

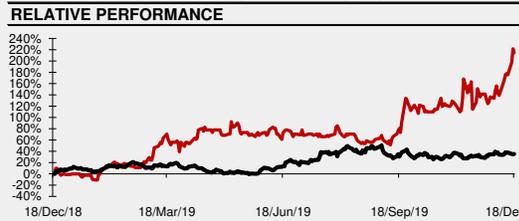
Lion One Metals Ltd. (TSXV:LIO)

Deep Drilling Hits Further High-Grade at Tuvatu

Exploration Update
December 19, 2019

(Currency is CAD\$ unless noted otherwise)

Closing Price	1.29
Net Asset Value Per Share	2.47
52 Week Low / High	\$0.35 / \$1.37
P/NAV	0.52x
CAPITALIZATION	Basic Diluted
Shares Outstanding (M)	103.1 110.9
Market Capitalization (\$MM)	\$133.0
Enterprise Value (\$MM)	\$125.3
Last Reported Quarter Cash (\$MM)	\$7.7
Total Debt (\$MM)	\$0.0



NET ASSET VALUE SUMMARY	(C\$M)	(C\$/sh)
Tuvatu Underground Gold Project	\$322.8	\$2.6
Tuvatu Regional Exploration Upside	\$53.3	\$0.4
Taxes	(\$73.5)	(\$0.6)
Corporate G&A	(\$31.8)	(\$0.3)
Future Financing Cash Flows	\$30.7	\$0.2
Working Capital	\$7.3	\$0.1
Total NAV	\$308.8	\$2.47

RELATIVE VALUATION	
Peer Group Average*	0.71x
Lion One Metals	0.52x

MAJOR SHAREHOLDERS	
Management (16.33%), Donald Smith & Co., Inc. (13.82%), Franklin Resources, Inc. (9.85%), Red Lion Management Ltd, A. (5.14%), J.P. Morgan Asset Ma (3.36%)	

DISCLOSURE CODE:	1,2,3,4
(Please refer to the applicable disclosures listed on the back page)	

Source: RCKS, Company Information, Capital IQ

Impact: Positive

Lion One Metals released results from its first deep diamond drill hole (DDH) at its 100%-owned Tuvatu Alkaline Gold Deposit in Fiji. Results from the 2019 drill program targeted downdip extensions at Tuvatu. **With assays from three additional holes to come, we believe the stock should re-rate towards our fair value estimate of C\$1.70/sh.**

Highlights:

- High-grade hits add sizzle at Tuvatu.** The first out of four drill holes reported by the company intersected gold mineralization at depths 70m below the current delineated resource. Hole TUDDH493 was drilled at an angle of ~55 degrees and a depth of ~537m. Highlight results include the intersection of three mineralized lodes: 1) 105 g/t Au over 0.35m (lode - Murau 2); 10.21 g/t Au over 3.83m (lode - URW1); and 3) 33.22 g/t Au over 4.29m (lode - UR2).
- Converging structures indicate an evolving deposit at depth.** Mineralization intersected in lodes Murau 2, URW1, and UR2 indicate that Tuvatu has the potential to expand in multiple directions. The company believes the UR2 lode, comprised of hydrothermal breccia similar to the Vatukoula Gold mine (located 40km NE), represents a converging root feeder structure indicative of a mineralizing system evolving at depth. Additionally, the Murau 2 lode is believed to be open to the west and connected to auxiliary feeder structures. If Lion One can demonstrate the continuity of these lodes, we believe the company has the potential to substantially grow its resources thereby providing investors significant leverage to exploration.
- Further testing is needed.** The company is planning to drill a second steeper (~67 degrees) deep hole (TUDDH493) from the same pad as TUDDH493. Additional drilling hopes to further demonstrate: 1) that the Murau 2 lode is open to the west; 2) the converging feeder structure is open at depth (UR2); and 3) historical high-grade intercepts in hole TUDDH160 (1,614 g/t Au over 0.50m) are structurally linked to this batch of results from hole TUDDH193. The company expects to complete the second hole in early January.

Valuation:

In our view the market is undervaluing Lion One. We believe Lion One is worth C\$1.73/sh based on 0.70x our NAVPS8% estimate of \$2.47. We believe the company's renewed focus on drilling could add significant value, supporting our expectations for material resource growth both at Tuvatu and other areas in the company's license area within the Navilawa Caldera. The company currently trades at 0.52x NAV (peers 0.71x). **Upcoming catalysts** include: 1) Exploration updates (Ongoing) and 2) Project development updates (Ongoing).

Company Description

Lion One Metals Limited engages in the acquisition, exploration, and evaluation of mineral resources in Fiji and Australia. The company primarily holds a 100% interest in the Tuvatu Gold project comprising four special prospecting licenses covering an area of approximately 13,619 hectares located on the island of Viti Levu in Fiji. The company is headquartered in North Vancouver, Canada.

Derek Macpherson | VP Research, dmacpherson@redcloudsecurities.com
Jacob Willoughby | VP Research, jwilloughby@redcloudsecurities.com
Zachary Kotowych | Research Associate, zkotowych@redcloudsecurities.com
Taylor Combaluzier | Research Associate, tcombaluzier@redcloudsecurities.com

Red Cloud Securities

105 King Street East, 2nd Floor
Toronto ON, M5C 1G6
research@redcloudsecurities.com
www.redcloudfs.com/research-home

Disclaimer

Red Cloud Klondike Strike Inc. (doing business as Red Cloud Securities) is registered as an Exempt Market Dealer in British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, Quebec, New Brunswick, Nova Scotia, Prince Edward Island, Newfoundland & Labrador, and the Yukon. Part of Red Cloud Securities' business is to connect mining companies with suitable investors that qualify under available regulatory exemptions. Red Cloud Securities, its affiliates and their respective officers, directors, representatives, researchers and members of their families may hold positions in the companies mentioned in this document and may buy and/or sell their securities. Additionally, Red Cloud Securities may have provided in the past, and may provide in the future, certain advisory or corporate finance services and receive financial and other incentives from issuers as consideration for the provision of such services.

Red Cloud Securities has prepared this document for general information purposes only. This document should not be considered a solicitation to purchase or sell securities or a recommendation to buy or sell securities. The information provided has been derived from sources believed to be accurate but cannot be guaranteed. This document does not take into account the particular investment objectives, financial situations, or needs of individual recipients and other issues (e.g. prohibitions to investments due to law, jurisdiction issues, etc.) which may exist for certain persons. Recipients should rely on their own investigations and take their own professional advice before investment. Red Cloud Securities will not treat recipients of this document as clients by virtue of having viewed this document.

Company Specific Disclosure Details

Company Name	Ticker Symbol	Disclosures
Lion One Metals Ltd.	TSXV: LIO	1,2,3,4

1. A member of Red Cloud Securities team has visited/viewed material operations of the issuer.
2. In the last 12 months, Red Cloud Securities has been retained under a service or advisory agreement by the subject issuer.
3. In the last 12 months, Red Cloud Securities has received compensation for investment banking services.
4. Red Cloud KS or a member of the Red Cloud Securities team or household, has a long position in the shares and/or the options of the subject issuer.
5. Red Cloud KS or a member of the Red Cloud Securities team or household, has a short position in the shares and/or the options of the subject issuer.
6. Red Cloud KS or a member of the Red Cloud Securities team own more than 1% of any class of common equity of the subject issuer.

A member of Red Cloud Securities team or a member's household serves as a Director or Off Advisory Board Member of the subject issuer.