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Research Note

Lion One Metals – Drills 82.28 g/t Au over 4.6m Near Mine Workings

Rating	Target Price
BUY	**$0.60**
Unchanged	*Unchanged*

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September 24, 2026

Disseminated on Behalf of Lion One Metals Limited

All figures in CAD unless otherwise stated

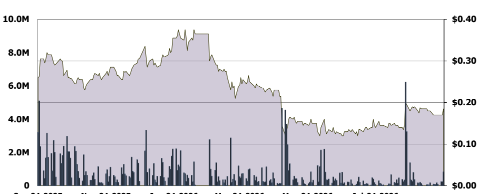
Lion One Metals Limited	**LIO:TSXV**
Rating	BUY
Target Price	$0.60
Return to Target	208%

Market Data	
Share Price	$0.195
Average Daily TSXV Volume (K)	132.8
FD ITM Shares (M)	424.3
Market Cap ($M)	$82.7
PF Cash & Marketable Securities ($M)	$23.5
PF Debt ($M)	$57.0
Enterprise Value ($M)	$116.3

FYE June 30	**FY25A**	**FY26E**	**FY27E**
Material Processed (Kt)	122.5	117.6	131.7
Gold Produced (Koz)	14.7	14.6	18.7
Revenue ($M)	$58.0	$76.9	$122.3
Adjusted EBITDA ($M)	$8.4	$26.0	$53.0
OCF (Before WC, $M)	$7.2	$22.0	$42.4

Valuation	
NAVPS	1.31
P/NAV	0.1x
EV/CF (FY26E)	5.3x
EV/CF (FY27E)	2.7x

Please refer to the applicable disclosures on the back page
Source: Atrium Research, CapitalIQ, Company Documents



Lion One Metals is an emerging Canadian gold producer headquartered in North Vancouver, BC, with new operations established in late 2023 at its 100% owned Tuvatu Alkaline Gold Project in Fiji. The Tuvatu project comprises the high-grade Tuvatu Alkaline Gold Deposit, the Underground Gold Mine, the Pilot Plant, and the Assay Lab. The Company also has an extensive exploration license covering the entire Navilawa Caldera, which is host to multiple mineralized zones and highly prospective exploration targets.

What you need to know:

- LIO released assays from 4,370m of underground drilling in Zone 5, the main production area at Tuvatu, where 30 of 34 holes hit high-grade gold.
- Hole TGC-0532 returned 82.28 g/t Au over 4.6m (incl. 302.15 g/t over 0.4m), one of eight intercepts above 100 g/t Au.
- Most intercepts sit within 25m of existing workings, and management expects them to feed the mine plan within six months, with some already being developed for stoping.

This morning, Lion One Metals Ltd. (LIO:TSXV, LOMLF:OTC) reported drilled results from 4,370m of underground infill and grade control drilling at its 100% owned Tuvatu Alkaline Gold Project in Fiji. Amongst over a dozen high-grade intercepts reported in today's release, the highlight intercepts were 82.28 g/t Au over 4.6m and 169.47 g/t Au over 1.0m in hole TGC-0532 (separate intercepts) and 153.94 g/t Au over 1.1m in hole TGC-0535. The drill results reported today were from two underground drill stations that allowed the Company to test both the uppermost and lowermost areas of active mining in Zone 5. High-grade mineralization was intersected in 30 out of 34 drill holes with three additional holes abandoned. **We are maintaining our BUY rating and target price of $0.60/share on Lion One Metals.**

As mentioned above, the drilling in today's release was from two near-surface underground drill stations (1160 and 1082) and was designed to test the up-dip and down-dip extensions of the UR lodes in Zone 5 (see Figure below). The program was highly successful in intersecting high-grade across almost all drill holes and, importantly, intersected most of this mineralization within 25m of underground development. As a result, it is anticipated that this mineralization can be incorporated into the mine plan within the next six months. Drilling continues at both Zone 5 and Zone 2.

Highlights from today's results include:

- *TGC-0532*: **82.28 g/t Au over 4.6m**, incl. **302.15 g/t over 0.4m** (from 72.7m depth).
- *TGC-0532*: **169.47 g/t Au over 1.0m**, incl. 502.48 g/t over 0.3m (from 58.4m depth)
- *TGC-0535*: **153.94 g/t Au over 1.1m**, incl. 547.05 g/t over 0.3m (from 24.3m depth)
- *TGC-0544*: 93.94 g/t Au over 1.7m, incl. 350.00 g/t over 0.4m (from 60.5m depth)
- *TGC-0542*: 186.00 g/t Au over 0.4m (from 108.1m depth)

Our Take

Today's batch of drill results continue to prove that Tuvatu is one of the higher-grade deposits globally and that there is large upside through the drill bit. As mentioned in our previous research note (highlight intercept being 715 g/t Au over 4.2m, read it here), the newly purchased underground core drill rig is allowing for more efficient drilling as well as better access to target areas that were previously less drillable due to the full dip range of the new drill. We anticipate a steady flow of drill results to continue to roll out through the remainder of the year and expect these results to drive a more robust development and mine plan going forward.

Catalysts

- Production and Financial Results – Ongoing
- Exploration Results and Mine Development Progress – Ongoing

Zone 5 UR Lode Drilling

Continued highlights from today's results include:

- *TGC-0528*: 285.13 g/t Au over 0.3m (from 89.6m depth)
- *TGC-0538*: 19.32 g/t Au over 3.0m, including 64.05 g/t over 0.6m (from 1.0m depth)
- *TGC-0515*: 10.64 g/t Au over 4.9m, including 36.45 g/t over 0.6m (from 16.8m depth)
- *TGC-0512*: 18.13 g/t Au over 2.8m, including 46.83 g/t over 0.3m (from 127.5m depth)
- *TGC-0535*: 14.15 g/t Au over 3.3m, including 34.72 g/t over 1.2m (from 98.5m depth)

Zone 5 is built around two sets of steeply dipping lodes, which include 1) the principal north-south structures (UR1 to UR3 and URW1 to URW3) and 2) a secondary northeast-southwest set (UR4 to UR8). At ~500m depth, these lodes converge into Zone 500, the highest-grade part of the deposit and what the Company interprets as a major feeder. This program targeted the near-surface portions of the UR1 and UR2 lodes, with each station targeting about 100m of strike length at a planned 12.5m by 12.5m drill spacing. The UR2 lode has a current strike length of ~620m and remains open along strike and at depth.

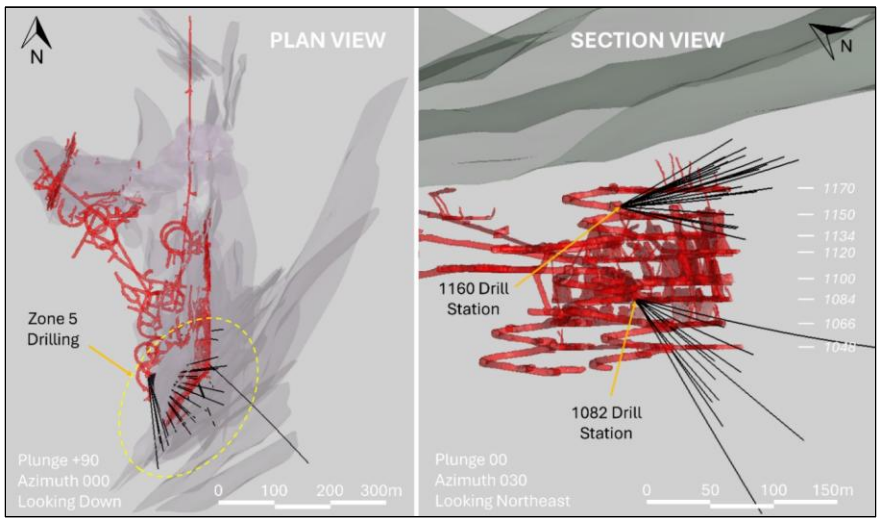


Figure 1: Location of Zone 5 Drilling (Source: Company Documents)

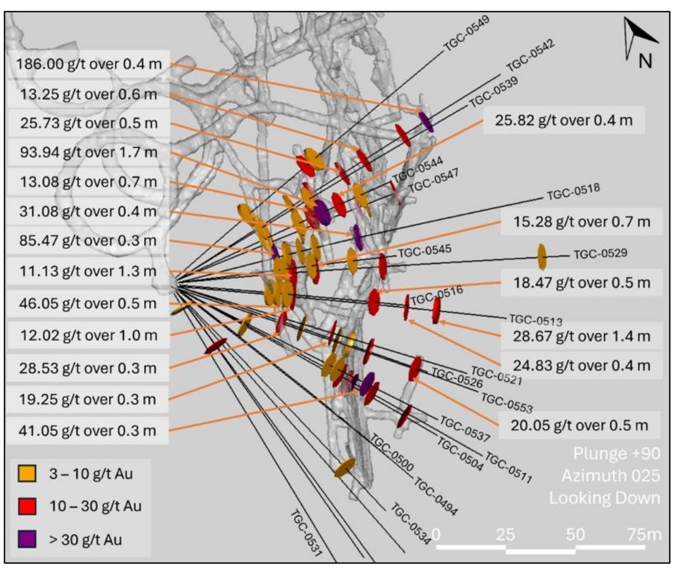


Figure 2: Zone 5 Up-Dip Drilling with High-Grade Intercepts (Source: Company Documents)

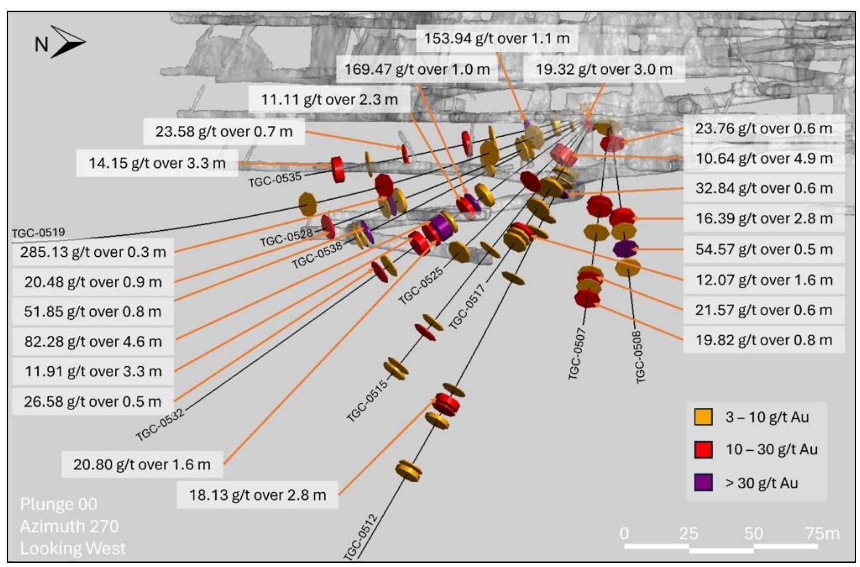


Figure 3: Zone 5 Down-Dip Drilling with High-Grade Intercepts (Source: Company Documents)

Very high-grade gold results are common at Tuvatu, with previous Zone 5 results including 99.13 g/t over 3.3m, 728.56 g/t over 0.7m and 2,749.86 g/t over 0.3m. Today's release includes eight intercepts over 100 g/t Au, which include 547.05 g/t over 0.3m, 502.48 g/t over 0.3m, 350.00 g/t over 0.4m, 302.15 g/t over 0.4m, 301.58 g/t over 0.4m and 285.13 g/t over 0.3m.

Corporate Updates

Options Granted

In addition to today's results, LIO disclosed the option grant tied to Ronan Geoghegan's July appointment as VP Corporate Development and Investor Relations, which included 1.0M options at $0.16/share expiring July 10th, 2031, vesting in six tranches from October 2026 through July 2028.

Insider Buying

We also note insider buying earlier this week. President and CEO Ian Berzins and CFO Tony Young purchased a combined 210K shares in the public market on September 21st and 22nd at $0.17/share (~$35.7K). Mr. Berzins acquired 55K shares, bringing his direct holdings to 205K, while Mr. Young acquired 155K shares, bringing his holdings to 1.3M.

Why We Like LIO

- High-Grade Underground Gold Mine in Production – The Tuvatu Gold Mine, having commenced production in late 2023, produced 14.6Koz in FY26 and is leveraged to a strong gold price environment.
- Demonstrated Operating Rebound – Following the return of the prior operating team, production improved 21% QoQ with record 84.9% mill recovery, reinforcing the mine's capability when run by experienced operators.
- High-Grade Resource – Tuvatu hosts a high-grade gold resource of 514Koz at 7.89 g/t (3.0 g/t cut-off), of which 175Koz is in the Indicated category at 8.48 g/t Au, and the remaining is in the Inferred category at 7.62 g/t Au. At a 4.0 g/t Au cut-off, the average grade rises to just below 10 g/t Au.
- Resource Growth Potential – A meaningful share of recent mine production has come from outside the defined resource, highlighting upside for further resource growth across the land package.

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