LION ONE METALS LIMITED

MANAGEMENT'S DISCUSSION AND ANALYSIS

YEAR ENDED JUNE 30, 2015

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Set out below is a review of the activities, results of operations and financial condition of Lion One Metals Limited ("LIO", "Lion One", or the "Company") and its subsidiaries for the period ended June 30, 2015. The discussion below should be read in conjunction with the Company's consolidated financial statements for the year ended June 30, 2015. Those financial statements are prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board. All dollar figures included in the following Management Discussion and Analysis ("MD&A") are quoted in Canadian dollars unless otherwise indicated. This MD&A has been prepared as at September 9, 2015.

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.

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

BACKGROUND AND CORE BUSINESS

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

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

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

COMPANY HIGHLIGHTS

Preliminary Economic Assessment

On July 14, 2015, the Company published a National Instrument ("NI") 43-101 Preliminary Economic Assessment (the "PEA") for Tuvatu, prepared by independent consultants Canenco Canada Inc., AMC Consultants Pty Ltd, Knight Piésold Pty. Ltd., and Mining Associates Pty Ltd.

The PEA is based on the resource estimate contained in the technical report entitled "Tuvatu Resource Estimate" dated June 6, 2014 and prepared by Ian Taylor of Mining Associates Pty Ltd. Tuvatu hosts an indicated mineral resource of 1.1 million tonnes grading 8.46 g/t gold for 299,500 contained ounces, and an inferred mineral resource of 1.5 million tonnes grading 9.70 g/t gold for 468,000 contained ounces at a cut-off grade of 3.0 g/t Au.

The Tuvatu PEA demonstrates positive economics (modelled at US$1,200/oz Au) for an underground mine producing 352,931 ounces of gold at an average grade of 11.30 g/t over 7 years, with a 15 month pre-production schedule. The PEA highlights a 1.5 year after-tax payback on US$48.6 million initial capital, with a pre-tax IRR of 67% and NPV of US$117 million at a 5% discount rate. The PEA underscored low estimated operating costs of US$567 per ounce with all-in sustaining costs of US$779 per ounce.

The Tuvatu Gold Project has been fully permitted for development by the Government of Fiji with the grant of Special Mining Lease ("SML") 62 in 2015, and prior Department of Environment approvals for the Tuvatu Environmental Impact Assessment (EIA) and the Construction and Development Environmental Management Plans. The Company signed a 21-year Surface Lease agreement with local landowners and the iTaukei Land Trust in 2014.

The Mining Lease area covers 373 hectares and contains all of the current NI 43-101 resource and multiple high grade prospects in the Navilawa goldfield, one of Fiji's major volcanic intrusive complexes. 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 PEA is filed on the Company's profile at www.sedar.com and on the Company's website at www.liononemetals.com.

EXPLORATION AND EVALUATION ASSETS

PROPERTIES - FIJI

Tuvatu Gold Project, Viti Levu

The Company holds three contiguous Special Prospecting Licenses ("SPL's" 1283, 1296, and 1465) areas covering approximately 120 km² in the upper Sabeto Valley in western Viti Levu, the main island in Fiji. Tuvatu is located in the northern part of the license area, accessible by road 20 km from the international airport in the city of Nadi.

In 2014 the Company secured key environmental approvals from the Fiji Government including its Environmental Impact Assessment, and Construction and Operational Environmental Management Plans covering potential development at Tuvatu. The Company also signed a 21-year Surface Lease Agreement following extensive consultations with local landowners and communities over the past several years. These environmental approvals and the approval of SML 62 concludes the permitting process and enable the Company to commence potential construction, development and mining work at Tuvatu.

High grade, low-sulphidation gold mineralization of the Tuvatu deposit is associated with the emplacement of an alkalic volcanic intrusive complex in the Navilawa caldera, one of several large mineralized systems aligned along the Viti Levu Lineament, Fiji's epithermal 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 mined since the 1930's.

The Fijian Islands are located along the Pacific Island Arc, which hosts a number of other well-known major mineral systems with low sulphidation gold deposits such as the Lihir, Porgera, Ok Tedi, and Wafi-Golpu gold deposits in Papua New Guinea.

Tuvatu's current NI 43-101 resource includes 1,101,000 tonnes indicated at 8.46 grams per tonne gold (g/t Au) containing 299,500 ounces of gold (oz. Au), and 1,506,000 tonnes inferred at 9.70 g/t Au containing 468,000 oz. Au, at a grade cut-off of 3.0 g/t Au.

The resource is summarized as follows:

Tuvatu Resource Summary

Cutoff	**Indicated**		
g/t	**tonnes**	**g/t**	**ounces**
1.0	1,943,000	5.61	350,300
2.0	1,435,000	7.07	326,200
3.0	1,101,000	8.46	299,500
5.0	683,000	11.25	247,000
Cutoff	**Inferred**		
g/t	**tonnes**	**g/t**	**ounces**
1.0	3,022,000	5.8	561,000
2.0	2,156,000	7.5	520,000
3.0	1,506,000	9.7	468,000
5.0	872,000	13.9	390,000

The PEA published in July 2015 provides the following highlights (US$1,200/oz Au base case):

- Capital costs of US $48.6 million; 15 month pre-production schedule
- 1.5 year payback, IRR of 67% (before tax), NPV5% of US$117 million
- 352,931 oz. gold production over first 7 years at average grade of 11.31 g/t gold
- Operating costs of US$567 per oz. Au; All-in sustaining costs of US$779 per oz. Au

The PEA is downloadable from the SEDAR website at www.sedar.com, and from the Company website along with additional maps and diagrams at www.liononemetals.com.

The PEA is preliminary in nature and includes inferred mineral resources that are considered too speculative geologically to have the economic considerations applied to them that would enable them to be categorized as mineral reserves, and there is no certainty that the PEA will be realized.

Exploration Properties, Vanua Levu, Fiji

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

Expenditures incurred on the Fiji properties are as follows:

	June 30, 2013	Additions	June 30, 2014	Additions	June 30, 2015
Acquisition costs	$21,915,063	$ -	$ 21,915,063	$ -	$ 21,915,063
Camp costs and field supplies	646,612	77,184	723,796	64,555	788,351
Consulting fees	1,702,527	310,442	2,012,969	27,626	2,040,595
Depreciation	210,162	110,110	320,272	139,052	459,324
Dewatering and environmental	102,719	60,471	163,190	86,120	249,310
Drilling	1,480,741	681,220	2,161,961	60,905	2,222,866
Fiji office administration	678,125	115,636	793,761	143,061	936,822
Permitting and community consults	100,865	467,541	568,406	35,142	603,548
Road building and site works	557,808	19,183	576,991	6,177	583,168
Salaries and wages	2,544,082	703,888	3,247,970	839,964	4,087,934
Sample preparation, assaying	966,291	137,014	1,103,305	57,268	1,160,573
Technical reports	-	239,491	239,491	651,539	891,030
Travel	414,799	84,784	499,583	58,931	558,514
Vehicle and transportation	236,261	38,545	274,806	45,517	320,323
Cumulative foreign currency translation adjustment	(3,062,535)	1,087,472	(1,975,063)	730,576	(1,244,487)
	$28,493,520	$ 4,132,981	$ 32,626,501	$ 2,946,433	$ 35,572,934

Details regarding the expenditure commitments on the SPL's are included in the accompanying consolidated financial statements.

PROPERTIES – AUSTRALIA

Olary Creek, South Australia

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

The original exploration joint venture on the Olary Creek Project was formed in 2010 between Lion One Australia and Perth- based HJH Nominees ("HJH"). In 2011 HJH signed a farm-in agreement with Yukuang Australia (WA) Resources Pty Ltd ("Yukuang"), the Australian subsidiary of Henan Yukuang, a state-owned mineral exploration and mining company based in Henan Province, Peoples Republic of China, whereby Yukuang could earn a combined 75% interest in the iron and manganese rights. In April 2012 the HJH/Yukuang partnership reached the $5,000,000 expenditure requirement with Lion One Australia retaining a 25% free carried interest. In July 2013 Lion One Australia exercised its preemptive right over the 22% interest held by HJH and negotiated new Farm-in, Joint Venture, and Split Commodity Agreements with Yukuang covering the iron and manganese rights. Lion One Australia now holds a 51% interest in the tenement and has retained 100% rights for all other commodities. Lion One currently retains a 47% interest in the iron ore and manganese rights on the Olary Creek Joint Venture.

The Company's 47% joint venture interest comprises a 25% interest free carried through the completion of a bankable feasibility study to the decision to mine, and a 22% participating interest. The Company holds an option to convert its 25% free carried interest, within 90 days of the decision to mine, to a 2% FOB royalty, or to a 1% FOB royalty with a $0.50 per tonne production royalty. The 22% participating interest is an optional contributing interest. There are no current expenditure obligations for the Company's joint venture interest.

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

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

Highlights of the estimate include:

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

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

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

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

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

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

OUTLOOK

The Company is focused on the advancement of its primary asset, the Tuvatu Gold Project in Fiji. Lion One has received all of the mandatory regulatory approvals required to commence development and mining at Tuvatu.

The first phase of proposed development work includes both dewatering and refurbishment of the existing decline, which accesses mineralization targeted for development in the initial years of the proposed mine plan in the 2015 PEA. The Company has previously conducted water inflow studies and has a renewed dewatering license first obtained in 2011. The second phase of proposed underground work includes the development of a new western portal and 500 meter decline to be driven into the central mineralized zone of the Tuvatu resource.

SELECTED FINANCIAL INFORMATION

Selected Annual Information

	2015	2014	2013
Interest income	$ 72,041	$ 153,401	$ 182,074
Net loss	1,986,485	5,227,113	2,261,398
Net loss per share	0.03	0.09	0.05
Comprehensive loss	1,377,581	4,006,946	2,338,290
Comprehensive loss per share	0.02	0.07	0.05
Working capital	3,878,464	7,832,887	13,089,357
Exploration and evaluation assets	36,069,453	33,142,838	31,686,823
Total assets	41,099,076	42,264,736	46,522,825

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. In fiscal 2013, the Company executed the MIA with Avocet and consolidated Avocet's existing exploration and evaluation assets which increased total assets of the continuing entity. In fiscal 2014, the Company wrote down exploration and evaluation assets located in Argentina and Australia by $3,138,387.

Summary of Quarterly results

	June 30, 2015	March 31, 2015	December 31, 2014	September 30, 2014
Total assets	$ 41,099,076	$ 42,285,229	$ 41,209,376	$ 41,735,187
Exploration and evaluation assets	36,069,453	36,418,974	34,553,702	33,677,472
Working capital	3,878,464	4,754,692	5,507,314	6,572,409
Interest income	7,809	15,115	20,172	28,945
Net loss for the period	(491,277)	(421,569)	(436,001)	(637,638)
Comprehensive income (loss) for the period	(1,372,106)	1,049,644	(284,999)	(770,120)
Basic and diluted loss per share	(0.01)	(0.01)	(0.01)	(0.01)

	June 30, 2014	March 31, 2014	December 31, 2013	September 30, 2013
Total assets	$ 42,264,736	$ 46,516,657	$ 45,041,099	$ 45,188,579
Exploration and evaluation assets	33,142,838	36,161,193	34,072,878	32,770,851
Working capital	7,832,887	9,128,127	9,709,582	10,900,288
Interest income	31,735	40,815	33,364	47,487
Net loss for the period	(3,558,476)	(367,899)	(528,410)	(772,328)
Comprehensive income (loss) for the period	(4,424,727)	1,485,595	116,997	(1,184,811)
Basic and diluted loss per share	(0.06)	(0.01)	(0.01)	(0.01)

The focus of the Company over the periods presented has consistently been the exploration and development of its Fijian exploration and evaluation assets. The differential between net and comprehensive loss in each period reflects the translation adjustment of the assets and liabilities of the Company's subsidiaries, Lion One Limited, which is maintained in Fijian dollars and Lion One Australia Pty Ltd., which is denominated in Australian dollars. As at June 30, 2014, the Company wrote-down its Western Australia and Argentina exploration and evaluation assets due to a delay in development while the Company focuses its efforts on the Tuvatu Gold Project.

Results of Operations for the year ended June 30, 2015 compared to 2014

The comprehensive loss for the year decreased by $2,629,365 to $1,377,581 (2014 - $4,006,946). Significant changes to the comprehensive loss are explained as follows:

- Investor relations expenses have decreased by $24,334 to $197,182 (2014 - $221,516) and shareholder communication expense has decreased by $29,439 to $148,767 (2014 - $178,206) as the Company has reduced salaries in the current period and reduced overall expenses in light of the current economic trends.

- Management fees have decreased by $90,974 to $155,284 (2014 - $246,258) as a result of changes to the senior management team.

- Professional fees increased by $77,450 to $295,959 (2014 - $218,509) as the Company has been working with professional services firms to evaluate financing and corporate strategy.

- Rent expense increased by $36,011 to $286,606 (2014 - $250,595) due to the loss of shared space recoveries in the Australian office. The Australian office has subsequently been downsized and relocated which will mitigate further additional expense.

- During the year ended June 30, 2015, the Company recognized a foreign exchange gain of $608,904 on its net assets denominated in Fijian and Australian dollars reflecting a strengthening of the Fijian dollar and weakening of the Australian dollar against the Canadian dollar since June 30, 2014. A gain of $1,220,167 was recognized in the comparative period.

Results of Operations for the three month period ended June 30, 2015 compared to 2014

The comprehensive loss for the three month period decreased by $3,052,621 to $1,372,106 (2014 – $4,424,727). Significant changes to the comprehensive income are explained as follows:

- Investor relations expenses increased by $41,234 to $83,113 (2014 - $41,879) and shareholder communication expenses increased by $4,465 to $24,206 (2014 - $19,741) as a result of increased media awareness campaigns, conference attendance, and travel.

- Management fees have decreased by $32,067 to $23,808 (2014 - $55,875) as a result of a changes to the senior management team.

- Professional fees decreased by $2,000 to $63,086 (2014 - $65,086) as the Company invested additional work in tax and structure review in the prior period to ensure that compliance work was completed.

- Rent expense decreased by $25,037 to $47,502 (2014 - $72,539) due to downsizing and relocating the Australian office.

- During the three month period ended June 30, 2015, the Company recognized a foreign exchange loss of $880,829 on its net assets denominated in Fijian and Australian dollars reflecting a weakening of the Fijian dollar and Australian dollar against the Canadian dollar since March 31, 2015. A loss of $866,251 was recognized in the comparative period.

Cash flows for the period ended June 30, 2015 compared to 2014

Cash has decreased by $3,895,786 to $4,144,571 at June 30, 2015 from a balance of $8,040,357 as at June 30, 2014.

Cash outflows from operating activities decreased by $304,619 to $1,582,466 (2014 – $1,887,085). This is consistent with a lower cash outflow due to the settlement paid out in the year ended June 30, 2014 as detailed in the accompanying financial statements and a decrease in recurring overhead in some areas as discussed in operations.

Cash outflows from investing activities of $2,183,289 (2014 - $3,747,581) materially reflect investment in the Tuvatu Gold Property. In the first quarter of 2014, the Company was completing a drill program on the Tuvatu Gold Property and exploration on the Ashburton project in Western Australia resulting in higher cash outflows in the comparative period.

Financial Position

Receivables decreased by $95,526 to $34,767 (2014 - $130,293) due to a lower receivable of input credits under the Value-Added Tax ("VAT") program with the Government of Fiji. The Company remits its VAT return annually and anticipates recovering the VAT credits.

Accounts payable and accrued liabilities decreased by $60,168 to $313,489 (2014 - $373,657) due to the timing of expenditures pursuant to the technical studies underway on the Tuvatu Gold Project.

Shareholders' equity decreased by $1,093,516 to $40,756,329 (2014 - $41,849,845) which reflects the comprehensive income recognized for the period and share-based payments.

LIQUIDITY AND CAPITAL RESOURCES

At June 30, 2015, the Company had working capital of $3,878,464 including cash of $4,144,571 as compared to working capital of $7,832,887, including cash of $8,040,357 at June 30, 2014.

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

OUTSTANDING SHARE DATA

At the date of this report the Company has 60,175,608 issued and outstanding common shares, and 3,535,000 outstanding stock options.

OFF STATEMENT OF FINANCIAL POSITION ARRANGEMENTS

At June 30, 2015, the Company had no material off statement of financial position arrangements such as guarantee contracts, contingent interest in assets transferred to an entity, derivative instruments obligations or any obligations that trigger financing, liquidity, market or credit risk to the Company.

PROPOSED TRANSACTIONS

The Company does not have any proposed transactions in process.

RELATED PARTY TRANSACTIONS

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

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

		2015		2014
Payments to key management personnel:				
Cash compensation	$	537,269	$	654,790
Share-based payments		153,502		112,578

During the year ended June 30, 2015, the Company paid $180,000 (2014 - $180,000) in rent to Cabrera Capital Corp. ("Cabrera"), a company controlled by a director of the Company. As at June 30, 2015, the Company had a payable of $6,772 due (2014 – advance of $2,469) to Cabrera.

During the year ended June 30, 2015, the Company paid professionals services fees of $46,920 (2014 - $68,804) to a management services company owned by a director of the Company's subsidiary.

During the year ended June 30, 2015, the Company paid directors' fees of $24,000 (2014 - $14,125) to non-executive board members.

As at June 30, 2015, the amount of $48,148 (2014 - $13,782) is included in accounts payable is due to related parties. All balances are unsecured, non-interest bearing, have no fixed repayment terms, and are due on demand.

CRITICAL ACCOUNTING ESTIMATES

The Company's accounting policies are described in note 2 and 3 of its consolidated financial statements for the year ended June 30, 2015. The preparation of the consolidated financial statements requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported expenses during the period. Actual results could differ from these estimates. Management considers the following estimates to be the most critical in understanding the judgments and estimates that are involved in the preparation of the Company's consolidated financial statements and the uncertainties that could impact the results of operations, financial condition and cash flows:

Functional currency

The functional currency of each of the subsidiaries and the Company were assessed to determine the economic substance of the currency in which each entity performed its operations. The functional currency of the Company is the Canadian dollar. The functional currencies of the Company's subsidiaries have been assessed and incorporate the Canadian dollar, Fijian dollar and Australian dollar as detailed in Note 2 of the consolidated financial statements for the year ended June 30, 2015.

Exploration and evaluation assets

The carrying value and recoverability of exploration and evaluation assets requires management to make certain estimates, judgments and assumptions about its projects. Management considers the economics of the project, including the latest resources prices and the long-term forecasts, and the overall economic viability of the project. The user is advised to refer to the risks of the Company discussed in the Annual Information Form for the year ended June 30, 2015 which discuss factors that could impair the Company's ability to develop its exploration and evaluation assets in the future.

Income taxes

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

Equity measurements

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.

New standards not yet adopted

IFRS 9 *Financial Instruments (Revised)*

IFRS 9 was issued by the IASB in October 2010. It incorporates revised requirements for the classification and measurement of financial liabilities and carrying over the existing derecognition requirements from IAS 39 *Financial instruments: recognition and measurement*. The revised financial liability provisions maintain the existing amortized cost measurement basis for most liabilities. New requirements apply where an entity chooses to measure a liability at fair value through profit or loss – in these cases, the portion of the change in fair value related to changes in the entity's own credit risk is presented in other comprehensive income rather than within profit or loss. IFRS 9 is effective for annual periods beginning on or after January 1, 2018. The impact of IFRS 9 on the Company's financial instruments has not yet been determined.

FINANCIAL INSTRUMENTS AND OTHER INSTRUMENTS

Financial instruments of the Company comprise cash, 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 and receivables. The Company limits exposure to credit risk on liquid financial assets through maintaining its cash with high-credit quality financial institutions. The Company does not currently maintain cash deposits in Argentina.

Receivables mainly consist of government sales tax ("GST") receivable from the Government of Canada, GST receivable from the Government of Australia, and value added tax receivable from the Government of Fiji. The Company has not had issues with respect to collectability of these amounts and believes that the credit risk concentration with respect to receivables is minimal.

Liquidity risk

The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As at June 30, 2015, the Company had a working capital of $3,878,464.

Market risk

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

a) Interest rate risk

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

b) Foreign currency risk

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

As at June 30, 2015, the Company's net foreign denominated financial assets are as follows:

		Foreign currency		Canadian dollar equivalent
Australian Dollar	$	(56,972)	$	(54,904)
Fijian Dollar		2,803,735		1,681,400

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		2015		2014
+ 5%	$	81,325	$	65,172
- 5%		(81,325)		(65,172)

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 June 30, 2015. Based on the evaluation, the Company's certifying officers concluded that the disclosure controls and procedures were effective to provide a reasonable level of assurance that information required to be disclosed by the Company in its annual filings and other reports that it files or submits under Canadian securities legislation is recorded, processed, summarized and reported within the time period specified and that such information is accumulated and communicated to the Company's management, including the certifying officers, as appropriate to allow for timely decisions regarding required disclosure.

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

Internal Control over Financial Reporting ("ICFR")

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

Mr. George Young, a director of the Company has been appointed to serve on the Audit Committee. Mr. Young served as an officer of the Company until December 11, 2013 when he resigned as President. Mr. Young is financially literate but is not independent pursuant to the definitions provided by NI 52-110. The Nominating Committee is currently working to identify and appoint an appropriate candidate to the Board and to serve as an independent member of the Audit Committee, and who will be an asset to all functions of the Board. In the interim, the Board considers that Mr. Young will be able to provide financial oversight. The Audit Committee is comprised of a majority of independent members and has the financial literacy, as a whole, required to provide adequate oversight of the ICFR and financial reporting of the Company. The Audit Committee, with management, has evaluated the change to the ICFR and considers the lack of a third independent member to be a "significant deficiency" in accordance with the definition provided by COSO. This is, therefore, a deficiency less severe than a material weakness yet important enough to merit attention by the Board.

The Company has completed its transition to the updated version of the COSO framework (the "2013 Framework"). Given the Company's size of operations, the transition did not have a pervasive impact on management's approach to internal controls and risk assessments.

Limitations of Controls and Procedures

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

INFORMATION REGARDING FORWARD LOOKING STATEMENTS

This Management's Discussion and Analysis of Financial Condition and Results of Operations contain certain forward-looking statements. Forward-looking statements include but are not limited to the timing and amount of estimated future production, costs of production, capital expenditures, costs and timing of the development of new deposits, success of exploration activities, permitting time lines, currency fluctuations, requirements for additional capital, environmental risks, unanticipated reclamation expenses, title disputes or claims and limitations on insurance coverage and the timing and possible outcome of pending litigation. In certain cases, forward-looking statements can be identified by the use of words such as "plans", "expects" or "does not expect", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates" or "does not anticipate", or "believes" or variations of such words and phrases, or statements that certain actions, events or results "may", "could", "would", "might" or "will" be taken, occur or be achieved. Forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. Such risks and uncertainties include, among others, the actual results of current exploration activities, conclusions or economic evaluations, changes in project parameters as plans continue to be refined, possible variations in grade and or recovery rates, failure of plant, equipment or processes to operate as anticipated, accidents, labour disputes or other risks of the mining industry, delays in obtaining government approvals or financing or incompletion of development or construction activities, risks relating to the integration of acquisitions, to international operations, and to the prices of gold and other metals. While the Company has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking statements, there may be other factors that cause actions, events or results not to be as anticipated, estimated or intended. There can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements. The Company expressly disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise except as required by law.

ADDITIONAL INFORMATION

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

SCHEDULE "A"

LION ONE METALS LIMITED
TENEMENT LISTING

TENEMENT DESCRIPTION	TENEMENT NUMBERS (1)	PERCENTAGE INTEREST	CHANGES IN THE QUARTER
FIJI			
TUVATU GOLD PROJECT, VITI LEVU			
Tuvatu	SPL 1283	100%	
Yavuna	SPL 1296	100%	
VITI LEVU			
Nagado	SPL 1465	100%	
VANUA LEVU			
Delaikoro	SPL 1467	100%	
Vunimoli	SPL 1468	100%	
WESTERN AUSTRALIA			
Ristretto	EL 52/2767	100%	Surrendered February 19, 2015
CAMECO JOINT VENTURE (2)			
Mt Vernon North	EL 52/1917	50%	Surrendered February 13, 2015
Canyon Creek	EL 52/1893	50%	Surrendered October 6, 2014
Turee Creek 5	EL 52/2450	50%	Surrendered October 6, 2014
SALTWATER POOL JOINT VENTURE			
Saltwater Pool B	E 52/1892	Earning 51%	Surrendered January 19, 2015
SOUTH AUSTRALIA			
Olary Creek	EL 4664	51%(3)	
ARGENTINA			
CERRO CHACON JOINT VENTURE			
Puesto Chacon	15164/06	Earning 60%	
S/N	15257/07	Earning 60%	
Puesto Chacon 2	15258/07	Earning 60%	
Cateo Condor	15312/07	Earning 60%	
Puesto Chacon 3	15348/07	Earning 60%	
Chacon 4	15349/07	Earning 60%	
Chacon 5	15419/08	Earning 60%	
Puesto Chacon 4	15490/08	Earning 60%	
Chacon 7	15517/08	Earning 60%	
Chacon 10	15626/09	Earning 60%	
Chacon 11	15701/10	Earning 60%	
Fernet	16328/12	Earning 60%	
Ginebra	16329/12	Earning 60%	
SIERRA CUADRADA JOINT VENTURE			
Sierra Mora I	15352/07	Earning 51%	
Sierra Mora IV a	16294/12	Earning 51%	
Sierra Mora IV b	16295/12	Earning 51%	
Sierra Mora V	14568/05	Earning 51%	
Terrazas 1 a	16296/12	Earning 51%	
Terrazas 1 b	16297/12	Earning 51%	
Terrazas 1 c	16417/13	Earning 51%	New tenement application
Terrazas 2	16298/12	Earning 51%	
Terrazas 3	16299/12	Earning 51%	
Sierra Mora II	14565/05	Earning 51%	
Sierra Mora III	14566/05	Earning 51%	
Mamuny 1	15888/10	100%	
Mamuny 2	15889/10	100%	

TENEMENT DESCRIPTION	TENEMENT NUMBERS [1]	PERCENTAGE INTEREST	CHANGES IN THE QUARTER
Mamuny 3	15890/10	Under application	
Mamuny 4	15891/10	Under application	

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

(2) Cameco are not contributing to exploration expenditure

3) Under the Olary Creek Farm-In and Joint Venture Agreement ("Olary Creek JV"), the Company maintains a 51% ownership of the tenement. The Company has a 47% interest in the Olary Creek JV which consists of a 25% free carried interest to the decision to mine and a 22% contributing interest. Refer to the audited consolidated financial statements for the year ended June 30, 2014 for additional information as filed under the Company's profile at www.sedar.com.