



REPORT ON FIGHTING AGAINST FORCED LABOUR AND CHILD LABOUR IN SUPPLY CHAINS

For the Financial Year Ended June 30, 2023

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ABOUT THIS REPORT

Lion One Metals Limited (**Lion One** or the **Company**) has prepared this inaugural Fighting Against Forced Labour and Child Labour in Supply Chains Report (the **Report**) in accordance with Canada's *Fighting Against Forced Labour and Child Labour in Supply Chains Act (S.C. 2023)* (the **Act**).

This Report describes the approach that Lion One has taken during the previous financial year to identify, assess, prevent, and reduce risks concerning forced labour or child labour (**Modern Slavery Risks**) in any facets of its business. Lion One is not subject to supply chain reporting in any other jurisdiction.

ABOUT LION ONE METALS LIMITED

About Our Business

Lion One is a publicly traded gold mining company listed on the TSX Venture Exchange (TSX-V) with its corporate head office located in North Vancouver, British Columbia, Canada. The Company owns (100% owned) and operates the Tuvatu Gold Mine (**TGM**) located on the island of Viti Levu in the Fiji Islands.

The TGM is an underground gold mining and pilot plant operation that was under development and construction during the financial year ended June 30, 2023. Lion One commenced project commissioning in late 2023 and has produced in aggregate approximately 3,800 ounces of gold as at the date of this report.

This Report has not been externally assured. Lion One has prepared this Report based on information available to it at the time of preparation. This Report contains forward-looking statements relating to Lion One's policies and practices with respect to modern slavery risk management, including statements of current intention and expectation and statements of opinion. There can be no assurance that such statements will prove to be accurate, as Lion One's actual results and future events could differ materially from those anticipated in this forward-looking information as a result of the factors discussed in the "Risk Factors" section in Lion One's most recent Management Discussion & Analysis dated May 14, 2024, which is available at www.liononemetals.com or on SEDAR+. Except as required by applicable laws or regulations, Lion One does not undertake to publicly update or review any forward-looking statements.

Since the end of FY 2023 Lion One's workforce increased from approximately 250 employees to over 400 employees, including contractors. Nine employees are based in the corporate head office in Canada, with the majority of employees working at the Company's operations in Fiji, most on a full-time basis.

Lion One's Board of Directors is responsible for the oversight of the Company's risk management, which includes risks relating to human rights. Each Board committee is responsible for specific oversight as prescribed in each Board committee's mandate.

Accountability for monitoring and reviewing sustainability risks and associated prevention and mitigation measures, including human rights and the potential for forced labour and child labour is within the mandate of the Sustainability Committee.

Lion One's Chief Executive Officer has responsibility for risk management, including Modern Slavery Risks. The Chief Operating Officer has responsibility for the assessment, design, and implementation of Lion One's sustainability strategy and program, which includes managing, monitoring, and reporting on human rights risk assessments, due diligence, and ongoing performance in our business activities and supply chain, including the prevention of forced labour and child labour.

Overview of Our Supply Chains

The majority of Lion One's total procurement occurs through TGM's Engineering and Supply Chain Department. The Head of the Engineering Department reports to the Chief Operating Officer, who reports to the Chief Financial Officer at Lion One's corporate head office in Canada.

A small portion of the total procurement expenditure is generated out of Lion One's corporate head office in Canada; mostly comprising providers of administrative services and supplies supporting the TGM and the executive team.

The types of goods or services and categories of contractors contributing to the production of gold at the TGM include, but are not limited to:

Mineral Exploration: Geological services, surveyors, earthmoving, drilling, analytical laboratories

Administrative Support: Legal, financial, accounting, technical, communications, security

Workforce Support: Transportation, camp services, health & safety, training, reporting

Mining Operations: Contract mining, ore haulage, equipment maintenance, fuel and oil transport

Processing Plant: Operations and maintenance, engineering contractors, chemicals & explosives

Water & Waste Management: tailings storage facility engineering, construction, and contracting

Lion One's supply chain logistics and procurement are managed by the TGM Engineering Department which is responsible for sourcing and contracting all goods and services. Contractors that are providing goods and services are required to adhere to the TGM policies and procedures. The TGM periodically reviews contractor compliance with such policies and procedures. All contractors execute documents stating their agreement and compliance with applicable laws, ethical codes, rules, and regulations about the jurisdiction of operations.



In addition, contractors must adhere to the TGM policies and procedures relating to labour standards, health & safety, human rights, discrimination, conflict of interest, whistleblowing processes, anticorruption & anti-bribery, and the environment.

In FY 2023, domestic contractors procured approximately 47% of Lion One’s goods and services in Fiji, with 53% goods and services procured from international sources. Approximately \$27 million of the total procurement spend was sourced within Fiji while the remaining \$30 million of goods and services were sourced from international providers.

Examples of products and services that cannot be procured locally include various chemicals and flocculants, sodium cyanide, some process plant and milling components, equipment, and parts, grinding media, as well as specialized professional and technical services.

Following the passing of the Act in May 2023, Lion One began conducting mapping exercises of the TGM’s suppliers to gain a clearer understanding of potential risks of forced or child labour that may be present within its supply chain.

At the time of this Report, the assessment of Modern Slavery Risks within Lion One’s supply chain is a work in progress.

OUR APPROACH TO HUMAN RIGHTS

Policies

Lion One’s Code of Conduct and Ethics covers essential aspects of our work, providing a framework that applies to all employees, contractors, officers, directors, and suppliers as they engage in their respective roles to promote a responsible and ethical culture. The Code of Conduct addresses the essential facets of our work, including the maintenance of a respectful workplace, equal opportunities for our workforce, the elimination of discrimination, harassment, conflicts of interest, and the protection of health, safety, and the environment.

Lion One’s Human Rights Policy describes our responsibility to avoid causing or contributing to adverse human rights impacts through our business activities in our workplace or in our local communities.

These policies have been mandated at the TGM which establish expectations for standards of conduct that the TGM requires from its suppliers so that they have clarity regarding the ethical and responsible conduct of their business activities. Suppliers must also demonstrate that they have the organizational capacity to adhere to these commitments, measures for the control of risk, and any relevant accreditations.

The TGM has a Tender Procedure for Contracts to establish principles of fairness and transparency and to enable the TGM to select suppliers that share the Company’s values and have acceptable performance and compliance standards regarding respect for labour, health and safety, protection of the environment, and respect for social/human rights.

Our business practices, policies, and procedures are aligned with internationally recognized human rights standards, principles, goals, and reporting frameworks including:

- The UN Guiding Principles on Business and Human Rights
- OECD Due Diligence Guidance for Responsible Business Conduct
- The UN Global Compact
- The UN Sustainable Development Goals
- The Global Reporting Initiative
- Sustainability Accounting Standards Board

As the scope of Lion One's operations in Fiji increase, the Company plans to increase the level of engagement with partner organizations, including the Government of Fiji and its Mineral Resources Department for identifying and managing risks relating to child and forced labour.

Grievance Mechanisms

Lion One provides mechanisms and information to our employees, contractors, and host communities at the corporate and project levels for legitimate and accessible ways to raise concerns.

Concerns or complaints may relate to adherence to the Code and ethical practices or any social or environmental impacts of our business activities for which they wish to seek remedy.

Our commitment to responding to concerns and complaints is also embedded in the following governance and policy documents:

- Lion One Sustainability Policy
- Lion One Human Rights Policy
- Lion One Whistleblower Policy

Lion One did not receive any grievances in FY 2023 or to date in FY 2024 at the corporate or project level related to Modern Slavery issues. Lion One plans to develop broader community complaint and grievance management mechanisms and procedures for the TGM in the future.

Human Rights Due Diligence

Following the passing of the Act in May 2023, Lion One acknowledges the following Human Rights Due Diligence processes to identify and assess salient human rights impacts, and to prevent and manage potential adverse human rights risks and impacts. As at the date of this report, the implementation of these measures remains a work in progress.

These due diligence processes and practices include but are not limited to:

- internal and independent due diligence in operations, supply chains, and business relationships;
- internal and independent human rights assessments and audits;
- implementing responsible business conduct into policies and management systems;
- integrating risks of forced labour and child labour into corporate risk assessment and management processes;
- Maintaining accessible complaint and grievance mechanisms and remedies;
- Maintaining anti-forced and anti-child labour clauses in contracting documentation;

- Monitoring suppliers and regularly updating assessment criteria;
- Enabling our employees and contractors to complete human rights training including education and awareness of forced and child labour;
- Tracking and communicating our progress and developing our sustainability reporting practice and disclosure.

Human Rights Monitoring

Lion One's ongoing human rights risk and impact due diligence has identified recommendations for continuous improvement and alignment with best practices. Topics addressed have included road and vehicle safety, contractors and suppliers' rights, prevention of harassment, and discrimination, and developing safeguards for grievance mechanisms. Assessments of the TGM's performance are conducted and reported internally by management with plans to conduct further audits by external consultants in the future.

POTENTIAL MODERN SLAVERY RISKS

Lion One actively seeks to reduce exposure to material risks affecting our business with a systematic approach to identify, assess, mitigate, review, and manage these risks, including the potential for forced or child labour. The TGM's employment and vendor contracts require signed service provider acknowledgment and consent that they do not use forced or compulsory labour.

The TGM considers the risk for child labour as low, being fully compliant with robust Fijian Labour and Mining laws and adhering to strict proof-of-age requirements when hiring employees and contractors. The Company acknowledges that child labour is a risk in some industries in Fiji and may exist in those supply chains.

The Company had no reported incidents of either forced or child labour at its operations in FY 2023. As a result, no measures were necessary to remediate any forced or child labour.

TRAINING

Governance training is provided during our employee and contractor induction process and is refreshed annually. Individuals must sign off on their understanding of the various requirements including their knowledge of the training modules and the need to uphold the Company's Code of Conduct. Training in human rights is mandatory for all employees and contract workers at the TGM, including those making contracting or purchasing decisions.

The Company plans to formally incorporate training and awareness, policies and procedures designed to eliminate forced labour and child labour into the mandatory TGM induction process. All of our Fijian employees and contractors have received training specific to human rights including policies and procedures concerning equal opportunity, sexual harassment, bullying, conflict of interest, and the rights to freedom of association, and collective bargaining,

ASSESSING EFFECTIVENESS

Following the passing of the Act in May 2023, Lion One's plans to develop and implement processes to identify and assess human rights issues, and to monitor and manage potential human rights risks and impacts, remain a work of progress.

Mechanisms to measure and track performance relevant to preventing and reducing risks of forced labour and child labour in our business activities include further employee and contractor training, and further solutions to manage resolutions of concerns reported through grievance mechanisms.

Our procurement procedures now include the monitoring of supplier contracts containing anti-forced labour and anti-child labour clauses.

LOOKING AHEAD

Lion One is committed to preventing and reducing risks of forced or child labour in our business activities and within our supply chains.

As we develop our policies and procedures, we intend to periodically review our performance and practices and remain engaged with relevant partner stakeholders to identify risks.

APPROVAL AND ATTESTATION

This Report has been approved by the Board of Directors of Lion One Metals on May 31th, 2024.

In accordance with the requirements of the Act, and in particular section 11 thereof, I attest that I have reviewed the information contained in the report for the entities listed above. Based on my knowledge, and having exercised reasonable diligence, I attest that the information in the report is true, accurate, and complete in all material respects for the purposes of the Act, for the reporting year listed above.

I have the authority to bind Lion One Metals Limited

A handwritten signature in black ink, appearing to read "Walter Berukoff", with a small mark at the end of the signature.

Walter Berukoff,
Chairman & CEO,
Lion One Metals Limited
May 30th, 2024