

Lion One Announces Joint Venture with Henan Yukuang and Acquires an Additional 22% Interest in Olary Creek Iron Project, South Australia

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VANCOUVER, BRITISH COLUMBIA--(Marketwired - Jul 30, 2013) - **Lion One Metals Limited** (TSX VENTURE:LIO)(FRANKFURT:LY1)(OTCQX:LLOMLF)(ASX:LLO) ("**Lion One**" or the "**Company**") is pleased to announce that its Perth-based subsidiary, [Avocet Resources Ltd.](#) ("Avocet"), has signed a Joint Venture agreement with China's Henan Yukuang ("Henan") for the ongoing exploration and development of the Olary Creek Iron Project in South Australia. The Company also announces that it has acquired an additional 22% participating interest in the project.

Joint Venture Interests and Royalties

In addition to the new 22% participating interest, the Company holds a 25% free carried interest to the completion of a feasibility study and decision to mine. Following completion of a feasibility study and within 90 days of a decision to mine, the Company will have the option to either contribute to its proportional share of development expenditures, convert its 25% interest to a 2% FOB royalty, or convert to a 1% FOB royalty with a \$0.50 per tonne production royalty.

The original joint venture for the Olary Creek Project was formed in 2010 between Avocet and Perth-based HJH Nominees ("HJH"). In 2011 HJH signed a farm-in agreement with Henan to earn a 53% interest. In April 2012 the HJH/Henan partnership reached the \$5,000,000 expenditure requirement for a combined 75% interest in the project with Avocet retaining a 25% interest. In July 2013 Avocet exercised its preemptive rights and acquired the 22% interest held by HJH for a 0.5% FOB royalty and negotiated new Farm-in, Joint Venture, and Split Commodity Agreements with Henan.

Olary Creek Overview

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 commodities having previously been drilled for uranium and copper, but more recently in 2011-2012 for iron ore. The project contains several banded units of the Braemar Iron Formation, which is highly prospective for bulk magnetite deposits and is one of Australia's emerging major iron ore exploration regions. Over 16,000 meters of diamond and RC drilling has been carried out by the joint venture parties 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 with depth.

"The Olary Creek Iron Project represents a great low-risk, high reward opportunity to build the asset base of the Company with a strong ownership position with options on future production royalties," said Lion One Chairman Walter Berukoff. "We stand to benefit having a motivated partner with the objective of developing a robust project with access to end-to-end road, port, and shipping infrastructure for iron output to China."

Drilling Programs

Drilling programs carried out in 2011-2012 targeted the iron content in a series of three stacked horizons of tightly folded, highly magnetic siltstone formations on the western side of the Olary property. A total of 60 holes have been drilled to date, variably spaced in order to test the more magnetic portions of the

stratigraphy.

Significant intervals to date include drill hole ZK1619 which returned 276.0 m @ 16.81% Fe (upgraded to 67.15% Fe in concentrate), ZK1606 which returned 121 m @ 23.51 Fe (upgraded to 70.04 % Fe in concentrate), ZK 1812 which returned 199.95 m @ 22.30 Fe (upgraded to 69.00% Fe in concentrate), and ZK 1808 which returned 131.65 m @ 26.26% Fe (upgraded to 70.22% Fe in concentrate). The three main mineralized horizons represent approximately 7.5 km of strike, of which approximately 70% remains untested by drilling. The three main mineralized horizons have average widths of 100 m and have been drilled to depths of 400 m. The results of the 2011-2012 drill programs are available for viewing on the Company website at www.liononemetals.com/s/OlaryCreekIron.asp.

Metallurgy

A combination of hematite and magnetite has been observed at 30m to 80m depth. Below this combined area, Davis Tube Recovery (DTR) test work grades for magnetite concentrates averaged 68-70% Fe with generally low impurities (P, S, Al₂O₃ and SiO₂). Limited DTR testwork was carried out on samples above 80 m; the Company believes this upper zone has considerable resource potential.

Composite samples of up to 4 metres were analysed by ALS Perth using fusion XRF. Selected samples with a minimum head grade assay of approximately 10% Fe were submitted for DTR analysis after quantitative determination of magnetite content using a calibrated magnetic susceptibility meter. Results received to date indicate that multiple mineralised intervals exist over very considerable thicknesses along the strike drill tested to date. The DTR test work concentrates have returned consistent grades of iron and relatively low impurities.

About Henan Yukuang

Henan Yukuang is a subsidiary of Henan Yukuang Resources Development Group Co., Limited (Henan Zhengzhou), an affiliate enterprise of the Henan Provincial Bureau of Geo-exploration and Mineral Development, located in the city of Zhengzhou, in Henan Province, China. Henan Yukuang International holds mineral rights in over 140 gold, silver, copper, niobium-tantalum, and antimony and molybdenum projects throughout 20 countries around the world, with total assets exceeding 2 billion RMB.

About Lion One

[Lion One Metals Ltd.](#) is a Canadian company focused on the acquisition, exploration, and development of mineral projects worldwide. In June, 2013, the Company completed its merger with [Avocet Resources Ltd.](#) of Perth, Western Australia and now holds projects prospective for gold, uranium, and iron ore in Australia, Argentina, and Fiji. In Fiji, the Company holds five Special Prospect Licenses (SPLs) covering 38,000 hectares in an island-arc geological setting prospective for epithermal gold. The Company holds gold and uranium exploration projects in Australia and Argentina and holds free carried and participating interests and royalties in its Olary Creek Iron Project in South Australia. The Company currently has 60,175,608 common shares issued and outstanding.

Technical Information and Qualified Persons

The content of this news release has been reviewed and approved by Mr. Rob McLeod, P.Geo, a Consultant to Lion One and a Qualified Person as defined by National Instrument 43-101.

The information in this report that relates to Exploration Results and Mineral Resources is based on information compiled by Mr. Stephen Mann, who is a Member of the Australian Institute of Mining and Metallurgy (AUSIMM). Mr. Mann has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which the Company is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr. Mann is a director of [Lion One Metals Ltd.](#) and consents to the inclusion of the information in this announcement in the form and context in which it appears.

On Behalf of the Board of Directors For further information contact:

Hamish Greig, Director, Vice President

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