



Lion One Announces MOU for EPC Contract and Vendor Financing with Ansteel-CapitalAsia for Construction of the Tuvatu Gold Project

Vancouver, B.C., August 24, 2016. Lion One Metals Limited (TSX-V: LIO) (ASX: LLO) (OTCQX: LOMLF) (FSX: LY1) (the “Company”) is pleased to announce the signing of a non-binding Memorandum of Understanding (MOU) for an EPC Contract and Vendor Financing Agreement with Ansteel-CapitalAsia Global Engineering Inc. (the EPC Contractor, or Ansteel) covering a comprehensive Engineering, Procurement, Construction, and financing package for the development of the Company’s 100% owned and fully permitted Tuvatu Gold Project in Fiji.

The scope of the EPC contract covers the design, construction, start-up testing, and commissioning of the Tuvatu gold processing plant. Ansteel will also furnish all materials, equipment, machinery, tools and consumables, provide quality control and administration, and will develop the Project Health and Safety Plan at the Project Site. In addition to the EPC Contract, Ansteel will also provide vendor financing for up to 80% of the anticipated value of the EPC Contract in the form of a Deferred Payment Amount of approximately US\$39,000,000-\$44,000,000. The Company will fund a minimum of US\$10,000,000 or approximately 20% of the anticipated value of the EPC Contract. The Deferred Payment will be a senior secured obligation of the Company guaranteed by the Company’s assets, to be serviced through a Deferred Payment Plan with 7% annual interest payable in quarterly installments. In connection with the Down Payment, Lion One will issue, subject to TSX-V approval, warrants in the amount of approximately 10% of the Loan Facility at a price of \$1.42 per share for a period extending to the maturity date of the earlier of the final scheduled payment under the Deferred Payment Plan or 5 years from closing. Early repayment of the Deferred Payment Amount may occur any time without charge.

The Company and Ansteel will proceed to preparing definitive binding agreements for the transactions contemplated by the MOU, and are targeting completing the transaction in the fourth quarter of 2016.

The EPC Contractor, **Ansteel-CapitalAsia Global Engineering Inc.**, is a JV company of Ansteel Group Engineering Technology Development Company Ltd and CapitalAsia Consulting (Canada) Inc. The Ansteel Group is based in Liaoning Province in northern China and is that country’s largest iron ore miner and third largest steel maker, with a production capacity exceeding 38 million tons of raw steel and pig iron. Ansteel’s steel unit is focused on products such as hot and cold rolled and galvanized steel sheets, color coating plates, silicon steel, wire rods, steel pipes, and large steel products widely used in automobile manufacturing, construction, ship-building, home electrical appliances, and in the manufacture of railways, pipelines, bridges, and power plants. The company operates several large iron ore mines and more than a dozen steel-rolling and steel production plants worldwide. Ansteel exports its products to over 30 countries including the USA, UK, Japan, and Australia, and is listed on the Hong Kong and Shenzhen Stock Exchanges. In 2015 Ansteel was ranked number 451 on Fortune’s Global 500 List.

The Tuvatu Gold Project is located 17 km from the Nadi International Airport on the main island of Viti Levu in Fiji. Discovered in 1987, Tuvatu was advanced by previous owners through underground exploration and development from 1997 through to the completion of a feasibility study in 2000. Acquired by Lion One in 2011, the project has over 100,000 meters of drilling completed to date in addition to 1,600 meters of underground development. Tuvatu is a high grade, low sulphidation, epithermal gold deposit hosted inside a South Pacific-style volcanic caldera, along the Viti Levu lineament, Fiji’s own corridor of high grade gold deposits. In January 2016 the Hon. Prime Minister of

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Fiji, Mr. V. Bainimarama, formally presented the previously granted Tuvatu Mining Lease to Lion One, concluding the permitting process for the development of an underground gold mine and processing plant at Tuvatu, demonstrating strong government support for Fiji's 85 year-old gold mining industry.

The Company envisages a low cost underground gold mining operation producing 352,931 ounces of gold at head grades of 11.30 g/t Au over an initial 7 year mine life, including 262,000 ounces at 15.30 g/t through year three, at cash costs of US\$567 per ounce with all-in sustaining costs of US\$779 per ounce. Total capex of US\$48.6 million includes a contingency of US\$6.1 million with an 18 month preproduction schedule and 18 month payback on capital. At a US\$1,200 gold price the project generates net cash flow of US\$112.66 million and an IRR of 52% (after tax). Tuvatu is situated upon a 5 hectare footprint inside a larger 384 hectare mining lease that contains numerous high grade prospects proximal to Tuvatu, at depth, and up to 1.2 km along strike from the resource area, giving the project near-term production potential and further discovery upside inside of one of Fiji's underexplored volcanic goldfields.

The information in this report that relates to the Exploration Results or Mineral Resources is based upon, and fairly represents, information and supporting documentation compiled by Mr. Stephen Mann, who is an officer and director of the Company and is a member of The Australasian Institute of Mining and Metallurgy. Mr. Mann has sufficient experience relevant to the style of mineralisation and type of deposit under consideration and the activity in which he is undertaking to qualify as a Competent Person under 2012 Edition of the Australasian Code for Reporting Exploration Results, Mineral Resources and Ore Reserves (JORC Code). Mr. Mann consents to the inclusion in this news release of the matters based on his information in the form and context in which it appears. The Company confirms that it is not aware of any new information or data that materially affects the information included in previous news releases referred to above, and confirms that the form and context in which the findings are presented have not been materially modified from the original news releases. Albert Siega, P. Eng., a full time employee of the Company and Qualified Person as defined by NI 43-101 has reviewed and approved the technical content of this release.

For more information on Lion One including technical reports please visit the Company's website at www.liononemetals.com or the SEDAR website at www.sedar.com.

On behalf of Lion One Metals Limited
"Walter H. Berukoff"
Chief Executive Officer

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This press release may contain "forward-looking information" within the meaning of applicable Canadian securities legislation. All statements, other than statements of historical fact, included herein are forward looking information. Generally, forward-looking information may be identified by the use of forward-looking terminology such as "plans", "expects" or "does not expect", "proposed", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates" or "does not anticipate", or "believes", or variations of such words and phrases, or by the use of words or phrases which state that certain actions, events or results may, could, would, or might occur or be achieved. This forward-looking information reflects Lion One Metals Limited's current beliefs and is based on information currently available to Lion One Metals Limited and on assumptions Lion One Metals Limited believes are reasonable. These assumptions include, but are not limited to, the actual results of exploration projects being equivalent to or better than estimated results in technical reports, assessment reports, and other geological reports or prior exploration results. Forward-looking information is subject to known and unknown risks, uncertainties and other factors that may cause the actual results, level of activity, performance or achievements of Lion One Metals Limited or its subsidiaries to be materially different from those expressed or implied by such forward-looking information. Such risks and other factors may include, but are not limited to: the early stage development of Lion One Metals Limited, general business, economic, competitive, political and social uncertainties; the actual results of current research and development or operational activities; competition; uncertainty as to patent applications and intellectual property rights; product liability and lack of insurance; delay or failure to receive board or regulatory approvals; changes in legislation, including environmental legislation, affecting mining, timing and availability of external financing on acceptable terms; not realizing on the potential benefits of technology; conclusions of economic evaluations; and lack of qualified, skilled labor or loss of key individuals. Although Lion One Metals Limited has attempted to identify important factors that could cause actual results to differ materially from those contained in forward-looking information, there may be other factors that cause results not to be as anticipated, estimated or intended. Accordingly, readers should not place undue reliance on forward-looking information. Lion One Metals Limited does not undertake to update any forward-looking information, except in accordance with applicable securities laws.

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