



LION ONE METALS LIMITED

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE PERIOD ENDED SEPTEMBER 30, 2021

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INTRODUCTION

The Management Discussion & Analysis ("MD&A") has been prepared by management and reviewed and approved by the Board of Directors on November 12, 2021. Set out below is a review of the activities, results of operations and financial condition of Lion One Metals Limited ("LIO", "Lion One", or the "Company") and its subsidiaries for the year ended September 30, 2021. The following discussion of performance, financial condition and future prospects should be read in conjunction with the Company's unaudited condensed consolidated interim financial statements for the period ended September 30, 2021 and the audited annual consolidated financial statements for the year ended June 30, 2021. Those financial statements are prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board. This discussion covers the three month period ended September 30, 2021 and the subsequent period up to November 12, 2021, the date of preparation of this MD&A. Monetary amounts in the following discussion are in Canadian dollars unless otherwise noted.

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

Mr. Sergio Cattalani, M.Sc., who is an officer of the Company and a member of The Association of Professional Geologists of Ontario, is the Qualified Person under the meaning of Canadian National Instrument 43-101, and responsible for the exploration technical content of this Management's Discussion and Analysis.

Mr. Patrick Hickey, P. Eng., MBA, who is an officer of the company, is a Qualified Person under the meaning of Canadian National Instrument 43-101, is responsible for the development and engineering content of this Management's Discussion and Analysis.

OBJECTIVES AND OUTLOOK

Lion One is focused on advancing premium quality gold assets in Fiji that have the world class attributes of: high grades, scope, district scale, and depth potential, with access to infrastructure in a mining-friendly jurisdiction. The Tuvatu Gold Project has received all of the mandatory regulatory approvals, including a 10-year renewable mining lease and a 21-year surface lease, for the complete development of mining and processing operations at Tuvatu. In 2019, the Company commenced a deep diamond drilling program targeting feeder structures at depth below the known Tuvatu mineralization. In other mineralized alkaline gold systems around the world, these feeder structures often run hundreds or thousands of g/t gold. In securing the adjacent ground to Tuvatu in mid 2019, Lion One became the first company in modern times to consolidate and carry out systematic exploration over the entire 7km diameter Navilawa Caldera. The Project area now consists of four contiguous exploration licenses covering approximately 13,619 hectares. The 384.5 hectare Tuvatu mining lease is located near its epicentre and hosts the high grade, permitted for production, Tuvatu gold resource.

Mineralization of the Tuvatu deposit is associated with the emplacement of an alkalic volcanic intrusive complex, with Navilawa Caldera being one of several large mineralized alkaline gold systems aligned along the Viti Levu Lineament, Fiji's gold corridor. The geologic setting of Tuvatu shares affinities with the Vatukoula deposit in the neighboring Tavua Caldera, where over seven million ounces of gold have been recovered since mining commenced at Vatukoula in 1933.

The Fijian Islands are located along the Pacific Island Arc, which hosts a number of other well-known major mineralized alkaline gold deposits systems such as the Lihir and Porgera gold deposits in Papua New Guinea. This variety of gold system is not prolific in number globally but are among the largest producers of gold in the world, with notable examples in the South Pacific including the Porgera and Lihir gold mines in Papua New Guinea, and Vatukoula in Fiji, 40km from Tuvatu. A North American example is the Cripple Creek gold mine in Colorado. The Barrick/Goldcorp Porgera gold deposit (>25 million ounces gold) and the Newcrest Lihir gold deposit (>40 million ounces gold) are both alkaline host gold deposits situated in Papua New Guinea. These deposits, like other alkaline hosted gold deposits, are associated with deep crustal magmas, alkaline rich alteration mineral assemblages, and are valued for their high grades and deep vertical profiles, resulting in large gold endowments.

The Company will continue to advance its exploration program to add further high-grade resources and develop a world class alkaline gold project and prove the concept that the Tuvatu has the potential to become 10 to 20 million ounces gold camp. Lion One has six active diamond drilling rigs, including five fully owned, and a fully operational, quick-response metallurgical and geochemical laboratory at its Fiji head office in Nadi, 16km from the project site. The Company will focus on testing the deep extensions of new high-grade zones of mineralization discovered below Tuvatu in 2020. The Company has also discovered very similar styles of mineralization at Banana Creek, 3.5km to the NE of Tuvatu, and has a large pipeline of drilling targets across the Navilawa Caldera. This program will include deep drilling, further geophysics, mapping and sampling, and targeted exploration of other prospects generated. The Company has also recently added personnel to its growing and vastly experienced exploration and engineering team and as a result, has been able to operate in Fiji throughout most of the COVID epidemic.

HIGHLIGHTS AND SIGNIFICANT SUBSEQUENT EVENTS

- **September Quarter 2021 Exploration Summary:**

During the quarter ended September 30, 2021, the Company completed 6869.1 meters of diamond drilling in 22 completed holes, while a further 4 drill holes were still in progress. The Company is continuing to undertake three tiers of drilling for exploration purposes:

- 1) shallow resource infill drilling from surface and underground,
- 2) deep exploration drilling looking for lode extensions under the Tuvatu resource and
- 3) regional Tuvatu lookalike target areas within the Navilawa caldera such as Banana Creek.

An additional tier of drilling for geotechnical purposes has also been initiated during the September quarter.

| September 2021 Quarter Exploration Summary | |
|---|---------------|
| Activity | Number |
| # of drill holes completed | 22 |
| # of drill holes in progress at end of Quarter | 4 |
| # of meters drilled | 6,869.1 |
| # of drill core samples submitted for analysis | 6,209 |
| # of bulk density analyses from drill core | nil |
| # of channels excavated and sampled | 11 |
| # of samples from channel sampling | 50 |
| # of rock chip samples collected | nil |
| # of samples analysed in Lion One Laboratory | 9,681 |

- **Deep drilling at Tuvatu confirms high-grade feeder**

During the quarter ended September 30, 2021, the Company continued with its exploration program to confirm the potential for a multi-million ounce alkaline gold system. Two rigs remain focused on the deep-seated feeder structure of the main Tuvatu mineralization, two rigs are focused on the infill drill program in areas earmarked for initial mining, one rig is devoted to testing regional targets, and the remaining rig has primarily been utilized for geotechnical and water monitoring wells. In early July 2021, one of those four rigs was mobilized to the Navilawa tenement (SPL1512) to target further Tuvatu lookalikes 3.5km to the north.

On July 7, 2021, the Company announced its latest high-grade gold intercepts including deep step-out intercepts from drilling beneath Tuvatu itself (news release dated July 7, 2021), highlights include:

- TUDDH526: 9.11 g/t Au over 6.00m (incl. 33.81 g/t Au over 1.20m) from 444m in hole
- TUDDH528: 17.70 g/t Au over 2.15m (incl. 122.00 g/t Au over 0.30m) from 505.65m in hole

On July 26, 2021, the Company announced further assay results from its ongoing deep step-out drilling at the Tuvatu gold project (news release dated July 26, 2021). Multiple high-grade gold intercepts were encountered in TUDDH533. The deepest intercept of 55.44 g/t Au over 2.30m (including 221.60 g/t Au over 0.40m) from a downhole depth of 575.70m, is believed to be a continuation of the same structure that encountered 55.44 g/t Au over 12.70m in TUDDH500, 40m to the SW, in July 2020 (news release dated July 24, 2020).

TUDDH533 highlights include:

- 18.96 g/t Au over 0.65m from a down hole depth of 13.00m
- 437.13 g/t Au over 0.60m from a down hole depth of 266.80m
- 16.14 g/t Au over 1.45m from a down hole depth of 309.35m
- 55.44 g/t Au over 2.30m from a down hole depth of 575.70m

Lion One interprets this deep intercept from TUDDH533 to be part of the same important structure as in TUDDH500 with both intercepts displaying strong visual similarities including coarse pyrite and visible gold in gray silica within centimetric-scale veins with distinct light gray potassium feldspar alteration halos around the veins.

On September 7, 2021, the Company announced further high-grade intercepts from ongoing deep extensional step-out drilling and near-surface infill drilling from the Company's 100% owned Tuvatu gold project in Fiji.

Highlights from deep extensional step-out drilling include:

- TUDDH539 (near surface infill program): 10.24 g/t Au over 8.48m from downhole depth of 111.20m, incl. 33.26 g/t Au over 2.44m from 111.20m, and 13.49 g/t Au over 3.30m from 115.40m
- TUG135 (Deep Feeder Zone 500): 24.92 g/t Au over 3.70m from downhole depth of 415.70m, incl. 83.63 g/t Au over 0.30m from 415.70m, and 159.30 g/t Au over 0.30m from 417.20m

On November 2, 2021, the Company announced further high-grade intercepts from two recently completed drillholes (TUDDH544-W2 - 33.40 g/t Au over 3.90m from 629.30m incl. 105.0 g/t Au over 0.30m from 629.6m and TUDDH544-W1 - 48.74 g/t Au over 0.6m from downhole depth of 651.50m) as part of ongoing deep extensional step-out drilling and confirmed the following:

- Deep feeder Zone 500 extends over 300 meters vertically and 150 meters laterally
- Weighted average grade of 23 g/t Au from Zone 500 mineralized intercepts is 2.6 times higher than the average grade of the Tuvatu 2019 Mineral Resource Update
- Zone 500 connects with base of Existing Resource at approximately 470 meter depth
- Drill extent of Tuvatu system increased by 53% to approximately 720 meter depth

High grade mineralization in Deep Feeder Zone 500 has now been demonstrated to extend over an area approximately 150m along strike and 300m vertically and the Company believes it will add significantly to the overall gold inventory of the Tuvatu orebody. Furthermore, an improved understanding of the orientation of the 500 Zone now allows Lion One to connect this high-grade feeder to the base of the existing resource. The Company plans to continue additional drilling to test the lateral and vertical extents of this zone which remains open in all directions.

COVID-19

The Company's business could be adversely affected by the effects of the ongoing outbreak of respiratory illness caused by the novel coronavirus ("COVID-19"). In March 2020, the World Health Organization declared coronavirus COVID-19 a global pandemic. This contagious disease outbreak, which has continued to spread across the world, has adversely affected workforces, economies, and financial markets globally, potentially leading to an economic downturn. The Government of Fiji confirmed its first case of COVID-19 on March 19, 2020 and has since documented over 52,000 cases of COVID-19, with over 679 fatalities attributed to the virus. To date, the impact of COVID-19 to Lion One's activities has been limited as the Company acted quickly to establish clear policy guidelines for the health and safety of its employees and consultants, and their families, and thus has experienced only a small decrease in productivity.

The Company continues to monitor the situation in Fiji, however it is not possible for the Company to predict the duration or magnitude of the adverse results of the outbreak and its effects on the Company's business or results of operations at this time due to uncertainties relating to the ultimate geographic spread of the virus, the severity of the disease, the duration of the outbreak, and the length of travel and quarantine restrictions imposed by governments of affected countries. In particular, the continued spread of the COVID-19 globally could materially and adversely impact the Company's business including without limitation, employee health, limitations on travel, the availability of industry experts and personnel, restrictions on planned drill and exploration programs, restrictions on the Company's future mine development and process plant construction, and other factors that depend on future developments beyond the Company's control. While the impact of COVID-19 is expected to be temporary, the current circumstances are dynamic and the impacts of COVID-19 on the Company's development and exploration activities, including the impact on future mine development and process plant construction, cannot be reasonably estimated at this time.

Although COVID-19 has restricted the movement of some of the management team and consultants into Fiji, in addition to significant delays to the arrival of equipment and consumables from out of the country, the Company has continued its exploration program with little interruption. Lion One has actually doubled its workforce since early 2020 due to the additional drilling teams for the rigs, the laboratory staff to cater for the increased number of samples generated and the field crew to process the core and samples. The Company continues to maintain a strict regimen of safety with respect to COVID-19 for its employees. Strict health and safety protocols remain in place, and the Company is particularly focused on maintaining top-of-mind awareness about prevention practices within the organization. To date vaccination programs are rapidly advancing in Fiji with over 96% of the eligible population having received a first dose and over 88% fully vaccinated with two doses. The Company's Fijian employees are 100% vaccinated with first dose and 97% fully vaccinated with two doses at this time.

Resignation of Stephen Mann, Managing Director

The Company announces the resignation of Stephen Mann as Managing Director and director of the Company effective August 31, 2021 and November 2, 2021, for personal reasons. The Company would like to thank Mr. Mann for his lengthy service and many contributions including his instrumental role in building Lion One's exploration and drilling division, completion of the Tuvatu Environmental Impact Assessment, the development and commissioning of Lion One's own geochemical laboratory, all in Fiji, in addition to negotiating and securing a significant magnetite royalty on the Olary Creek iron asset in South Australia.

BACKGROUND AND CORE BUSINESS

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

The Company's primary asset is the 100% held Tuvatu Gold Project ("Tuvatu"), located 17 km from the Nadi International Airport on the main island of Viti Levu in Fiji. Discovered in 1987, Tuvatu is a high-grade underground gold project situated along the Viti Levu lineament, Fiji's own corridor of high-grade alkaline gold deposits. The Tuvatu resource covers a 5-hectare footprint within the 384 hectare mining lease. The project contains numerous high-grade prospects proximal to Tuvatu, at depth, and up to 1.50 km along strike from the resource area, giving near-term production potential and further discovery upside on one of Fiji's largest and underexplored alkaline gold systems. The Tuvatu Project was acquired by Lion One in 2011 and has over 120,000 meters of drilling completed to date in addition to 1,600 meters of underground development.

In 2019, the Company purchased all of the drilling equipment from Geodrill, a Fijian drilling company, which included one surface diamond drilling rig and one underground drilling rig. Lion One also employed several experienced drillers and offsidiers from Geodrill. This strategic acquisition ensured the Company has available, cost-effective diamond drilling capabilities well into the future. Operating these drills "in-house" enables the Company to significantly reduce drilling costs. In 2020-2021, the Company purchased an additional three deep capacity diamond drill rigs to accelerate the drilling program, with the capabilities to drill to depths beyond 1,000 meters. The Company also contracts a sixth diamond drill rig.

The Company's has encountered multiple high-grade intercepts from its 2020-2021 high-grade feeder diamond drill program, which supports the alkaline gold model and the concept that Tuvatu has high-grade gold mineralization extending and evolving at great depths. The Company will continue this deep hole drill program, up to depths of over 1,000m below the surface, to gain a better understanding of the underlying plumbing system which allowed a conduit for the gold-rich fluids from the base of the crust in that area. The Company is targeting the root feeder or feeders that gave rise to the Tuvatu lode complex. Alkaline hosted gold deposits are known to extend to great depths, so there are many areas to explore. Additional sampling, resampling and relogging of earlier diamond drill holes is an ongoing project. Trenching, mapping and sampling within the Company's tenement holding is continuing.

In May 2019, SPL 1512 was issued for the Navilawa tenement for a 5-year term ending in 2024, which for the first time consolidated the ownership of the entire Navilawa mineral complex under a tenement package with the Tuvatu 384.5 hectare SML 62 Mining Lease at its center. The Banana Creek project area is a new, high-priority greenfields target situated within Lion One's Navilawa tenement (SPL1512). A number of access tracks into the Navilawa tenement (SPL1512) were completed and sampling of prospective zones continues with numerous additional targets identified to date.

In 2019, the Company completed a specialized stream sediment sampling program using the BLEG ("Bulk Leach Extractable Gold") technique over the entire project area. The results from that BLEG sampling program indicates an extensive anomalous area within the northern part of the Navilawa caldera. Furthermore, to better define the underlying structural controls that hosts the high-grade vein network in the Navilawa Caldera, an initial controlled source audio-magnetotelluric ("CSAMT") geophysical program was also completed late in 2019. Following the interpretation of this CSAMT program, the deep drilling program was been expanded to include targets identified from that survey. Lion One believes the Tuvatu region can host a prolific, deep, high-grade alkaline gold system associated with the interpreted underlying magma chamber beneath the Navilawa Caldera.

EXPLORATION PROGRAM

Diamond Drilling

During the quarter ended September 30, 2021, the Company continued its diamond drilling program, where it completed 6,869.1 meters of diamond drilling in 22 completed holes with 4 drill holes still in progress at the end of the quarter.

The Company continues to advance its deep diamond drilling program to prove that the project has the potential to become +10 million ounces gold camp, which is consistent with Tuvatu as an example of an alkaline gold mineralizing system. Alkaline gold systems typically have large gold endowments due to their high grade and deep vertical extents. Initially, Lion One intersected high grade gold mineralization in TUDDH493 late in 2019, and then once again returned very high-grade intersections in hole TUDDH500 and its two wedges in mid-2020. These holes displayed characteristics typical of high-grade feeder style mineralization in alkaline gold systems. Predominant vein minerals included a combination of quartz, potassium-rich hydrothermal feldspar called adularia, hydrothermal apatite, and late-stage carbonate minerals. The dark gray host monzonite wall-rock is also flooded with these minerals generating lighter shades of gray. A green, vanadium-rich mica called roscoelite has been identified in numerous veins. Native gold occurs as native free Au, as well as telluride minerals, forming fine-grained aggregates that appear to clump together to form larger particles. This may reflect rapid deposition of gold known as "flashing", from a gold-saturated ore-forming colloid or fluid. Such rapid gold-deposition can generate very high grades in alkaline gold systems. Sulphide minerals include minor pyrite, lesser marcasite, sphalerite, chalcopyrite, and traces of galena, arsenopyrite and bornite.

Mineralization in hole TUDDH500 and the subsequent holes drilled to follow up that hole display many diagnostic characteristics of feeder style mineralization from an alkaline gold system. Notably, textures of gold suggest rapid deposition from what was possibly a gold-saturated mineral-forming fluid. This is encouraging, as it suggests the Company has targeted the right part of the system to find more such mineralization.

The Company continues its three-pronged approach with drilling:

- 1) shallow resource infill drilling from surface and underground targeting areas of planned early production
- 2) deep exploration drilling targeting lode extensions beneath the existing Tuvatu resource, and
- 3) regional Tuvatu lookalike target areas within the Navilawa caldera, such as Banana Creek and Matanavatu.

On July 7, 2021, the Company announced a number of high-grade gold intercepts including deep step-out intercepts from beneath Tuvatu and results included: Two deep intercepts including 6.0m @ 9.11 g/t Au beginning at a down hole depth of 444.0m in hole TUDDH526 and 2.15m @ 17.70 g/t Au beginning at a down hole depth of 505.65m in hole TUDDH528. Both of these intercepts are from previously untested areas beneath the Tuvatu resource. It was believed that the former intercept occurs within the UR4 lode, an indication there is a large panel of this lode open for further testing. The latter intercept is potentially associated with the "500" lode, nearly 75m above a high-grade intercept encountered in hole TUDDH500, which included 12.7m @ 55.43 g/t Au, intercepted last year.

Numerous lode intercepts occurring within shallower parts of the Tuvatu gold system, most notably:

- TUDDH526 - 8.85 g/t Au over 1.20m (UR4FW lode)
- TUDDH528 - 17.90 g/t Au over 6.47 incl. 138.50 g/t Au over 0.35m, 11.58 g/t Au over 1.27m incl. 40.94 g/t Au over 0.32m (M2FW lode), and 10.41 g/t Au over 2.10m incl. 16.99 g/t Au over 0.75m (UR2 lode)
- TUDDH532 - 31.09 g/t Au over 0.30m (M1HW lode) and 5.72 g/t Au over 3.18m (S1 lode)
- TUDDH533 - 10.45 g/t Au over 1.20m incl. 36.69 g/t Au over 0.30m (M2 lode)

While the shallow intercepts have helped build confidence with the resource area, the deeper drill holes continue to demonstrate excellent opportunity for expansion of some of the principal Tuvatu lodes at depth. The UR4 lode appears particularly promising given there may be at least 200m of untested strike at depth.

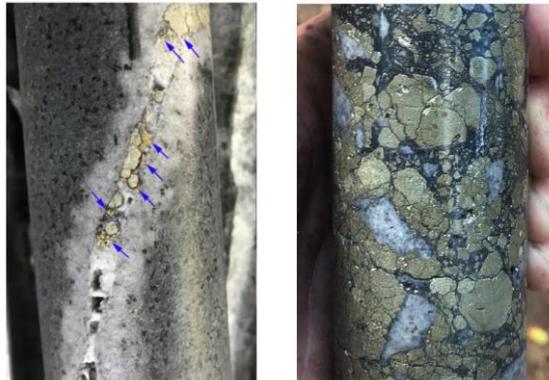
On July 26, 2021, the Company announced further assay results from its ongoing deep step-out drilling at Tuvatu (news release dated July 26, 2021). Multiple high-grade gold intercepts had been encountered in TUDDH533. The deepest intercept of 55.44 g/t Au over 2.30m (including 221.60 g/t Au over 0.40m) from a downhole depth of 575.70m, is believed to be a continuation of the same structure that encountered 55.44 g/t Au over 12.7m in TUDDH500, 40m to the SW, in July 2020 (news release dated July 24, 2020). Evidence is growing that this deep NE-oriented structure is nearly vertical, with a strike length of at least 360m, and vertical extent of at least 720m from surface. It was then believed to be an extension of the high grade UR4 lode, open both at depth and along strike where it projects from the Tuvatu resource area to the Banana Creek target 3.5km to the NE.

TUDDH533 Highlights include:

- 18.96 g/t Au over 0.65m from a down hole depth of 13.00m
- 437.13 g/t Au over 0.60m from a down hole depth of 266.80m
- 16.14 g/t Au over 1.45m from a down hole depth of 309.35m
- 55.44 g/t Au over 2.30m from a down hole depth of 575.70m

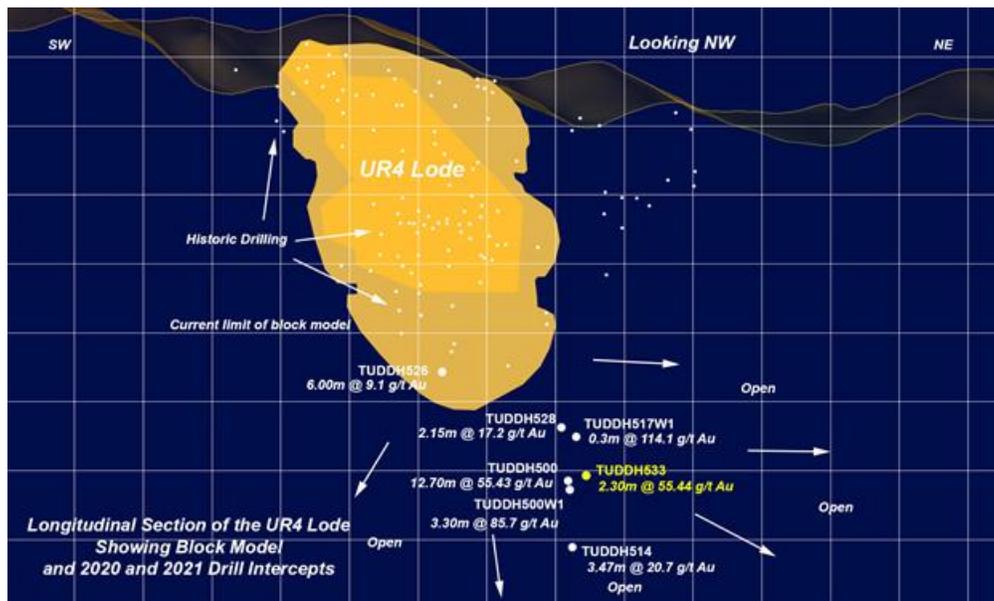
Lion One interprets this deep intercept from TUDDH533 to be part of the same important structure as that identified in TUDDH500 with both intercepts displaying strong visual similarities including coarse pyrite and visible gold in gray silica within centimetric-scale veins with distinct light gray potassium feldspar alteration halos around the veins (Figure 1).

Figure 1: Comparison of drill core from TUDDH 500 (Left) and TUDDH533 (Right)



Several shallower high-grade intercepts in hole TUDDH533 are also very important, especially 473.13 g/t Au over 0.60m occurring at 266.80m down hole depth. Veining in this area appears almost perpendicular to core suggesting this high-grade intercept possibly represents a flat lode. Such flat lodes common higher up at Tuvatu. If this intercept is indeed from a flat lode, it would be the deepest known flat lode at Tuvatu. Lion One believes that the ore-forming fluids that generated the high-grade feeder discussed above may have found their way into nearby fractures thus forming lodes similar to those seen in the flatmakes.

Figure 2: Longitudinal Section of the UR4 Lode Showing Block Model and 2020 and 2021 Drill Intercepts. The grid is 100m, the bright yellow is indicated and the darker yellow is inferred.



On September 7, 2021, the Company announced further high-grade intercepts from ongoing deep extensional step-out drilling and near-surface infill drilling (news release dated September 7, 2021). Highlights from deep extensional step-out drilling include*:

- TUDDH539 (near surface infill program): 10.24 g/t Au over 8.48m from downhole depth of 111.20m from incl. 33.26 g/t Au over 2.44m from 111.20m, and 13.49 g/t Au over 3.30m from 115.40m
- TUG135 (Deep Feeder Zone 500), 24.92 g/t Au over 3.70m from downhole depth of 415.70m from incl. 83.63 g/t Au over 0.30m from 415.70m, and 159.30 g/t Au over 0.30m from 417.20m

Deep Feeder Zone 500

The high grade mineralization in Deep Feeder Zone 500 has now been demonstrated to extend over an area approximately 150m along strike and 250m vertically, completely outside the existing resource model. Furthermore, an improved understanding of the orientation of the 500 Zone now allows us to connect this high-grade feeder to the base of the existing resource. The Company is planning additional drilling to test the lateral extent of this zone and infill the shallowest part of this zone with the base of the existing resource.

These most recent intercepts are believed to be the continuation of the interpreted deep feeder structure that encountered 55.43 g/t Au over 12.70m in TUDDH500 (news release dated July 24, 2020) and 55.44 g/t Au over 2.30m in TUDDH533. Multiple new high-grade gold intercepts have been encountered in underground hole TUG135 drilled from the Tuvatu decline, as well as in hole TUDDH533W1, a wedge hole to TUDDH533 reported previously (new release dated July 26, 2021). These include 24.92 g/t Au over 3.70m (incl. 159.30 g/t over 0.30m) from a downhole depth of 415.70m, 2.89 g/t Au over 2.50m from a downhole depth of 508.10m in hole TUG135, and 3.34 g/t Au over 1.80m from a downhole depth of 613.90m in hole TUDDH533W1. This same gold-bearing structure has now been intersected by multiple holes, including TUDDH500, 500W1, 500W2, TUDDH533, 533W1, TUDDH528, TUDDH517, 517W1, TUDDH514, 514W1, and TUG135 (see Figure 2).

These additional deep intercepts significantly increase the degree of confidence that the Tuvatu orebody extends to considerable depth, and that it remains fully open, laterally and at depth. The Company believes that the current Tuvatu Resource represents but a fraction of a much larger and considerably more extensive, high-grade Au deposit for which additional drilling is warranted to further define its true extent.

Resource Infill/Definition Drilling

In addition to expanding the high-grade feeder zone underlying the UR4 lode, several bonanza-grade intercepts have also been returned from the ongoing near-surface infill/definition drill program which will add significantly to the resource earmarked for early production. The aim of this drill program was to infill areas of low data density within parts of the resource currently categorized as Inferred.

Highlights from shallow infill/definition drilling include*:

- TUDDH 540: 97.40 g/t Au over 1.30m from 103.90m (incl. 210.29 g/t Au over 0.60m)
- TUDDH 539: 0.24 g/t Au over 8.48m from 111.2m (incl. 33.26 g/t Au over 2.44m, and 13.49 g/t Au over 3.30m)
- TUDDH 534: 5.52 g/t Au over 3.71m from 123.23m (incl. 15.59g/t Au over 0.34m and 18.4 g/t Au over 0.47m)
- TUDDH 537: 12.23 g/t Au over 1.33m from 134.15m (incl. 30.50 g/t Au over 0.35m, and 16.07 g/t Au over 0.35m) and 6.52 g/t Au over 3.51m from 138.93m (incl. 19.46 g/t Au over 0.38m)
- TUDDH 538: 103.5g/t Au over 0.28m from 177.78m
- TUG 135: 7.53 g/t Au over 5.80m from 28.60m (incl. 13.64 g/t Au over 2.60m). Hole TUG135 was not part of the planned infill drilling program; it was drilled to target the deep 500 Zone mineralization.

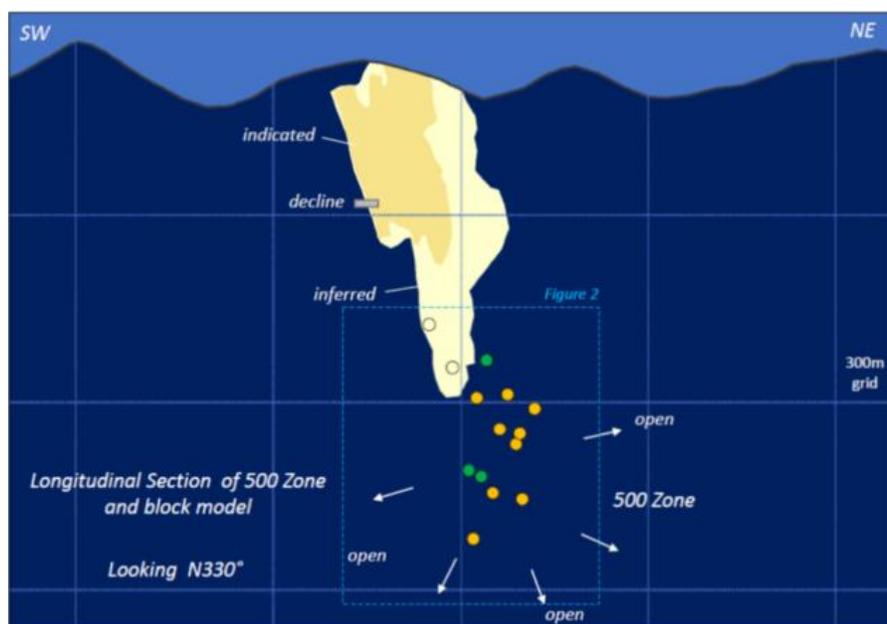
On November 2, 2021, the Company announced further high-grade intercepts from two recently completed drillholes (TUDDH544-W1 and TUDDH544-W2) as part of ongoing deep extensional step-out drilling and confirm the following:

- Deep feeder Zone 500 extends over 300 meters vertically and 150 meters laterally
- Weighted average grade of 23 g/t Au from Zone 500 mineralized intercepts are 6 times higher than average grade of 2019 Mineral Resource Update
- Zone 500 connects with base of Existing Resource at approximately 470 meter depth
- Drill extent of Tuvatu system increased by 53% to approximately 720 meter depth

Highlights include*:

- TUDDH544-W2: 33.40 g/t Au over 3.90m from 629.30m incl. 105.0 g/t Au over 0.30m from 629.6m, 65.0 g/t Au over 0.30m from 630.2m, 112.0 g/t Au over 0.30m from 631.1m
- TUDDH544-W1: 48.74 g/t Au over 0.6m from 651.50m and 33.06 g/t Au over 0.6m from 658.2m

* Note: true width of intersections have yet to be accurately determined for these numerous lodes.

Figure 3: Longitudinal Section of Zone 500 and Block Model

The growing number of intercepts has allowed for a remodeling of the 500 Zone structure such that the current best-fit orientation of the 500 Zone is now modelled with an azimuth of N060° and a dip of -88°, with all of the high-grade intercepts from the boreholes listed above captured by an approximately 25m wide envelope (Figure 3). This revised model for the 500 Zone structure connects the 500 Zone to the Tuvatu orebody at a depth of approximately -150m RSL by way of two historic drillholes (TUDDH212, previously interpreted as the base of UR2 lode; and TUG110, previously interpreted as part of the URW3 lode) which occur in the lowermost portion of the existing resource model. This area remains significantly under-drilled.

Based on only the few, currently reported number of intercepts, the 500 Zone as defined above has a calculated weighted average thickness of approximately 2.75m and a calculated weighted average grade of 23.3 g/t Au, or approximately 2.6 times the average grade of the current Tuvatu Resource it underlays. It is increasingly clear that the current Tuvatu resource may only represent a fraction of a much larger and considerably more extensive, high-grade Au deposit for which additional drilling is warranted to further define its full extent.

Navilawa Tenement and Exploration Program

In May 2019, SPL 1512 was issued for the Navilawa tenement for a 5-year term renewable in 2024. The tenement area directly adjoins the northern boundary of Lion One's tenements at Tuvatu, which consolidates ownership of the entire Navilawa mineral complex under a contiguous 13,619 hectare tenement package with Tuvatu's 384.5 hectare Mining Lease (SML 62) and mining and processing site, at its center. This is the first time that modern, systematic exploration has been able to be undertaken over the entire area.

The Navilawa area has over 10 well defined prospects including the Kingston, Banana Creek, Matanavatu, and Tuvatu North. The most significant historic results returned were surface rock chip samples of 46.30 g/t Au from Banana Creek; 176.27 g/t Au from the Kingston, and 8.50 g/t Au from Tuvatu North. Although little systematic historical exploration has been previously undertaken in the area, a number of prospects have historic workings with short shafts or adits up to 15 meters deep or manual workings on copper- and gold-bearing rocks, as is the case at the Central Ridge prospect.

Lion One continued its aggressive opening of roads and excavation of trench cuts within the large Navilawa tenement situated north of the Tuvatu mining license. During the quarter ended September 30, 2021, 50 channel rock chip samples were collected from 11 benches and trenches in this area. Regional sampling and mapping were interrupted in this northern part of the project from November 2020 due to the commencement of the wet season and access difficulties, but has recently resumed. Efforts have been focused at Banana Creek, located approximately 3.5 km northeast of the Tuvatu resource, where the Company's team has continued to discover multiple outcropping lodes of similar nature to those seen at Tuvatu. Recent work has been focused on the Matanavatu prospect which is approximately half-way between Tuvatu and Banana Creek.

Following extensive planning and site preparation, deep diamond drilling within the Navilawa tenement commenced in July 2021. To date, a total of 2 drill holes have been completed at Banana Creek, totaling 1458.7m, and one hole has been commenced at Matanavatu, as part of a 2-hole program testing that target. At Banana Creek, 2 holes have been completed, TUDDH536 and TUDDH543 totaling 1,458.7m. The first hole targeted the CSAMT gradient and served to test the CSAMT gradient coincident with the transition in lithology from andesite to monzonite. The hole was terminated on August 23, 2021 and the best results obtained were 0.65 g/t Au over 6.0m from 458.0 to 464.0m incl. 1.56 g/t Au over 0.5m from 458.0 to 458.5m and 4.17 g/t Au over 0.5m from 463.5 to 464.0m. The second Banana Creek hole, TUDDH-543, was terminated at 938.8 meters. TUDDH-543 tested for an alkaline gold system at depth below Banana Creek, coincident with the deep extensions of Au occurrences in mapped and trenched veins at surface, and the CSAMT gradient at this location, testing the same elevations as the Tuvatu Resource and underlying deep 500 Zone mineralization. The hole reached all the planned targets and intersected the Banana Creek vein system at depth. About 50 core samples of visually appealing veins were selected for rush analysis at the Lion One laboratory but no significant results were returned. Results for most of TUDDH-543 samples remain pending at the Lion One lab.

At Matanavatu, the target is a deep alkaline system coincident with surface exposures of mineralized veins that correspond to the general UR lode trend. At this time, only the first of two planned holes is currently underway.

Mine Development Optimization / Surface Development

During the quarter ended in September 30, 2021, the Company continued to optimize the mine plan and cost estimates are under way. The Environmental Impact Assessment (EIA) update for the overall project, including mining, process plant and surface infrastructures is on-going. Local community consultations have been conducted by the Company and independent consultation by government agencies were carried out in October. Planning and design of surface infrastructure for mine development, including main portal, mine workshop at main portal, mine dry, and site office have been initiated. In July 2021, the Company purchased mining equipment for the planned future mine development including: a Tamrock Single Boom Jumbo, a Caterpillar R1300 LHD Loader and a Manitou ST1030 Telehandler which arrived to Fiji in October 2021.

The construction of the Bay 2 exploration workshop at the mine site area has completed. The modified container modules for the Bay 1 exploration workshop have also been installed on foundations and installation of roof trusses are on-going. The Caterpillar 910KVA diesel generator and transformer purchased to replace the existing 388KVA power plant at the existing portal have been installed and commissioned. The installation of leaky feeder communication system for the underground development and drilling at the existing decline has completed and put into use.

EXPLORATION AND EVALUATION ASSETS

Tuvatu Gold Project, Viti Levu

The Company's primary asset is the Tuvatu Gold Project located near Nadi on the island of Viti Levu, Fiji. The Tuvatu Gold Project has been fully permitted for development, construction and mining by the Government of Fiji with the grant of a Special Mining Lease (SML 62) in 2015, and prior Department of Environment approvals for the Tuvatu Environmental Impact Assessment and the Construction and Operational Environmental Management Plans. The Company has also submitted its Rehabilitation and Closure Plan for the operation as required by the regulators. The Company signed a 21-year Surface Lease agreement with local landowners and the iTaukei Land Trust in 2014. 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.

SML 62 is a designated area within the original boundaries of the Company's 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 Mining Lease area covers 384.5 hectares and contains all of the current NI 43-101 resource and multiple high-grade prospects in the southern part of the Navilawa Caldera. The Tuvatu camp is located 16 km by road from the Lion One Fiji head office adjacent to the International Airport in Nadi, and 35 km from the Port of Lautoka.

The Company 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. In August 2020, the Company submitted the renewal application for SPL 1465 and the renewal is still in process. The MRD has confirmed that SPL 1465 remains in good standing.

| SPL | Issued | Expiry Date | Bond (Fijian \$) | Bond (Canadian \$) | Expenditure Requirement (Fijian \$) | Expenditure Requirement (Canadian \$) |
|------|---------------|---------------|---------------------|-----------------------|---|---|
| 1283 | Aug. 24, 2020 | Aug. 23, 2025 | \$ 158,180 | \$ 94,626 | \$ 1,400,000 | \$ 837,508 |
| 1296 | Aug. 24, 2020 | Aug. 23, 2025 | 158,180 | 94,626 | \$ 1,600,000 | 957,152 |
| 1465 | Aug. 3, 2017 | Aug. 2, 2020 | 185,000 | 110,671 | 3,050,000 | 1,824,571 |
| 1512 | May 14, 2019 | May 13, 2024 | 280,038 | 167,525 | 15,333,305 | 9,172,690 |

Technical Report Update

On September 25, 2020, the Company published a National Instrument ("NI") 43-101 Preliminary Economic Assessment Update (the "Report" or the "PEA") for the Tuvatu Gold Project ("Tuvatu") as prepared by independent consultants. The PEA for Tuvatu demonstrates robust economic potential for a low-cost, high-grade gold operation with low upfront capital costs, enabling rapid payback of capital even at a gold price of USD \$1,400 per ounce; at the same time as the Company focuses upon Tuvatu's potential for near-term development and production opportunity, with further exploration and expansion potential as the Company continues the current drill programs to extend the known mineralization of Tuvatu and the surrounding Navilawa Caldera.

The study utilized a base case gold price of \$1400/oz. PEA Highlights (all amounts are quoted in USD):

| | |
|-------------------------|--------------------------|
| NPV ⁽⁵⁾ | USD\$155 million |
| IRR (pre tax) | 60.3% |
| Operating cost | US\$503/ oz |
| AISC (pre tax) | US\$586/ oz |
| Payback | 1.5 years |
| Capital | USD\$66.8 million |
| Initial gold production | 331,369 oz |
| Average grade | 8.6 g/t Au |

A PEA should not be considered a prefeasibility or feasibility study, as the economics and technical viability of the Project have not been demonstrated at this time. A PEA is preliminary in nature and includes Inferred Mineral Resources that are considered too speculative geologically to have economic considerations applied to them that would enable them to be categorized as Mineral Reserves. Furthermore, there is no certainty that the conclusions or results reported in the Technical Report will be realized. Mineral Resources that are not Mineral Reserves do not have demonstrated economic viability. The Report is based on low accuracy level technical and economic assessments and is insufficient to support estimation of mineral reserves or to provide assurance of an economic development case at this stage; or to provide certainty that the conclusions of the Preliminary Economic Assessment will be realized. The PEA is filed on the Company's profile at www.sedar.com.

Mineral Resources

The Mineral Resource models and estimates, and the site visit were conducted by Mr. Ian Taylor, B.Sc. (Hons), G.Cert. Geostats, M.AusIMM (CP) (Qualified Person [QP]) of Mining Associates Pty Ltd. ("MA"). The Mineral Resource estimate was completed in January 2018 following the completion of the 2016-2017 diamond drilling program and field exploration. This Mineral Resource estimate does not include the 2019-2021 diamond drilling programs. The Mineral Resource has been estimated for each vein individually using Ordinary Kriging (OK) of width and grade, the latter using accumulations, into a three-dimensional (3D) block model. The Mineral Resource has been estimated for each vein individually based on the current drill hole database, historic block models, and geological wireframes. The effective date for the Mineral Resource estimate is January 8, 2018 (See sensitivity of Mineral Resource to cut-off grade in table below).

| Cut off (g/t Au) | Indicated Resource | | | Inferred Resource | | |
|---------------------|--------------------|------------|----------------|-------------------|------------|----------------|
| | Tonnes | g/t Au | oz Au | Tonnes | g/t Au | oz Au |
| 2.0 | 1,283,000 | 7.2 | 296,400 | 1,822,000 | 7.2 | 423,300 |
| 3.0 | 1,007,000 | 8.5 | 274,600 | 1,325,000 | 9.0 | 384,000 |
| 5.0 | 687,000 | 10.60 | 234,300 | 788,000 | 12.5 | 317,500 |

The reader is cautioned that the Report includes the use of Inferred Mineral Resources, which are considered too speculative geologically to have the economic considerations applied to them that would enable them to be categorized as Mineral Reserves, and as such, there is no certainty the economic results presented in the Report will be realized. The PEA is preliminary in nature and uses Inferred mineral resources.

Qualified Persons

A summary of the Qualified Persons responsible for the PEA Report is listed below. The updates include geological exploration, mine plan, metallurgical test work, process design, infrastructure, capital and operating cost estimates, and project economic analysis. Lion One commissioned a team of Mineral Resource estimate and engineering independent consultants to complete this Technical Report in accordance with NI 43-101 Standards of Disclosure for Mineral Projects. The independent consulting firms are listed below:

- Mining Associates Pty Ltd. (MA) – Geology and Mineral Resource estimate and related information
- GeoSpy Pty Ltd. (GeoSpy) – Geology and exploration
- Entech Pty Ltd. (Entec) – Mining and mining-related operations, underground geotechnical investigations, mining-related capital and operating cost estimates
- Tetra Tech Canada Inc. (Tetra Tech) – Metallurgical test work review, process and process-related cost estimates, G&A and surface service operating cost estimates, site infrastructures (excluding site geotechnical investigation and TSF), and environment
- Wood PLC (Wood) – Site geotechnical investigation and TSF

Expenditures incurred on the Fiji properties are as follows:

| | June 30, 2020 | Additions | June 30, 2021 | Additions | September 30, 2021 |
|---|------------------|--------------|------------------|--------------|-----------------------|
| Acquisition costs | \$21,915,063 | \$ - | \$ 21,915,063 | \$ - | \$ 21,915,063 |
| Camp costs and field supplies | 1,507,457 | 162,470 | 1,669,927 | 73,213 | 1,743,140 |
| Consulting fees | 3,618,394 | 565,012 | 4,183,406 | 288,116 | 4,471,522 |
| Depreciation | 1,506,385 | 613,492 | 2,119,877 | 210,815 | 2,330,692 |
| Development, dewatering, geology and environmental | 2,636,279 | 1,104,854 | 3,741,133 | 523,461 | 4,264,594 |
| Drilling | 5,281,679 | 870,676 | 6,152,355 | 185,317 | 6,337,672 |
| Fiji office administration | 5,868,359 | 719,523 | 6,587,882 | 278,312 | 6,866,194 |
| Permitting and community consults | 1,366,181 | 165,557 | 1,531,738 | 35,119 | 1,566,857 |
| Site works and road building | 3,893,164 | 416,469 | 4,309,633 | 75,880 | 4,385,513 |
| Salaries and wages | 8,789,118 | 1,429,383 | 10,218,501 | 292,913 | 10,511,414 |
| Sample preparation, assaying | 2,191,102 | 495,088 | 2,686,190 | 159,930 | 2,846,120 |
| Technical reports | 1,399,805 | 6,760 | 1,406,565 | - | 1,406,565 |
| Travel | 1,365,415 | 1,427 | 1,366,842 | 13,290 | 1,380,132 |
| Vehicle and transportation | 1,175,359 | 420,911 | 1,596,270 | 151,980 | 1,748,250 |
| Write-off of exploration assets | (771,648) | - | (771,648) | - | (771,648) |
| Cumulative foreign currency translation adjustment | (104,495) | (2,114,216) | (2,218,711) | 216,980 | (2,001,731) |
| | \$61,637,617 | \$ 4,857,406 | \$ 66,495,023 | \$ 2,505,326 | \$ 69,000,349 |

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

SELECTED FINANCIAL INFORMATION

The difference between net and comprehensive loss over the periods presented is attributed to the foreign exchange translation on the Company's long-term assets denominated in Fijian and Australian dollars.

Selected Quarterly Results

| | September 30, 2021 | June 30, 2021 | March 31, 2021 | December 31, 2020 |
|---|-----------------------|------------------|-------------------|----------------------|
| Total assets | \$ 134,059,118 | \$ 134,290,897 | \$ 135,272,336 | \$ 137,210,857 |
| Exploration and evaluation assets | 69,000,349 | 66,495,023 | 65,284,953 | 64,631,454 |
| Working capital | 54,206,890 | 57,892,384 | 59,633,886 | 62,712,197 |
| Interest income | 110,461 | 96,963 | 100,919 | 129,796 |
| Net loss for the period | (374,265) | (1,850,742) | (764,596) | (862,263) |
| Comprehensive (loss) income for the period | (181,320) | (2,712,756) | (2,016,839) | (1,090,147) |
| Basic and diluted loss per share | (0.00) | (0.01) | (0.00) | (0.01) |

| | September 30, 2020 | June 30, 2020 | March 31, 2020 | December 31, 2019 |
|---|-----------------------|------------------|-------------------|----------------------|
| Total assets | \$ 127,062,746 | \$ 83,012,964 | \$ 82,306,227 | \$ 81,764,902 |
| Exploration and evaluation assets | 63,130,605 | 61,637,617 | 59,641,197 | 57,772,643 |
| Working capital | 55,638,207 | 13,012,110 | 15,037,590 | 16,034,937 |
| Interest income | 135,149 | 57,252 | 97,804 | 62,790 |
| Net loss for the period | (753,761) | (986,687) | (562,334) | (516,269) |
| Comprehensive income (loss) for the period | (936,056) | (453,799) | 457,228 | (412,889) |
| Basic and diluted loss per share | (0.01) | (0.02) | (0.00) | (0.00) |

The focus of the Company over the periods presented has been the exploration and development of its Fijian exploration and evaluation assets. The differential between net and comprehensive loss in each period reflects the translation adjustment of the assets and liabilities of the Company's subsidiaries, Lion One Limited, which is denominated in Fijian dollars and Lion One Australia Pty Ltd., which is denominated in Australian dollars.

Results of Operations for the quarter ended September 30, 2021 compared to 2020

The comprehensive loss for the three months ended September 30, 2021 was \$181,320 (2020 – loss of \$936,056). Significant changes to the comprehensive loss are explained as follows:

- Investor relations decreased by \$96,387 to \$122,232 (2020 - \$218,619) due to timing of investor conferences compared to prior year period and prior year market awareness program.
- Professional fees decreased by \$13,139 to \$89,526 (2020 - \$102,665) due to lower level of corporate development activities in the current period.
- During the three-months period ended September 30, 2021, the Company recognized a foreign exchange translation gain of (\$192,945) on its net assets denominated Fijian and Australian dollars reflecting a slightly stronger Fijian dollar against the Canadian dollar since June 30, 2021. A foreign exchange translation loss of 182,295 was recognized in the comparative period.

Cash flows for the three months ended September 30, 2021 compared to 2020

Cash, cash equivalent and short-term investments have decreased by \$4,271,781 to \$53,941,432 at September 30, 2021 from a balance of \$58,213,213 as at June 30, 2021.

Cash outflows from operating activities increased by \$210,501 to \$738,139 (2020 – \$527,638). This is primarily due to the reduction in accounts payable and accrued liabilities in the current period compared to prior year period.

Cash outflows from investing activities decreased by \$7,876,351 to \$3,667,545 (2020 - \$11,543,896) due to the purchase of \$10,000,000 guaranteed investment certificates in prior year period, offset by increase in purchase of mining equipment and higher level of Tuvatu Gold Property exploration and development activities in the current year period.

Cash outflows from financing activities were \$45,000 for office lease payments (2020 – \$44,556,280 inflows), inflows from prior year period due to \$37,000,211 net cash proceeds from issuance of shares for August 2020 private placement equity raise, \$17,250,000 from the December 2019 private placement warrants exercised, \$430,500 from broker compensation warrants exercised, \$483,000 broker compensation units exercised and \$997,165 from stock options exercised in prior year period.

Financial Position

Cash, cash equivalents and short term investments have decreased by \$4,271,781 to \$53,941,432 as at September 30, 2021 from a balance of \$58,213,213 as at June 30, 2021, due primarily to \$2,085,718 expenditures on exploration and evaluation assets and \$1,473,839 on property and equipment during the current period.

Shareholders' equity increased by \$223,687 to \$133,516,935 (June 30, 2021 – \$133,293,248) due primarily to the share-based payments expense for stock options.

LIQUIDITY AND CAPITAL RESOURCES

As at September 30, 2021, the Company had a working capital of \$54,206,890 including cash, cash equivalents and short term investments of \$53,941,432 as compared to working capital of \$57,892,384 including cash, cash equivalents and short term investments of \$58,213,213 as at June 30, 2021. The Company believes it has adequate financial resources for the next twelve months. Being in the exploration and development stage, the Company does not have revenue from operations, and relies on equity financing for its continuing financial liquidity.

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

CRITICAL ACCOUNTING ESTIMATES

The Company's accounting policies are described in Notes 2 and 3 of its consolidated financial statements for the period ended September 30, 2021. The preparation of the consolidated financial statements requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported expenses during the year. Actual results could differ from these estimates. Management considers the following estimates to be the most critical in understanding the judgments and estimates that are involved in the preparation of the Company's consolidated financial statements and the uncertainties that could impact the results of operations, financial condition and cash flows:

Functional currency

The functional currency of each of the subsidiaries and the Company were assessed to determine the economic substance of the currency in which each entity performed its operations. The functional currency of the Company is the Canadian dollar. The functional currencies of the Company's subsidiaries have been assessed and incorporate the Canadian dollar, Fijian dollar and Australian dollar as detailed in Note 2 of the audited consolidated financial statements for the period ended September 30, 2021.

Exploration and evaluation assets

The carrying value and recoverability of exploration and evaluation assets requires management to make certain estimates, judgments and assumptions about its projects. Management considers the economics of the project, including the latest resource prices and the long-term forecasts, and the overall economic viability of the project. The user is advised to refer to the risks of the Company discussed in the Annual Information Form for the period ended September 30, 2021, which discusses factors that could impair the Company's ability to develop its exploration and evaluation assets in the future.

Income taxes

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

Equity measurements

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.

PROPOSED TRANSACTIONS

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

FINANCIAL INSTRUMENTS AND OTHER INSTRUMENTS

Financial instruments of the Company comprise cash, cash equivalents, short term investments, restricted cash, receivables, deposits, and accounts payable and accrued liabilities. The carrying values of these financial instruments do not materially differ from their fair values due to their ability for prompt liquidation or their short terms to maturity.

Credit risk

Credit risk is the risk of potential loss to the Company if the counterparty to a financial instrument fails to meet its contractual obligations. The Company's credit risk is primarily attributable to its liquid financial assets including cash, 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, GST receivable from the Government of Australia, and Value Added Tax receivable from the Government of Fiji. The Company has not had issues with respect to collectability of these amounts and believes that the credit risk concentration with respect to receivables is minimal.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its obligations associated with its financial liabilities. The Company will raise funds for future use from equity financings and other methods as contemplated by management to satisfy its capital requirements and will continue to depend heavily upon these financing activities. All of the Company's current financial liabilities have contractual maturities of 30 days or due on demand and are subject to normal trade terms. As at September 30, 2021, the Company had working capital of \$54,206,890.

Market risk

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

a) Interest rate risk

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

b) Foreign currency risk

The Company's property exploration work occurs in Fiji and is conducted in Canadian dollars and Fijian dollars. A portion of the Company's financial assets and other assets is denominated in US dollars and Australian dollars. As such, the Company is exposed to foreign currency risk in fluctuations.

c) Price risk

The Company is exposed to price risk with respect to commodity and equity prices. The Company closely monitors commodity prices to determine the appropriate strategic action to be taken by the Company.

RISK FACTORS

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

INTERNAL CONTROLS OVER FINANCIAL REPORTING

Disclosure Controls and Procedures ("DC&P")

The Company has established disclosure controls and procedures to ensure that information disclosed in this MD&A and the related consolidated financial statements was properly recorded, processed, summarized and reported to the Company's Board and Audit Committee. The Company's certifying officers conducted or caused to be conducted under their supervision an evaluation of the disclosure controls and procedures as required under Canadian Securities Administration regulations, as at September 30, 2021. Based on the evaluation, the Company's certifying officers concluded that the disclosure controls and procedures were effective to provide a reasonable level of assurance that information required to be disclosed by the Company in its annual filings and other reports that it files or submits under Canadian securities legislation is recorded, processed, summarized and reported within the time period specified and that such information is accumulated and communicated to the Company's management, including the certifying officers, as appropriate to allow for timely decisions regarding required disclosure.

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

Control over Financial Reporting ("ICFR")

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

Limitations of Controls and Procedures

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

BALANCE SHEET ARRANGEMENTS

At September 30, 2021, the Company had no material off balance sheet arrangements such as guarantee contracts, contingent interest in assets transferred to an entity, derivative instruments obligations or any obligations that trigger financing, liquidity, market or credit risk to the Company.

RELATED PARTY TRANSACTIONS

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

Key management personnel comprise of the: Chief Executive Officer, Managing Director, Chief Financial Officer, Chief Operating Officer, Senior Vice President Exploration and Vice President and Corporate Secretary of the Company. The remuneration of the key management personnel is as follows:

| | 2021 | 2020 |
|--|------------|------------|
| Payments to key management personnel: | | |
| Cash compensation expensed to management fees, professional fees, investor relations and consulting fees | \$ 146,918 | \$ 142,903 |
| Cash compensation capitalized to exploration and evaluation assets | 156,237 | 65,585 |
| Share-based payments | 281,456 | 125,699 |

During the period ended September 30, 2021, the Company paid \$45,000 (2020 - \$45,000) in rent to Cabrera Capital Corp. ("Cabrera"), a company controlled by a director of the Company. As at September 30, 2021, the Company had a payable of \$33,044 (June 30, 2021 - \$82,181) due to Cabrera and officer of the company and a lease liability of \$253,634 (June 30, 2021 - 293,035) due to Cabrera equal to the present value of office space lease payments over the term of the lease.

During the period ended September 30, 2021, the Company paid professional services fees of \$8,330 (2020 - \$8,576) to a management services company owned by a director of the Company's subsidiary

During the period ended September 30, 2021, the Company paid directors' fees of \$5,750 (2020 - \$5,750) to non-executive board members.

The Company has 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. The Company can terminate the agreement at any time by paying Cabrera a year's worth of fees based on the average monthly fee paid to Cabrera since April 1, 2018.

OUTSTANDING SHARE DATA

As at September 30, 2021 and November 12, 2021, the balance of common shares, stock options, warrants and broker compensation units were issued and outstanding as follows:

| | Balance | Balance |
|--------------------|---------------------------|--------------------------|
| | September 30, 2021 | November 12, 2021 |
| Common Shares | 156,371,893 | 156,371,893 |
| Stock Options | 9,480,000 | 9,480,000 |
| Compensation Units | 1,303,010 | 1,303,010 |

INFORMATION REGARDING FORWARD LOOKING STATEMENTS

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

Forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. Such risks and uncertainties include, among others, the actual results of current exploration activities, conclusions or economic evaluations, changes in project parameters as plans continue to be refined, possible variations in grade and or recovery rates, failure of plant, equipment or processes to operate as anticipated, accidents, labour disputes, impact of the COVID-19 pandemic on operations or other risks of the mining industry, delays in obtaining government approvals or financing or incompleteness of development or construction activities, risks relating to the integration of acquisitions, to international operations, and to the prices of gold and other metals.

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

ADDITIONAL INFORMATION

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

SCHEDULE "A"**LION ONE METALS LIMITED
TENEMENT LISTING**

| TENEMENT DESCRIPTION | TENEMENT NUMBERS ⁽¹⁾ | PERCENTAGE INTEREST | CHANGES IN THE PERIOD |
|---------------------------------------|---------------------------------|---------------------|---|
| FIJI | | | |
| TUVATU GOLD PROJECT, VITI LEVU | | | |
| Tuvatu | SML 62 | 100% | Renewal application has been submitted in accordance with statutory requirements, and renewal is pending. |
| Tuvatu | SPL 1283 | 100% | |
| Yavuna | SPL 1296 | 100% | |
| Nagado | SPL 1465 | 100% | |
| Navilawa | SPL 1512 | 100% | |

⁽¹⁾ Tenured ground held in Fiji is held under Special Prospecting Licenses (SPL's) and a Special Mining License (SML).