December 13, 2028
	8,686,666		8,686,666	

During the period ended March 31, 2026, the Company granted Nil (2025 – Nil) stock options. The weighted average fair value of options granted during the period was \$Nil per share (2025 - \$Nil). Total share-based payments recognized for the period ended March 31, 2026 was \$123,747 (2025 - \$647,632) for incentive options granted and vested. Share-based payments expense of \$59,598 (2025 - \$453,203) was recognized in the condensed interim consolidated statement of loss and comprehensive loss with the balance of \$34,079 (2025 – \$98,300) capitalized to exploration and evaluation assets, \$30,070 (2025 - \$96,129) was recognized in mineral property, plant and equipment, which relates to employees and consultants working on the Tuvatu property.

**LION ONE METALS LIMITED**

## NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in Canadian Dollars)

**March 31, 2026****16. SHARE CAPITAL AND RESERVES (cont'd...)**

## d) Warrants

The warrants were issued from May 2023, Feb. 2024, July 2024, Feb. 2025, Sep. 2025 and Oct. 2025 private placements.

Warrant transactions are summarized as follows:

	Number of Warrants	Weighted Average Exercise Price	Expiry Date
Balance, June 30, 2024	62,832,087	\$ 0.78	
Warrants issued – Note 16(b)	31,485,379	0.50	July 26, 2027
Warrants issued – Note 16(b)	31,798,761	0.41	February 14, 2028
Balance, June 30, 2025	126,116,227	\$ 0.62	
Warrants issued – Note 16(b)	59,469,228	0.42	September 24, 2028
Warrants issued – Note 16(b)	18,655,771	0.42	October 17, 2028
Warrants issued – Note 16(b)	26,975,017	0.42	October 23, 2028
Warrants expired	(8,674,000)	1.05	September 29, 2025
Warrants expired	(14,675,000)	1.25	November 11, 2025
Balance, March 31, 2026	207,867,243	\$ 0.45	

## e) Compensation Options

The compensation options were issued from May 2023, Feb. 2024, July 2024, Feb. 2025, Sep. 2025 and Oct. 2025 private placements.

Compensation Options are summarized as follows:

	Number of Options	Weighted Average Exercise Price	Expiry Date
Balance, June 30, 2024	4,244,880	\$ 0.79	
Issued – Note 16(b)	1,996,891	0.37	July 26, 2026
Issued – Note 16(b)	2,000,375	0.34	February 14, 2028
Balance outstanding and exercisable, June 30, 2025	8,242,146	\$ 0.58	
Issued – Note 16(b)	3,306,087	0.32	September 24, 2027
Issued – Note 16(b)	1,202,403	0.32	October 17, 2027
Issued – Note 16(b)	1,987,200	0.32	October 23, 2027
Expired	(1,040,880)	0.77	September 29, 2025
Expired	(1,755,000)	0.92	November 11, 2025
Balance outstanding and exercisable, March 31, 2026	11,941,956	\$ 0.37	

**LION ONE METALS LIMITED**

## NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in Canadian Dollars)

**March 31, 2026****17. RELATED PARTY TRANSACTIONS****Management Compensation**

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 period ended March 31:

	2026	2025
Payments to key management personnel:		
Cash compensation expensed to management fees, professional fees, investor relations, directors fees and consulting fees	\$ 1,193,314	\$ 655,083
Cash compensation capitalized to mineral property, plant and equipment and exploration and evaluation assets	268,077	332,149
Share-based payments	(7,759)	204,951

During the period ended March 31, 2026, the Company paid \$135,000 (2025 - \$135,000) in rent to Cabrera Capital Corp. ("Cabrera"), a company controlled by Walter Berukoff, a director of the Company. As at March 31, 2026, the Company had a lease liability of \$294,720 (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 March 31, 2026, the Company has a payable of \$236,574 (June 30, 2025 - \$234,706).

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 period ended March 31, 2026, the Company paid \$174,821 (2025 - \$156,884) in rent to Lions Den (Fiji) Pte Limited, a company controlled by Walter Berukoff, the director of the Company, for short-term and long-term accommodations including utilities in Fiji, and as of March 31, 2026, has a receivable of \$52,984 (June 30, 2025 - receivable \$37,382).

During the period ended March 31, 2026, the Company paid \$805,700 (2025 - \$604,859) in royalty to Laimes Global, Inc, a company controlled by Walter Berukoff, the director of the Company. As at March 31, 2026, the Company has a payable of \$214,647 (June 30, 2025 - \$249,961).

During the period ended March 31, 2026, the Company paid professional fees of \$8,310 (2025 - \$19,993) to a management services company owned by David McArthur, a director of the Company's subsidiary, Lion One Australia Pty Ltd. As at March 31, 2026, the Company had a payable of \$4,220 (June 30, 2025 - \$984).

During the period ended March 31, 2026, the Company paid professional fees of \$180,000 (2025 - \$40,000) to Richard Meli, a director of the Company, for consulting services. As at March 31, 2026, the Company had a payable of \$Nil (June 30, 2025 - \$Nil).

During the period ended March 31, 2026, the Company recorded \$143,850 (2025 - \$Nil) in management fees to Arete Capital Advisory Pty a company controlled by Campbell Olsen, the CEO of the Company. As at March 31, 2026, the Company has a payable of \$143,850 (June 30, 2025 - \$Nil).

**LION ONE METALS LIMITED**

## NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in Canadian Dollars)

**March 31, 2026****18. SEGMENTED INFORMATION**

The Company operates in one industry segment, the mine development and mineral exploration industry. Geographical segmented information of the Company's non-current assets and loss for the period is presented as follows:

March 31, 2026	Fiji	Corporate	Australia	Total
Exploration and evaluation assets	\$ 38,710,394	\$ -	\$ -	\$ 38,710,394
Mineral property, plant and equipment	186,070,374	-	-	186,070,374
Right-of-use asset	-	226,467	-	226,467
Deposits	2,682,288	-	-	2,682,288
Other assets	-	445,427	-	445,427
Gold and silver sale	55,521,166	-	-	55,521,166
Income (loss) for the period	23,238,699	(13,524,064)	(7,344)	9,707,291

June 30, 2025	Fiji	Corporate	Australia	Total
Exploration and evaluation assets	\$ 36,641,501	\$ -	\$ -	\$ 36,641,501
Mineral property, plant and equipment	167,682,351	-	-	167,682,351
Right-of-use asset	-	311,392	-	311,392
Deposits	2,602,253	-	-	2,602,253
Other assets	-	445,427	-	445,427
Gold and silver sale	57,968,173	-	-	57,968,173
Income (loss) for the year	12,930,524	(15,618,571)	(27,015)	(2,715,062)

**19. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT****Financial instruments**

Cash, receivables, deposits, accounts payable and accrued liabilities, lease liability, loan facility and accrued interest are carried at amortized cost. The Company considers the carrying amount of the current financial assets and liabilities measured at amortized cost to approximate their fair value due to the short-term nature of the financial instruments. 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.

Fair value estimates of financial instruments are made at a specific point in time, based on relevant information about financial markets and specific financial instruments. As these estimates are subjective in nature, involving uncertainties and matters of significant judgment, they cannot be determined with precision. Changes in assumptions can significantly affect estimated fair values.

**Financial risk factors***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, cash equivalents, short-term investments and receivables. The Company limits exposure to credit risk on liquid financial assets through maintaining its cash, cash equivalents, short-term investments 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.

# LION ONE METALS LIMITED

## NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in Canadian Dollars)

March 31, 2026

### 19. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (cont'd...)

#### Financial risk factors (cont'd...)

##### 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. Subsequent to the year ended June 30, 2025, on maturity of Tranche 1 of the Financing Facility in August 2026, Tranche 1 was reclassified as a current liability. As at March 31, 2026, the Company had working capital of \$506,013. Following the delivery of the monthly report for March 2026 to Nebari as required under the Facility, Nebari provided further notification that the Company is in breach of the working capital covenant in the Facility which requires the Company to maintain at least \$7,000,000 in working capital (Note 1).

##### 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, investment-grade short-term deposit certificates issued by 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, Australian dollars and New Zealand 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.

As at March 31, 2026, the Company's net foreign denominated financial assets (liabilities) are as follows:

	Foreign currency	Canadian dollar equivalent
Australian Dollar	(1,438,389)	(1,379,415)
Fijian Dollar	17,458,601	10,784,929
USD Dollar	(31,324,570)	(43,663,318)
NZ Dollar	276,186	220,507

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, 2026	June 30, 2025
+ 5%	\$ 1,703,702	\$ 2,186,860
- 5%	(1,703,702)	(2,186,860)

## **LION ONE METALS LIMITED**

### NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in Canadian Dollars)

**March 31, 2026**

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#### **19. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (cont'd...)**

##### **Financial risk factors (cont'd...)**

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.

#### **20. CAPITAL MANAGEMENT**

The Company's capital management policy has the objective of maintaining a strong, but flexible capital structure that optimizes the cost of capital, creditor and market confidence while sustaining the future development of the business.

The Company manages its capital structure and makes adjustments to it in the light of changes in economic conditions. The Company's capital structure includes shareholders' equity of \$225,419,918 (June 30, 2025 - \$183,654,366). In order to maintain or adjust the capital structure, the Company may from time-to-time issue shares, seek debt financing and adjust its capital spending to manage current and working capital requirements. There were no changes to the Company's approach to capital management during the period ended March 31, 2026.