



Lion One Metals Ltd.

Audit Committee Charter

1.0 Purpose and Authority

The Audit Committee is established by and among the Board of Directors for the primary purpose of assisting the Board in:

- (a) Overseeing the integrity of the Company's financial statements and the Company's accounting and financial reporting processes and financial statement audits;
- (b) Overseeing the Company's compliance with legal and regulatory requirements associated with financial reporting and disclosure;
- (c) Overseeing the registered public accounting firm's (independent auditor's) qualifications and independence;
- (d) Overseeing the performance of the Company's independent auditor; and
- (e) Overseeing the Company's systems of disclosure controls and procedures, internal controls over financial reporting, and compliance with ethical standards adopted by the Company.

Consistent with this function, the Audit Committee should encourage continuous improvement of, and should foster adherence to, the Company's policies, procedures, and practices at all levels. The Audit Committee should also provide for open communication among the independent auditor, financial and senior management, the internal audit function, and the Board of Directors.

The Audit Committee has the authority to conduct investigations into any matters within its scope of responsibility and obtain advice and assistance from outside legal, accounting, or other advisors, as necessary, to perform its duties and responsibilities

In carrying out its duties and responsibilities, the Audit Committee shall also have the authority to meet with and seek any information it requires from employees, officers, directors, or external parties.

The Company will provide appropriate funding, as determined by the Audit Committee, for compensation to the independent auditor, to any advisers that the Audit Committee chooses to engage, and for payment of ordinary administrative expenses of the Audit Committee that are necessary or appropriate in carrying out its duties.

The Audit Committee will primarily fulfill its responsibilities by carrying out the activities enumerated in Section 3.0 of this charter.



2.0 Composition and Meetings

The Audit Committee will comprise three or more directors as determined by the Board. Each Audit Committee member will meet the applicable standards of independence and the determination of independence will be made by the Board.

All members of the committee must comply with all financial-literacy requirements of the Securities Exchange(s) on which the Company is listed. To help meet these requirements, the Audit Committee will provide its members with annual continuing education opportunities in financial reporting and other areas as relevant to the Audit Committee.

Committee members will be appointed by the Board at the annual organizational meeting of the Board to serve until their successors are elected. Unless a chairperson is elected by the full Board, the members of the committee may designate a chairperson by majority vote. The committee chairperson shall not be the Chairman of the Company.

The Committee will meet at least quarterly, or more frequently as circumstances dictate. The Committee Chairperson will approve the agenda for the Committee's meetings and any member may suggest items for consideration. Briefing materials will be provided to the Committee as far in advance of meetings as practicable.

Each regularly scheduled meeting will conclude with an executive session of the Committee absent members of management. As part of its responsibility to foster open communication, the Committee will meet periodically with management, the director of the internal audit function, and the independent auditor in separate executive sessions.

In addition, the Committee will meet with the independent auditor and management to discuss the annual audited financial statements and quarterly financial statements, including the Company's disclosures under "Management's Discussion and Analysis of Financial Condition and Results of Operations".

3.0 Responsibilities and Duties

To fulfill its responsibilities and duties, the Audit Committee will:

3.1. Documents/Reports/Accounting Information Review

- (a) Review this charter at least annually and recommend to the Board of Directors any necessary amendments or modifications.
- (b) Meet with management and the independent auditor to review and discuss the Company's annual financial statements as well as all internal control reports (or summaries thereof). Review other relevant reports or financial information submitted by the Company to any governmental body or the public and relevant reports rendered by the independent auditor (or summaries thereof).
- (c) Recommend to the Board whether the financial statements should be included in the annual report.



- (d) Discuss earnings press releases, including the type and presentation of information, paying particular attention to any pro forma or adjusted non-GAAP information. Such discussions may be in general terms (i.e., discussion of the types of information to be disclosed and the type of presentations to be made).
- (e) Discuss financial information and guidance provided to analysts. Such discussions may be in general terms (i.e., discussion of the types of information to be disclosed and the type of presentations to be made).
- (f) Review the regular internal reports to management (or summaries thereof) prepared by the internal audit function, as well as management's response.

3.2 Independent Auditor

- (a) Appoint (and recommend that the Board submit for shareholder ratification, if applicable), compensate, retain, and oversee the work performed by the independent auditor retained for the purpose of preparing or issuing an audit report or related work. Review the performance and independence of the independent auditor and remove the independent auditor if circumstances warrant. The independent auditor will report directly to the Audit Committee and the Audit Committee will oversee the resolution of disagreements between management and the independent auditor if they should occur.
- (b) Consider whether the auditor's provision of permissible non-audit services is compatible with the auditor's independence.
- (c) Review with the independent auditor any problems or difficulties and management's response.
- (d) Review the independent auditor's report on the Company's assessment of internal control over financial reporting.
- (e) Hold timely discussions with the independent auditor regarding the following:
 - i. All critical accounting policies and practices.
 - ii. All alternative treatments of financial information within generally accepted accounting principles related to material items that have been discussed with management, implications of the use of such alternative disclosures and treatments, and the treatment preferred by the independent auditor.
 - iii. Other material written communications between the independent auditor and management, including, but not limited to, the management letter and schedule of unadjusted differences.
- (f) At least annually, obtain and review a report by the independent auditor describing:
 - i. The independent auditor's internal quality-control procedures.



- ii. Any material issues raised by the most recent internal quality-control review or peer review, or by any inquiry or investigation conducted by governmental or professional authorities during the preceding five years with respect to independent audits carried out by the independent auditor, and any steps taken to deal with such issues.
- iii. All relationships between the independent auditor and the Company.

This report should be used to evaluate the independent auditor's qualifications, performance, and independence. Further, the Committee will review the experience and qualifications of the lead partner each year and determine that all partner rotation requirements, as promulgated by applicable rules and regulations, are executed. The committee will also consider whether there should be rotation of the independent auditor itself.

- (g) Actively engage in dialogue with the independent auditor with respect to any disclosed relationships or services that may affect the independence and objectivity of the auditor and take appropriate actions to oversee the independence of the outside auditor.
- (h) Review and preapprove both audit and nonaudit services to be provided by the independent auditor. The authority to grant preapprovals may be delegated to one or more designated members of the Audit Committee, whose decisions will be presented to the full Audit Committee at its next regularly scheduled meeting.
- (i) Set policies, consistent with governing laws and regulations, for hiring personnel of the independent auditor.

3.3 Financial Reporting Processes, Accounting Policies, and Internal Control Structure

- (a) In consultation with the independent auditor and the internal audit function, review the integrity of the Company's financial reporting processes (both internal and external).
- (b) Periodically review the adequacy and effectiveness of the Company's disclosure controls and procedures and the Company's internal control over financial reporting, including any significant deficiencies and significant changes in internal controls.
- (c) Understand the scope of the internal and independent auditors' review of internal control over financial reporting and obtain reports on significant findings and recommendations, together with management responses.
- (d) Receive and review any disclosure from the Company's CEO or CFO made in connection with the certification of the company's quarterly and annual reports of:
 - i. significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the company's ability to record, process, summarize, and report financial data; and



- ii. any fraud, whether or not material, that involves management or other employees who have a significant role in the company's internal controls.
- (e) Review major issues regarding accounting principles and financial statement presentations, including any significant changes in the Company's selection or application of accounting principles; major issues as to the adequacy of the Company's internal controls; and any special audit steps adopted in light of material control deficiencies.
- (f) Review analyses prepared by management setting forth significant financial reporting issues and judgments made in connection with the preparation of the financial statements, including analyses of the effects of alternative IFRS methods on the financial statements.
- (g) Review the effect of regulatory and accounting initiatives, as well as off-balance-sheet structures, on the financial statements of the Company.
- (h) Review and approve all related-party transactions.
- (i) Establish and oversee procedures for the receipt, retention, and treatment of complaints regarding accounting, internal accounting controls, or auditing matters, including procedures for confidential, anonymous submissions by Company employees regarding questionable accounting or auditing matters.

3.4 Ethical Compliance, Legal Compliance, and Risk Management

- (a) Oversee, review, and periodically update the Company's Code of Business Conduct and Ethics and the Company's system to monitor compliance with and enforce this code.
- (b) Review, with the Company's counsel, legal compliance and legal matters that could have a significant impact on the Company's financial statements.
- (c) Discuss policies with respect to risk assessment and risk management, including appropriate guidelines and policies to govern the process, as well as the Company's major financial risk exposures and the steps management has undertaken to control them.
- (d) Consider the risk of management's ability to override the Company's internal controls.
- (e) Oversee, review and periodically update the Company's whistleblower policy and the Company's internal systems relating thereto.

3.5 Reporting

- (a) Report regularly to the Board regarding the execution of the Audit Committee's duties and responsibilities, activities, any issues encountered and related recommendations.
- (b) Review and approve the report that the regulators require be included in the Company's annual proxy statement.



3.6 Other Responsibilities

- (a) Review, with the independent auditor, the internal audit function, and management, the extent to which changes or improvements in financial or accounting practices have been implemented.
- (b) Review, with management, the Company's finance function, including its budget, organization, and quality of personnel.
- (c) Conduct an annual performance assessment relative to the audit committee's purpose, duties, and responsibilities outlined herein.
- (d) Perform any other activities consistent with this charter, the Company's bylaws, and governing laws that the Board or Audit Committee determines are necessary or appropriate.

Original Approval Date: October 25, 2013
Revised:
Last Revised and Approved:
Approved by: Board of Directors