
**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

FORM 10-Q

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended **March 31, 2024**

TRANSITION REPORT UNDER SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____

000-55139

(Commission File Number)

LION COPPER AND GOLD CORP.

(Exact name of registrant as specified in its charter)

British Columbia, Canada

(State or other jurisdiction
of incorporation or organization)

98-1664106

(IRS Employer
Identification No.)

143 S Nevada St., Yerington, NV 89447

(Address of principal executive offices) (Zip Code)

917-371-2966

(Registrant's telephone number, including area code)

N/A

(Former name, former address and former fiscal year, if changed since last report)

Securities registered pursuant to Section 12(b) of the Act: **None**

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit such files).

Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer Accelerated filer Non-accelerated filer
Smaller reporting company Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. []

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Yes [] No [**X**]

Indicate the number of shares outstanding of each of the registrant's classes of common stock, as of the latest practicable date: **As of May 14, 2024, the registrant's outstanding common stock consisted of 382,792,710 shares.**

PART I - FINANCIAL INFORMATION

Item 1. Financial Statements



Lion Copper and Gold Corp.

Condensed Interim Consolidated Financial Statements

For the three months ended March 31, 2024 and 2023

(Expressed in thousands of U.S. Dollars)

(Unaudited)

Lion Copper and Gold Corp.

Condensed Interim Consolidated Balance Sheets

As at March 31, 2024, and December 31, 2023

(Unaudited - In thousands of U.S. Dollars)

| | Note | March 31, 2024 | December 31, 2023 |
|--|-----------|-------------------|----------------------|
| ASSETS | | | |
| Current assets | | | |
| Cash and cash equivalents | \$ | 10,899 | \$ 2,310 |
| Other receivables | | 18 | 14 |
| Prepaid and deposit | | 144 | 62 |
| | | 11,061 | 2,386 |
| Other receivables - Long term | | 10 | 10 |
| Mineral properties | 4,14 | 7,802 | 7,647 |
| Reclamation bonds | | 9 | 9 |
| Investment in associate | 5 | 1,112 | 1,206 |
| Right of use asset | | 68 | - |
| Total assets | \$ | 20,062 | \$ 11,258 |
| LIABILITIES | | | |
| Current liabilities | | | |
| Accounts payable | \$ | 565 | \$ 163 |
| Accrued liabilities | | 99 | - |
| Rio Tinto deposit | 6 | 9,518 | 1,357 |
| Derivative liabilities | 8 | 698 | 176 |
| Convertible debentures | 8,9,13 | 855 | 3,544 |
| Lease liabilities - current | | 38 | - |
| | | 11,773 | 5,240 |
| Lease liabilities - long term | | 30 | - |
| Total liabilities | | 11,803 | 5,240 |
| Stockholders' equity | | | |
| Share capital, no par value, unlimited common shares authorized; 382,792,710 issued and outstanding (2023 - 309,667,975) | 11 | 108,980 | 105,396 |
| Additional paid-in capital | 12 | 24,828 | 24,168 |
| Deficit | | (128,920) | (126,663) |
| Non-controlling interest | 7 | 3,371 | 3,117 |
| Total stockholders' equity | | 8,259 | 6,018 |
| Total liabilities and stockholders' equity | \$ | 20,062 | \$ 11,258 |

NATURE OF OPERATIONS AND GOING CONCERN (Note 1)

COMMITMENTS (Note 15)

CONTINGENCIES (Note 16)

Approved on behalf of the Board of Directors on May 14, 2024:

/s/ "Travis Naugle"
Chief Executive Officer

/s/ "Stephen Goodman"
President & Chief Financial Officer

The accompanying notes form an integral part of these condensed interim consolidated financial statements.

Lion Copper and Gold Corp.

Condensed Interim Consolidated Statements of Operations and Comprehensive Loss

For the three months ended March 31, 2024 and 2023

(Unaudited - In thousands of U.S. Dollars, except for shares and per share amounts)

| | Note | Three months ended March 31, | |
|---|-------|------------------------------|-------------------|
| | | 2024 | 2023 |
| Operating expenses | | | |
| Exploration expenditures | 4 | \$ 2,660 | \$ 1,250 |
| Rio Tinto Deposit | 6 | (3,218) | (1,322) |
| General office | | 101 | 41 |
| Interest | | 94 | 83 |
| Insurance | | 18 | 11 |
| Investor relations and corporate development | | 12 | 6 |
| Professional fees | | 482 | 242 |
| Rent | | 4 | 4 |
| Salaries and benefits | 13 | 389 | 341 |
| Share-based payments | 12,13 | 660 | 95 |
| Transfer agent and regulatory | | 38 | 45 |
| Travel | | 23 | 9 |
| Operating loss | | (1,263) | (805) |
| Non-operating Income/(expenses) | | | |
| Fair value gain (loss) on derivative liabilities | 8 | 680 | (940) |
| Foreign exchange gain | | (1) | - |
| Accretion expense | 9 | (111) | (74) |
| Gain on transfer of investment shares | 5 | - | 22 |
| Loss on revaluation of SAFE notes | 10 | - | (305) |
| Share of loss in associate | 5 | (94) | (26) |
| Interest and other income | | 86 | 12 |
| Loss on conversion | 9 | (1,690) | - |
| Loss on repayment of convertible debentures | 9 | (5) | - |
| Loss on extinguishment of convertible debentures | 9 | (55) | - |
| | | (1,190) | (1,311) |
| Net loss and comprehensive loss for the period | | \$ (2,453) | \$ (2,116) |
| Net loss and comprehensive loss attributed to: | | | |
| Stockholders of the Company | | \$ (2,257) | \$ (1,953) |
| Non-controlling interest | 7 | \$ (196) | \$ (163) |
| loss per share, basic and diluted | | \$ (0.01) | \$ (0.01) |
| Weighted average number of shares outstanding - basic & diluted | | 329,761,311 | 309,567,975 |

The accompanying notes form an integral part of these condensed interim consolidated financial statements.

Lion Copper and Gold Corp.

Condensed Interim Consolidated Statements of Changes in Equity

For the three months ended March 31, 2024 and 2023

(Unaudited - In thousands of U.S. Dollars, except for shares)

| | Notes | Common shares | Share capital | Additional paid-in capital | Deficit | Non-controlling interest | Total stockholders' equity |
|---|-------|--------------------|-------------------|----------------------------------|---------------------|-----------------------------|----------------------------------|
| Balance at December 31, 2022 | | 309,567,975 | \$ 105,384 | \$ 23,043 | \$ (121,834) | \$ 388 | \$ 6,981 |
| Share-based payments | 12 | - | - | 95 | - | - | 95 |
| Issuance of common shares of BCRC | 7 | - | - | - | - | 3,536 | 3,536 |
| Net loss for the period | | - | - | - | (1,953) | (163) | (2,116) |
| Balance at March 31, 2023 | | 309,567,975 | \$ 105,384 | \$ 23,138 | \$ (123,787) | \$ 3,761 | \$ 8,496 |
| Balance at December 31, 2023 | | 309,667,975 | \$ 105,396 | \$ 24,168 | \$ (126,663) | \$ 3,117 | \$ 6,018 |
| Private placement | | 23,809,522 | 654 | - | - | - | 654 |
| Private placement - share issuance cost | | - | (27) | - | - | - | (27) |
| Conversion of convertible debentures - original | | 3,500,000 | 234 | - | - | - | 234 |
| Conversion of convertible debentures - induced | | 45,815,213 | 2,723 | - | - | - | 2,723 |
| Share-based payments | 12 | - | - | 660 | - | - | 660 |
| Issuance of common shares of FCC | 7 | - | - | - | - | 450 | 450 |
| Net loss for the period | | - | - | - | (2,257) | (196) | (2,453) |
| Balance at March 31, 2024 | | 382,792,710 | \$ 108,980 | \$ 24,828 | \$ (128,920) | \$ 3,371 | \$ 8,259 |

The accompanying notes form an integral part of these condensed interim consolidated financial statements.

Lion Copper and Gold Corp.

Condensed Interim Consolidated Statements of Cash Flow

For the three months ended March 31, 2024 and 2023

(Unaudited - In thousands of U.S. Dollars)

| | For the three months ended March 31, | |
|---|--------------------------------------|------------------|
| | 2024 | 2023 |
| Cash flows provided by operating activities | | |
| Loss for the period | \$ (2,453) | \$ (2,116) |
| Non-cash transactions: | | |
| Interest expense | 94 | 83 |
| Accretion expense | 111 | 74 |
| Fair value gain on derivative liabilities | (680) | 940 |
| Gain on transfer of investment shares | - | (22) |
| Share of loss of investment in associate | 94 | 26 |
| Wages settled through transfer of investment shares | - | 33 |
| Share-based payments | 660 | 95 |
| Loss on revaluation of SAFE notes | - | 305 |
| Loss on conversion of convertible debentures | 1,690 | - |
| Loss on repayment of convertible debentures | 5 | - |
| Loss on extinguishment of convertible debentures | 55 | - |
| Changes in operating assets and liabilities: | | |
| Other receivables | (4) | (4) |
| Trade payables and other liabilities | 501 | 146 |
| Prepaid and deposit | (82) | (44) |
| Rio Tinto deposit | 8,161 | 6,310 |
| Net cash provided by operating activities | 8,152 | 5,826 |
| Cash flows used in investing activities | | |
| Capitalized expenditures on mineral properties | (155) | - |
| Net cash used in investing activities | (155) | - |
| Cash flows provided by financing activities | | |
| Proceeds from convertible debentures | - | 1,306 |
| Proceeds from SAFE notes | - | 100 |
| Proceeds from private placement | 1,450 | 2,000 |
| Share issuance costs | (27) | - |
| Repayment of convertible debentures | (831) | - |
| Net cash provided by financing activities | 592 | 3,406 |
| Increase in cash | 8,589 | 9,232 |
| Cash, beginning of period | 2,310 | 1,365 |
| Cash and cash equivalents, end of period | \$ 10,899 | \$ 10,597 |
| Supplemental cash flow information | | |
| Shares issued for conversion of SAFE notes | - | 1,536 |
| Shares issued for convertible debentures | 2,957 | - |

The accompanying notes form an integral part of these condensed interim consolidated financial statements.

Lion Copper and Gold Corp.

Notes to the Condensed Interim Consolidated Financial Statements

For the three months ended March 31, 2024 and 2023

(Unaudited - In thousands of U.S. Dollars except for shares and per share amounts)

1. NATURE OF OPERATIONS AND GOING CONCERN

Lion Copper and Gold Corp. (together with its subsidiaries, "Lion CG" or the "Company") is a Canadian-based Company advancing its flagship copper assets at Yerington, Nevada through an option to earn-in agreement with Nuton LLC, a Rio Tinto venture. The Company is incorporated in British Columbia, Canada. Its registered and records offices are located at 1200 - 750 West Pender Street, Vancouver, British Columbia, Canada, V6C 2T8. On November 22, 2021, the Company changed its name from Quaterra Resources Inc. to Lion Copper and Gold Corp. The shares of the Company commenced trading under the new name at the open of trading on November 23, 2021. The Company's common shares are listed on the TSX Venture Exchange ("TSXV") under the symbol "LEO" and trades on the OTCQB Market under the symbol "LCGMF".

The Company acquires its mineral properties through option or lease agreements and capitalizes all acquisition costs related to the properties. The underlying value of the amounts recorded as mineral properties does not reflect current or future values. The Company's continued existence depends on discovering economically recoverable mineral reserves and obtaining the necessary funding to complete the development of these properties.

These condensed interim consolidated financial statements are prepared on a going concern basis, which contemplates that the Company will be able to meet its commitments, continue operations and realize its assets and discharge its liabilities in the normal course of business for at least twelve months from the date of approval of these condensed interim consolidated financial statements from the Board of Directors. The Company has incurred ongoing losses and expects to incur further losses in the advancement of its business activities. For the three months ended March 31, 2024, the Company incurred a net loss of \$2,453 (2023 - \$2,116). As at March 31, 2024, the Company had cash and cash equivalents of \$10,899 (December 31, 2023 - \$2,310), working capital deficit of \$712 (December 31, 2023 - \$2,854) and an accumulated deficit of \$128,920 (December 31, 2023 - \$126,663).

The Company continues to incur losses, has limited financial resources, and has no current source of revenue or cash flow generated from operating activities. To address its financing requirements, the Company plans to seek financing through, but not limited to, debt financing, equity financing and strategic alliances. However, there is no assurance that such financing will be available. If adequate financing is not available or cannot be obtained on a timely basis, the Company may be required to delay, reduce the scope of or eliminate one or more of its exploration programs or relinquish some or all of its rights under the existing option and acquisition agreements. The above factors give rise to material uncertainties that cast substantial doubt on the Company's ability to continue as a going concern.

If the going concern assumptions were not appropriate for these condensed interim consolidated financial statements, then adjustments would be necessary to the carrying values of assets, liabilities, the reported expenses, and the consolidated balance sheet classifications used. Such adjustments could be material.

Lion Copper and Gold Corp.

Notes to the Condensed Interim Consolidated Financial Statements

For the three months ended March 31, 2024 and 2023

(Unaudited - In thousands of U.S. Dollars except for shares and per share amounts)

2. BASIS OF PRESENTATION

Statement of compliance

The condensed interim consolidated financial statements of the Company have been prepared in accordance with accounting principles generally accepted in the United States ("U.S. GAAP") and are expressed in U.S. dollars. These condensed interim consolidated financial statements include the accounts of the Company and its subsidiaries. All intercompany accounts and transactions were eliminated upon consolidation.

These condensed interim consolidated financial statements have been prepared on a historical cost basis except for certain financial instruments which are measured at fair value. In addition, these condensed interim consolidated financial statements have been prepared using the accrual basis of accounting, except for the cash flow information.

The Company consolidates an entity when it has power over that entity, is exposed, or has rights, to variable returns from its involvement with that entity and can affect those returns through its control over that entity. All material intercompany transactions, balances and expenses are eliminated on consolidation.

The accompanying condensed interim consolidated financial statements should be read in conjunction with the Company's audited consolidated financial statements for the year ended December 31, 2023. The interim period results do not necessarily indicate the results that may be expected for any other interim period or for the full fiscal year.

Lion Copper and Gold Corp.

Notes to the Condensed Interim Consolidated Financial Statements

For the three months ended March 31, 2024 and 2023

(Unaudited - In thousands of U.S. Dollars except for shares and per share amounts)

2. BASIS OF PRESENTATION (continued)**Statement of compliance** (continued)

These condensed interim consolidated financial statements include the financial statements of Lion Copper and Gold Corp., and its subsidiaries:

| Subsidiaries | Percentage ownership | | Country of incorporation |
|---|-----------------------------|----------------------------|--------------------------|
| | March 31, 2024 | December 31, 2023 | |
| Quaterra Alaska Inc. ("Quaterra Alaska") | 100.0% | 100.0% | USA |
| Singatse Peak Services, LLC ("SPS") | 100.0% | 100.0% | USA |
| Falcon Copper Corp ("FCC") (Formerly Blue Copper Resources Corp ("BCRC")) | 46.17% | 47.7% | USA |
| Blue Copper LLC | 46.17% indirect through FCC | 47.7% indirect through FCC | USA |
| Blue Copper Royalties LLC ("BCR LLC") | 48.8% | 48.8% | USA |
| Falcon Services, LLC ("FSL") | 46.17% indirect through FCC | 47.7% indirect through FCC | USA |

On December 13, 2022, Quaterra Alaska assigned and transferred 100% of its outstanding interest held in Blue Copper LLC to FCC.

On August 25, 2023, BCR LLC was incorporated and on September 6, 2023, FCC carried out a re-organization of its assets and capital structure through an assignment transaction with BCR LLC. The Company assessed the impact of the re-organization and concluded the Company still has control over BCR LLC. As such, the re-organization is a transaction between entities under common control and the assets transferred are accounted for at their carrying values. See Notes 4 and 7.

On December 13, 2023, Falcon Services, LLC was incorporated with FCC being the sole shareholder.

For partially owned subsidiaries, the interest attributable to non-controlling stockholders is reflected in non-controlling interest. The Company has assessed control for any entity with less than 50% ownership and has concluded the Company has control (Note 7).

Lion Copper and Gold Corp.

Notes to the Condensed Interim Consolidated Financial Statements

For the three months ended March 31, 2024 and 2023

(Unaudited - In thousands of U.S. Dollars except for shares and per share amounts)

3. SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies applied in the preparation of these condensed interim consolidated financial statements are consistent with the accounting policies disclosed in Note 3 of the Company's audited consolidated financial statements for the year ended December 31, 2023.

In preparing these condensed interim consolidated financial statements, management has made judgements, estimates and assumptions that affect the applicability of the Company's accounting policies. In preparing these condensed interim consolidated financial statements, the significant estimates and critical judgments were the same as those applied to the audited consolidated financial statements as at and for the year ended December 31, 2023, other than noted below:

During the three months ended March 31, 2024, the Company's ownership in BCRC dropped from 48.8% to 46.17% and management assessed control exists and continues to consolidate BCRC as at March 31, 2024. In the absence of majority holdings, the Company will continue to consolidate BCRC as the Company has representation on the board of directors, and management of BCRC and the Company is shared.

Lion Copper and Gold Corp.

Notes to the Condensed Interim Consolidated Financial Statements

For the three months ended March 31, 2024 and 2023

(Unaudited - In thousands of U.S. Dollars except for shares and per share amounts)

4. MINERAL PROPERTIES

Total mineral property acquisition costs are listed in the table below:

| (In thousands of U.S dollars) | Singatse Peak Services ("SPS") | | | | Lion CG ("LCG") | Falcon Copper Corp (formerly Blue Copper Resources Corp) ("FCC") | | | | | | Total |
|--|--------------------------------|--------------|--------------|--------------|-----------------|--|--------------|-------|------------|---------|-----------|--------------|
| | MacArthur | Yerington | Bear | Wassuk | Copper Canyon | Schell Creek Project | | | | | | |
| | \$ | \$ | \$ | \$ | \$ | Chaco Bear & Ashton | Blue Copper | Cabin | Muncy | Pioneer | Groundhog | \$ |
| Balance December 31, 2022 | 2,489 | 1,195 | 1,575 | 1,405 | - | 602 | 618 | - | - | - | - | 7,884 |
| Acquisition costs | - | - | 231 | - | 10 | - | 260 | - | 95 | - | - | 596 |
| Impairment | - | - | - | - | - | (602) | - | - | - | - | - | (602) |
| Paid by Rio Tinto | - | - | (231) | - | - | - | - | - | - | - | - | (231) |
| Total additions (disposals) for the year | - | - | - | - | 10 | (602) | 260 | - | 95 | - | - | (237) |
| Balance December 31, 2023 | 2,489 | 1,195 | 1,575 | 1,405 | 10 | - | 878 | - | 95 | - | - | 7,647 |
| Acquisition costs | - | - | 1 | - | - | - | 150 | - | 5 | - | - | 156 |
| Impairment | - | - | - | - | - | - | - | - | - | - | - | - |
| Paid by Rio Tinto | - | - | (1) | - | - | - | - | - | - | - | - | (1) |
| Total additions for the period | - | - | - | - | - | - | 150 | - | 5 | - | - | 155 |
| Balance March 31, 2024 | 2,489 | 1,195 | 1,575 | 1,405 | 10 | - | 1,028 | - | 100 | - | - | 7,802 |

The Company owns a 100% interest in the MacArthur and Yerington properties and has an option to earn a 100% interest in the Bear and Wassuk properties in Nevada. During the year ended December 31, 2023, the Company terminated its option to earn a 100% interest in the Chaco Bear and Ashton properties in British Columbia.

Lion Copper and Gold Corp.

Notes to the Condensed Interim Consolidated Financial Statements

For the three months ended March 31, 2024 and 2023

(Unaudited - In thousands of U.S. Dollars except for shares and per share amounts)

4. MINERAL PROPERTIES (continued)

During the three months ended March 31, 2024, and year ended December 31, 2023, the Company:

- On April 18, 2023, FCC entered into a lease for a Montana property and paid an initial cash payment of \$200 which is capitalized in Blue Copper Project. Under the lease agreement, the following payments are required:
 - \$150 to be paid on the first anniversary of the agreement (Paid);
 - \$225 to be paid annually on each of the second through nineteenth anniversaries of the agreement;
 - \$450 to be paid on the twentieth anniversary of the agreement.
 - On May 12, 2023, FCC made a payment of \$60 for the Freedom and Cyclone claims in Montana which is capitalized in Blue Copper Project.
 - On June 1, 2023, Lion CG and Houston terminated the option agreement surrounding the Chaco Bear and Ashton Properties and recorded impairment of \$602. (Note 4, (e))
 - On August 21, 2023, SPS acquired the Copper Canyon Prospect. The terms of the acquisition require SPS to pay the BLM claim fees and reimburse Convergent Mining LLC 5% of SPS's future exploration costs up to a maximum of \$100. (Note 4, (d))
 - On September 6, 2023, FCC carried out a re-organization of its assets and capital structure by transferring the Butte Valley Royalty and the Nieves Royalty assets to Blue Copper Royalties, LLC. (Note 7)
 - On November 22, 2023, FCC entered into an Option to Joint Venture Agreement with Kennecott Exploration Company, a Rio Tinto corporation, granting FCC the sole and exclusive right and option to acquire 100% interest in the Muncy Property and other Muncy Assets equal to the Option Amount. (Note 4, (k))
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Lion Copper and Gold Corp.

Notes to the Condensed Interim Consolidated Financial Statements

For the three months ended March 31, 2024 and 2023

(Unaudited - In thousands of U.S. Dollars except for shares and per share amounts)

4. MINERAL PROPERTIES (continued)

Total exploration expenditures recorded on the condensed interim consolidated statements of operations and comprehensive Loss are listed in the tables below:

Exploration expenditures incurred for the three months ended March 31, 2024

| (In thousands of U.S. dollars) | Singatse Peak Services | | | | | Falcon Copper Corp | | | | | | | Total | |
|---|------------------------|----------------|--------------|----------|-----------|--------------------|----------------|----------------------|----------|----------|-----------|----------|----------|----------------|
| | MacArthur | Yerington | Bear | Wassuk | Prospects | Copper Canyon | Blue Copper | Schell Creek Project | | | | | | |
| | \$ | \$ | \$ | \$ | \$ | \$ | \$ | Cabin | Muncy | Pioneer | Groundhog | Recon | \$ | |
| Property maintenance | - | 157 | - | - | - | - | 37 | - | - | - | - | - | - | 194 |
| Assay & Labs | 40 | 53 | 1 | - | - | - | - | - | - | - | - | - | - | 94 |
| Drilling | 350 | 524 | 903 | - | - | - | - | - | - | - | - | - | - | 1,777 |
| Environmental | 21 | 201 | - | - | - | - | - | - | - | - | - | - | - | 222 |
| Geological & mapping | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Geophysical surveys | - | 40 | 1 | - | - | - | - | - | 2 | - | - | - | - | 43 |
| Technical study | - | 285 | - | - | - | - | - | - | - | - | - | - | - | 285 |
| Field support | - | - | 11 | - | - | - | 19 | - | - | 1 | 13 | 1 | - | 45 |
| Total expenses incurred | 411 | 1,260 | 916 | - | - | - | 56 | - | 2 | 1 | 13 | 1 | - | 2,660 |
| Total Expenditures funded by Rio Tinto | (411) | (1,260) | (916) | - | - | - | - | - | - | - | - | - | - | (2,587) |
| Total Expenditures funded by Lion CG | - | - | - | - | - | - | 56 | - | 2 | 1 | 13 | 1 | - | 73 |

Lion Copper and Gold Corp.

Notes to the Condensed Interim Consolidated Financial Statements

For the three months ended March 31, 2024 and 2023

(Unaudited - In thousands of U.S. Dollars except for shares and per share amounts)

4. MINERAL PROPERTIES (continued)*Exploration expenditures incurred for the three months ended March 31, 2023*

| | Singatse Peak Services | | | | Lion CG | Blue Copper Resources Corp | | | | | | Total |
|---|------------------------|--------------|--------------|----------|---------------------|----------------------------|-----------|----------|----------|-----------|-----------|----------------|
| | MacArthur | Yerington | Bear | Wassuk | Chaco Bear & Ashton | Schell Creek Project | | | | | | |
| (In thousands of U.S dollars) | | | | | | Blue Copper | Cabin | Muncy | Arizona | Groundhog | Recon | |
| Property maintenance | \$ 8 | \$ 5 | \$ - | \$ - | \$ - | \$ 44 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 57 |
| Assay & Labs | - | 7 | - | - | - | - | - | - | - | - | - | 7 |
| Drilling | 196 | - | 379 | - | - | - | - | - | - | - | - | 575 |
| Environmental | 5 | 33 | - | - | - | - | - | - | - | - | - | 38 |
| Geophysical surveys | - | - | - | - | - | 24 | 4 | - | - | - | 52 | 80 |
| Technical study | - | 378 | - | - | - | - | - | - | - | - | - | 378 |
| Field support | - | - | 6 | - | - | 66 | 36 | - | 7 | - | - | 115 |
| Total expenses incurred | 209 | 423 | 385 | - | - | 134 | 40 | - | 7 | - | 52 | 1,250 |
| Total Expenditures funded by Rio Tinto | (209) | (423) | (385) | - | - | - | - | - | - | - | - | (1,017) |
| Total Expenditures funded by Lion CG | - | - | - | - | - | 134 | 40 | - | 7 | - | 52 | 233 |

Lion Copper and Gold Corp.

Notes to the Condensed Interim Consolidated Financial Statements

For the three months ended March 31, 2024 and 2023

(Unaudited - In thousands of U.S. Dollars except for shares and per share amounts)

4. MINERAL PROPERTIES (continued)

a) MacArthur and Yerington Properties, Nevada

Located in the historic copper district of Yerington, Nevada, the Company's Yerington Mine and MacArthur properties are 100% owned by Singatse Peak Services LLC, a wholly-owned subsidiary of Lion CG.

The MacArthur Project consists of 902 unpatented lode claims and 8 placer claims totaling approximately 18,800 acres on lands administered by the U.S. Department of Interior - Bureau of Land Management (BLM).

The MacArthur Project is subject to a 2% net smelter return royalty ("NSR") upon commencing commercial production, which can be reduced to a 1% NSR in consideration of \$1,000.

The Yerington Mine Property covers approximately 11 square miles centered on the former Anaconda open pit copper mine. This includes 2,768 acres of fee simple parcels and patented mining claims as well as 208 unpatented lode and placer claims totaling approximately 4,300 acres on lands administered by the BLM.

The Yerington Mine Property is subject to a 2% NSR upon commencing commercial production. The total lifetime royalty is capped at \$7,500.

On July 23, 2021, the Company received a notice from the State of Nevada that three water rights permits had been forfeited. Further, the application for an extension of time to prevent forfeiture of a fourth certificate was denied. On August 20, 2021, the Company filed a Petition for Judicial Review of the Forfeiture Notice and has retained legal counsel to undertake the appeal process. SPS subsequently filed and was granted a Stay of the Forfeiture Notice on September 15, 2021. SPS filed its Opening Brief on March 28, 2022. The State Engineer filed its Answering Brief on July 8, 2022. SPS filed its Reply Brief on August 25, 2022. A hearing regarding the status of the forfeiture appeal was held in the Third Judicial Court District in Lyon County on November 4, 2022. On December 6, 2022, the Judge remanded the case back to the State for further written findings based on issues raised at the hearing.

On August 30, 2023, SPS received written notice from the Nevada State Engineer in response to the Remand Order that the three water rights applications for Extensions of Time were denied and declared forfeited. The fourth certificate was not forfeited although the Extension of Time has not yet been approved.

On September 28, 2023 SPS simultaneously timely filed an Amended Petition for Review and a Complaint for Equitable Relief with the Third Judicial District Court in Lyon County, Nevada seeking judicial relief from the August 30 Forfeiture Notice. On October 10, 2023, the Judge signed an order granting a Stipulated Stay of the August 30, 2023 Forfeiture Notice while the appeal process is ongoing. A hearing regarding both legal paths described above is tentatively scheduled for January 2025.

Just as SPS did with the initial forfeiture decision that was remanded by the Court, SPS continues to diligently defend against the wrongful forfeiture of its water rights with clear evidence of the need for those water rights in mine remediation, production and reclamation.

Refer to note 4(g) for updates on the Rio Tinto programs of work.

Lion Copper and Gold Corp.

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For the three months ended March 31, 2024 and 2023

(Unaudited - In thousands of U.S. Dollars except for shares and per share amounts)

4. MINERAL PROPERTIES (continued)

b) Bear Deposit, Nevada

The Bear deposit consists of approximately 2,300 acres of private land located to the northeast of the Yerington Mine Property, plus several hundred acres beneath the Yerington Mine property.

The Company has five option agreements, entered from March 2013 to May 2015, to acquire a 100% interest in private lands covering the Bear deposit. Under the terms of these option agreements, as amended, the Company is required to make \$5,988 in cash payments over 15 years (\$5,454 paid) to maintain the exclusive right to purchase the land, mineral rights, and certain water rights and to conduct mineral exploration on these properties. Two of the properties are subject to a 2% NSR upon commencing commercial production, which can be reduced to a 1% NSR in consideration of \$1,250 total.

Outstanding payments to keep the option agreements current are as follows, by year:

- \$131 due in 2024 (\$1 paid)
- \$404 due in years 2025 to 2028.

Outstanding consideration payments to purchase the property under the five option agreements are as follows:

- \$1,250 for Taylor, purchase option expiring April 4, 2025
- \$250 for Chisum, purchase option has no expiration date, \$50 per year payment required for continuation
- \$5,000 for Yerington Mining, purchase option expiring in Q4 2024
- Circle Bar N purchase option:
 - On or before June 15, 2025: \$12,000
 - June 16, 2025 - June 15, 2026: \$13,000
 - June 16, 2026 - June 15, 2027: \$14,000
 - June 16, 2027 - June 15, 2028: \$15,000
 - June 16, 2028 - June 15, 2029: \$16,000
- \$22,770 for Desert Pearl Farms, purchase option expiring in 2029.

Refer to note 4(g) for updates on the Rio Tinto programs of work.

c) Wassuk, Nevada

The Wassuk property consists of 310 unpatented lode claims totaling approximately 6,400 acres on lands administered by the BLM.

The Company fulfilled the purchase option on January 14, 2023.

The property is subject to a 3% NSR upon commencing commercial production, which can be reduced to a 2% NSR royalty in consideration of \$1,500.

Refer to note 4(g) for updates on the Rio Tinto programs of work.

Lion Copper and Gold Corp.

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(Unaudited - In thousands of U.S. Dollars except for shares and per share amounts)

4. MINERAL PROPERTIES (continued)

d) Copper Canyon, Nevada

On August 21, 2023, the Company entered into a Purchase and Sale Agreement with Convergent Mining, LLC, whereby the Company purchased the title to the Copper Canyon claims from Convergent Mining, LLC upon closing of agreement. As consideration, the Company paid \$10 in necessary claim fees. Further, the Company will be required to pay an exploration fee to Convergent Mining, LLC calculated as the 5% of the first \$2,000 of qualifying exploration costs, not exceeding \$100.

The Copper Canyon Property does not constitute a Mining Asset applicable to the Company's Rio Tinto Agreement.

e) Chaco Bear and Ashton Properties, British Columbia

On August 25, 2021, the Company entered into a non-binding letter of intent with Houston Minerals Ltd. setting forth the terms of an option whereby the Company may acquire a 100% interest in the Chaco Bear and Ashton properties in British Columbia.

On June 1, 2023, Lion CG and Houston terminated the option agreement surrounding the Chaco Bear and Ashton properties. As at March 31, 2024, and December 31, 2023, Lion CG impaired the full balance of property and recognized \$602 in impairment expense.

f) Prospects

During the three months ended March 31, 2024, the Company, through Singatse Peak Services, incurred \$nil (during the year ended December 31, 2023 - \$366) in evaluation expenditures, which was covered by Rio Tinto, on other prospects in order to determine whether they warranted further pursuit.

g) Option to Earn-in Agreement with Rio Tinto

On March 18, 2022, the Company entered into an Option to Earn-in Agreement with Rio Tinto (now "Nuton LLC") to advance studies and exploration at Lion CG's copper assets in Mason Valley, Nevada (the "Rio Tinto Agreement"). Under the agreement, Rio Tinto has the exclusive option to earn a 65% interest in the assets comprising Yerington, MacArthur, Wassuk, Bear, and associated water rights (the "Mining Assets").

In addition, Rio Tinto will evaluate the potential commercial deployment of its Nuton™ technologies at the site. Nuton™ offers copper heap leaching technologies developed by Rio Tinto to deliver greater copper recovery from mined ore and access new sources of copper such as low-grade sulphide resources and reprocessing of stockpiles and mineralized waste. The technologies have the potential to deliver leading environmental performance through more efficient water usage, lower carbon emission, and the ability to reclaim mine sites by reprocessing waste.

On April 27, 2022, the Company TSX Venture Exchange approved the Rio Tinto Agreement.

Lion Copper and Gold Corp.

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(Unaudited - In thousands of U.S. Dollars except for shares and per share amounts)

4. MINERAL PROPERTIES (continued)

g) Option to Earn-in Agreement with Rio Tinto (Continued)

The status of the Rio Tinto Agreement is set out below.

Stage 1

Rio Tinto paid four million U.S. dollars (\$4,000) for the agreed-upon Program of Work on the Mining Assets. Stage 1 was deemed completed on December 22, 2022 (Note 6).

Stage 2

Within forty-five (45) days of the completion of Stage 1, Rio Tinto was to provide notice to Lion CG whether Rio Tinto elected to proceed with Stage 2 (notice was provided), upon which Rio Tinto was to pay up to \$5,000 for agreed-upon Mason Valley study and evaluation works to be completed by Lion CG within 12 months from the date that the parties agree upon the scope of Stage 2 work (\$7,500 paid January 13, 2023, representing \$5,000 for Stage 2 and \$2,500 for Stage 3 in which some of the work has started for Stage 3 and a portion of the deposit has been used).

On October 5, 2023, an amendment was signed for the modification of the Stage 2 Program of Work. The significant updates are related to the following:

- The term of Stage 2 of the Option Agreement has an end date of January 12, 2024. The Parties extend that end date by 9 months, to September 12, 2024 to continue study work, including testing and evaluation of the Nuton Technologies.
- Subject to internal approvals, Nuton LLC ("Nuton"), on behalf of Rio Tinto, will advance \$10,000 of the Stage 3 Earn-In Not to Exceed Amount to Lion CG for the Stage 2b Program of Work within 30 days of completion of Stage 2a (Stage 2a is defined as the Stage 2 Program of Work activities performed up until January 12, 2024).
- Should the Parties agree that Stage 2c is necessary, the Parties will memorialize the scope of work in a letter agreement. Subject to internal approvals, Nuton will advance another \$5,000 of the Stage 3 Earn-In Not to Exceed Amount to Lion CG within 30 days of the execution of the Stage 2c Program of Work Agreement.
- The Parties agree that Lion CG may allocate \$50 per month for its corporate G&A expenses from the funds paid under the payments above (if any) and such allocation will be detailed in the relevant Program of Work Agreement(s).

Stage-3 - Feasibility Study

Within sixty (60) days of the completion of Stage 2, Rio Tinto shall provide notice to Lion CG whether Rio Tinto will exercise its Option and fund a Feasibility Study based on the results of the Stage 1 and Stage 2 Programs of Work. Rio Tinto will fully-fund the Feasibility Study and ancillary work completed by Lion CG in amount, in aggregate of Stages 1 through 3, not to exceed \$50,000.

Investment Decision

Upon completion of the Feasibility Study, Rio Tinto and Lion CG will decide whether to create an investment vehicle into which the Mining Assets will be transferred, with Rio Tinto holding not less than a 65% interest in the investment vehicle.

- If Rio Tinto elects to not to create the investment vehicle, then Lion CG shall grant to Rio Tinto a 1.5% NSR on the Mining Assets.
 - If Rio Tinto elects to create the investment vehicle but Lion CG elects not to create the investment vehicle, then, at Rio Tinto's option, Lion CG shall create the investment vehicle and Rio Tinto will purchase Lion CG's interest in the investment vehicle for fair market value.
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Lion Copper and Gold Corp.

Notes to the Condensed Interim Consolidated Financial Statements

For the three months ended March 31, 2024 and 2023

(Unaudited - In thousands of U.S. Dollars except for shares and per share amounts)

4. MINERAL PROPERTIES (continued)

g) Option to Earn-in Agreement with Rio Tinto (Continued)

Project Financing

- Following the formation of the investment vehicle, any project financing costs incurred will be funded by Rio Tinto and Lion CG in proportion to their respective ownership interest in the investment vehicle.
- Rio Tinto may elect to fund up to sixty million U.S. dollars (\$60,000) of Lion CG's project financing costs in exchange for a 10% increase in Rio Tinto's ownership percentage. In addition, upon mutual agreement of Rio Tinto and Lion CG, Rio Tinto may fund an additional forty million U.S. dollars (\$40,000) of Lion CG's project financing costs in exchange for an additional 5% increase in Rio Tinto's ownership percentage.
- If Lion CG's ownership percentage in the investment vehicle is diluted to 10% or less, then Lion CG's ownership interest will be converted into a 1% uncapped NSR.

On May 15, 2022, Rio Tinto approved the Stage 1 Program of Work and provided \$4,000 to the Company for the development of the Mason Valley projects, which has been completed as of December 31, 2022. The remaining funds of the \$4,000 will be spent per agreement with Rio Tinto in 2023 for Stage 2 (Note 6).

On March 20, 2023, the Company and Rio Tinto formally agreed to proceed with the Stage 2 Program of Work and an advance on the Stage 3 Program of Work (Note 6).

On January 4, 2024, \$11,500 was received from Rio Tinto relating to the Stage 2b and the Stage 3 Programs of Work. The Company completed the Stage 2a Program of Work on January 12, 2024.

h) Butte Valley Prospect, Nevada

On January 26, 2022, the Company entered into a property acquisition agreement to sell and assign its options to acquire the Butte Valley property to Falcon Butte Minerals Corp. (formerly 1301666 B.C. Ltd, or "Falcon Butte.") which is a private British Columbia company established to acquire mineral resource properties.

Pursuant to the agreement, Lion CG's 100% owned subsidiary Quaterra Alaska received \$500 and was granted an equity position in Falcon Butte and provided a 1.5% NSR on each of the Butte Valley optioned properties (Nevada Select and North Exploration), subject to a buy-down to a 1.0% NSR in exchange for a payment of \$7,500 for each of the optioned properties.

On April 5, 2022, the Company completed the assignment of the two option agreements for the Butte Valley Property and the Company received 16,049,444 common shares of Falcon Butte with a fair value of \$1,906 and \$500 cash for the property, resulting in a gain on sale of \$2,207 (Notes 5, 13).

On April 13, 2022, the Company amended the assignment agreement. Pursuant to the addendum Falcon Butte had the option to pay a total of \$500 in exchange for a 0.5% buy-down and retirement of certain NSRs held by the Company. During the year ended December 31, 2022, the full consideration of \$500 was received.

On December 13, 2022, the Butte Valley Royalty rights were transferred from Quaterra Alaska to FCC (Note 7).

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For the three months ended March 31, 2024 and 2023

(Unaudited - In thousands of U.S. Dollars except for shares and per share amounts)

4. MINERAL PROPERTIES (continued)

FALCON COPPER CORP

i) Blue Copper Project, Montana

During the year ended December 31, 2021, Blue Copper LLC acquired and staked a district scale exploration opportunity (the "Blue Copper Project") in Powell County and Lewis & Clark County in Montana, USA. The area is prospective for high grade porphyry copper-gold mineralization.

On December 13, 2022, Quaterra Alaska's interest in Blue Copper LLC was transferred to FCC (Note 7).

On October 28, 2022, prior to transaction in Note 7, Blue Copper LLC entered into a mining lease agreement with Snowshoe Creek LLC ("Snowshoe"), a Montana limited liability company owned by the CEO of the of the Company. Pursuant to the Agreement, Snowshoe leases the property, including the patented mining claims on the Arnold, Snowbird and Montana, to Blue Copper LLC for a term of 20 years and extendable on the sole decision of Blue Copper LLC.

As consideration, 15,000,000 preferred stock in FCC was issued to the CEO of the Company.

The transaction was measured using the fair value of the asset received as the cost was more clearly evident. The fair value of the asset received was calculated using the original cost incurred to acquire the property and was determined to be \$500.

A Plan of Operations for exploration of the Blue Copper Project is currently under review for approval by the relevant agencies.

j) Cabin Property, Nevada

In 2023, FCC staked approximately 9,000 acres of federal mining claims in White Pine County, Nevada, the area of interest which is termed Cabin. The Cabin Property represents a potential major copper-moly porphyry discovery concealed beneath the Spring Valley pediment within a district-scale BLM land package, located immediately north of the Muncy Property.

k) Muncy Property, Nevada

On November 22, 2023, FCC entered into an Option to Joint Venture Agreement with Kennecott Exploration Company ("Kennecott"), a Rio Tinto subsidiary.

Pursuant to the agreement, Kennecott grants FCC the sole and exclusive right and option to acquire 100% interest in the Muncy Property. To exercise this option, FCC must satisfy the following:

- pay the payment commitment of \$95 to Kennecott on or before the effective date of November 22, 2023 (Paid);
 - pay an additional payment commitment of \$5 by February 18, 2024 (Paid);
 - pay an additional payment commitment of \$51 by July 1, 2024;
 - incur expenditures of \$1,500 with respect to the Muncy Property and \$1,000 with respect to the Cabin Property on or before the expenditure commitment date of November 22, 2025;
 - ensure that no less than 70% of the expenditure commitment for the Muncy Property consists of drilling expenses for the Muncy Property;
 - ensure that no less than 70% of the expenditure commitment for the Cabin Property consists of drilling expenses for the Cabin Property.
-

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For the three months ended March 31, 2024 and 2023

(Unaudited - In thousands of U.S. Dollars except for shares and per share amounts)

4. MINERAL PROPERTIES (continued)

k) Muncy Property, Nevada (continued)

If FCC decides to terminate the option at any time, they will grant Kennecott a 2.0% net smelter royalty in the Cabin Property. After this is done, the agreement, except for specified sections, will terminate.

If Kennecott elects not to form a joint venture, Kennecott must transfer all their rights in the Muncy Property to the FCC. In return, FCC will grant the optionor a 2.0% net smelter royalty (NSR) in the Properties. Before FCC decides to develop a commercial mining operation on any portion of the Properties, FCC has the right to reduce the net smelter royalty (NSR) from 2.0% to 1.0% by paying the optionor \$10,000 in cash.

A Plan of Operations for exploration of the Muncy Property is currently under review for approval by the relevant agencies.

l) Pioneer, Arizona

In 2023, FCC staked an approximate 1,300 acre covered target area prospective for high grade primary or enriched porphyry copper mineralization located within Arizona's prolific and within 10 miles of the Resolution & Ray mines.

m) Groundhog, Alaska

On April 20, 2017, the Company entered a lease with option to purchase agreement with Chuchuna Minerals Company ("Chuchuna") to earn a 90% interest in the Groundhog copper prospect, located two hundred miles southwest of Anchorage, Alaska.

The Groundhog claims cover the northern extension of a structural zone that hosts a number of porphyry copper-gold prospects. To earn the 90% interest, the Company must fund a total of \$5,000 (\$2,839 funded) of exploration expenditures and make a lump sum payment to Chuchuna of \$3,000 by the end of April 20, 2024. During the year ended December 31, 2021, the lease agreement was further extended from six to seven years, providing the Company more time to make the required exploration expenditures and lump sum payment. The Company can terminate the Agreement at its discretion.

The property is subject to a 1.75% NSR upon commencing commercial production, which can be reduced to a 0.875% NSR royalty in consideration of \$25,000.

On December 13, 2022, the Groundhog property was transferred from Quaterra Alaska to FCC (Note 7).

n) Recon, Nevada, Arizona, and other prospects

During the three months ended March 31, 2024, FCC incurred \$17 in evaluation expenditures on reconnaissance on its Nevada, and Arizona properties in order to determine whether they warranted further pursuit.

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5. INVESTMENT IN ASSOCIATE

On April 5, 2022, the Company received 16,049,444 shares in Falcon Butte, in connection with a property acquisition agreement to assign the Company's options to acquire the Butte Valley property (Note 4). At the time of acquisition, the 16,049,444 shares represented 25.54% of shares outstanding, and as at March 31, 2024, and December 31, 2023, the Company's share ownership was reduced to 20.48%. The Company and Falcon Butte have one common director and managerial personnel, as such, management has assessed that the Company has significant influence over Falcon Butte and that the investment should be accounted for using the equity method of accounting.

The initial balance of the investment was determined to be \$1,906 (\$2,374 CAD), which represents the fair value of the shares received. The value of the shares was determined based on Falcon Butte's unit financing that closed concurrently with the property acquisition using Goal Seek analysis to determine the value of the shares. This analysis required various estimates such as volatility, which was estimated to be 100%, and discount rate estimated to be 0.02%.

On February 24, 2023, the Company transferred 116,071 shares of Falcon Butte to the CEO of the Company, pursuant to amended terms of the CEO's employment agreement. The cost value of the shares associated with the transfer was determined to be \$11 and a gain of \$22 was recorded on the transaction.

Summarized financial information of Falcon Butte and a reconciliation of the carrying amount of the investment in the condensed interim consolidated financial statements are set out below:

Summarized balance sheet:

(Expressed in thousands of U.S. Dollars)

| | March 31, 2024 | | December 31, 2023 | |
|--|-----------------------|--------------|--------------------------|--------------|
| Assets | | | | |
| Cash | \$ | 1,346 | \$ | 1,375 |
| Receivables | | 10 | | 10 |
| Prepays & deposits | | 52 | | 54 |
| Exploration and evaluation assets | | 2,841 | | 2,904 |
| Total Assets | \$ | 4,249 | \$ | 4,343 |
| Liabilities | | | | |
| Accounts payable & accrued liabilities | \$ | 68 | \$ | 70 |
| Freeport deposit | | 389 | | 397 |
| Derivative liabilities | | 479 | | 490 |
| Total Liabilities | \$ | 936 | \$ | 957 |

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(Unaudited - In thousands of U.S. Dollars except for shares and per share amounts)

5. INVESTMENT IN ASSOCIATE (continued)**Summarized statement of loss**

(Expressed in thousands of U.S. Dollars)

| | Three months ended March 31, 2024 | Three months ended March 31, 2023 |
|--|--------------------------------------|--------------------------------------|
| Operating expenses | | |
| General and administrative expenses | \$ 1,052 | \$ 235 |
| Total operating expenses | 1,052 | 235 |
| Gain on settlement of debt | - | - |
| Fair value (gain) loss on derivative liability | (251) | (39) |
| Other income | (250) | (66) |
| Foreign exchange loss (gain) | (93) | 7 |
| Net loss (income) | \$ 458 | \$ 137 |

A continuity of the Company's investment in associate is as follows:

| | |
|----------------------------------|-----------------|
| Balance December 31, 2022 | \$ 1,504 |
| Transfer of shares to the CEO | (10) |
| Company's share of net loss | (288) |
| Balance December 31, 2023 | \$ 1,206 |
| Company's share of net loss | (94) |
| Balance March 31, 2024 | \$ 1,112 |

6. RIO TINTO DEPOSIT

On May 15, 2022, the Company received \$4,000 in connection to Stage 1 of the option to Earn-in Agreement with Rio Tinto America Inc (Note 4 (g)). The Company and Rio Tinto America mutually agreed on the Stage 1 Program of Work and the balance of the deposit will be applied against the Company's Yerington, MacArthur, Wassuk property, and Bear mineral properties as work progresses. On December 22, 2022, the Stage 1 Program of Work was deemed to be completed. Subsequently, on March 20, 2023, the Company and Rio Tinto formally agreed to proceed with the Stage 2 Program of Work.

On January 13, 2023, the Company received \$7,500 from Rio Tinto America comprising of \$5,000 for Stage 2 Program of Work and \$2,500 as an immediate advance on part of the Stage 3 financing to be applied against the Company's MacArthur, Yerington, Bear, and Wassuk properties (Notes 4(g)).

On January 4, 2024, the Company received \$11,500 from Nuton LLC comprising of \$10,000 for Stage 2b Program of Work and \$1,500 as an immediate advance on part of the Stage 3 financing to be applied to exploration on the Bear Deposit (Notes 4(g)).

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6. RIO TINTO DEPOSIT (continued)

A continuity of the Company's Rio Tinto deposit is as follows:

| | | |
|---|-----------|--------------|
| Balance December 31, 2022 | \$ | 613 |
| Proceeds received | | 7,500 |
| Funds applied to reclamation deposit | | (9) |
| Funds applied to capitalized acquisition costs (Note 4) | | (231) |
| Funds applied to exploration expenditures | | (4,739) |
| Funds applied to general operating expenditures | | (1,777) |
| Balance December 31, 2023 | \$ | 1,357 |
| Proceeds received | | 11,500 |
| Amount applied to prepaids | | (120) |
| Funds applied to capitalized acquisition costs (Note 4) | | (1) |
| Funds applied to exploration expenditures (Note 4) | | (2,587) |
| Funds applied to general operating expenditures | | (631) |
| Balance March 31, 2024 | \$ | 9,518 |

7. NON-CONTROLLING INTEREST

On December 13, 2022, Quaterra Alaska assigned and transferred all right, title and interest in the Groundhog property, Butte Valley Royalty, 100% of the outstanding membership interest held in Blue Copper LLC, and the interest in the Nieves project to FCC.

As consideration, on the date of transfer of assets to FCC, Quaterra Alaska was issued 57,513,764 common shares of FCC which represented 79.3% of all issued and outstanding shares at December 13, 2022. This transaction was considered a transaction between entities under common control, and thus was recorded at carrying value.

On March 2, 2023, FCC completed a financing of \$2,000 by way of a private placement and issued 23,809,524 units at a price of \$0.084 per share. Each unit consists of one common share, and one common share purchase warrant exercisable at \$0.15 for a period of 1 year.

In addition, the private placement was considered a "triggering event" for Simple Agreements for Future Equity ("SAFE Notes"). FCC had previously raised \$868 in SAFE Notes and were converted into equity of FCC, resulting in FCC issuing an additional 21,629,382 common shares.

On September 6, 2023, FCC, carried out a re-organization of its assets and capital structure (the transaction described herein is referred to as the "Reorganization"). On August 25, 2023, a new entity, BCR LLC was organized in Wyoming. BCR LLC subsequently adopted an Operating Agreement that provided for issuance of LLC Interests to its Members in the same amounts as shares issued to Shareholders of FCC. On September 6, 2023, two of the mining assets, referred to as the Butte Valley Royalty and the Nieves Royalty, that had been held by FCC were assigned to BCR LLC in exchange for 100% of the issued and outstanding LLC Interests of BCR LLC. The Nieves Royalty may only be transferred with the written consent of a third party which was received October 23, 2023 resulting in the Nieves property transferring immediately. The same LLC interests were immediately distributed pro rata to the shareholders of FCC. Furthermore, FCC had previously issued Warrants to purchase 7,936,508 (total of 23,809,524 common share purchase warrants) shares of Common Stock of FCC at a Warrant Price of \$0.1500 per Share. As part of the Reorganization, these Warrants were exchanged by the Warrant Holders for two new Warrants; one issued by FCC to purchase 7,936,508 Shares of FCC at a Warrant Price of \$0.1332 per Share, and the other issued by BCR LLC to purchase 7,936,508 LLC Units of BCR LLC at a Warrant Price of \$0.0168 per LLC Unit. The exchange transaction was accounted for under ASC 815 whereby the effect of the exchange was measured as the excess of

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7. NON-CONTROLLING INTEREST (continued)

the fair value of the exchanged warrant over the fair value of the warrant immediately before it is exchanged. Using this method, the effect of the exchange was calculated to be \$Nil. As a result of the Reorganization and the issuance and distribution of these LLC Interests, each shareholder of FCC holds the same percentage interest in FCC as the shareholders holds in BCR LLC. Additionally, the Warrant Holders now holds two Warrants, one issued by each of FCC and BCR LLC, with the aggregate value of the two warrants equal to the aggregate value of the Warrant that they held prior to the exchange. The net effect is that the capital structure of BCR LLC matches the capital structure of FCC, including the issuance of new Warrants, and the Butte Valley Royalty and Nieves Royalty are now held by BCR LLC rather than FCC.

On October 17, 2023, FCC issued 2,750,000 common shares at a price of \$0.10 per common share for total proceeds of \$275.

During the three months ended March 31, 2024, FCC completed the following private placements at \$0.116 per common share for total gross proceeds of \$450:

- On February 5, 2024, FCC issued 2,586,207 common shares
- On February 27, 2024, FCC issued 862,069 common shares
- On March 29, 2024, FCC issued 431,034 common shares

At March 31, 2024, the Company held 46.17% of shares in FCC. In the absence of majority holdings, the Company will continue to consolidate FCC as the Company has majority representation on the board of directors, and management of FCC and the Company is shared.

At March 31, 2024, the Company held 48.8% of shares in BCR LLC. In the absence of majority holdings, the Company will continue to consolidate BCR LLC as the management of BCR LLC and the Company is shared, and the Company's management can control business decisions on the basis of BCR LLC.

The following table summarizes the balance recognized as NCI during the three months ended March 31, 2024, and year ended December 31, 2023:

| | | |
|--|-----------|--------------|
| Balance December 31, 2022 | \$ | 388 |
| Issuance of common shares for conversion of SAFE notes | | 1,536 |
| Issuance of common shares equity financing | | 2,000 |
| Issuance of common shares | | 275 |
| Net loss and comprehensive loss attributable to NCI | | (1,082) |
| Balance December 31, 2023 | \$ | 3,117 |
| Issuance of common shares | | 450 |
| Net loss and comprehensive loss attributable to NCI | | (196) |
| Balance March 31, 2024 | \$ | 3,371 |

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8. DERIVATIVE LIABILITIES*Warrants & Conversion Feature Derivative Liability*

During the period ended March 31, 2024, and year ended December 31, 2023, the Company issued certain share purchase warrants and issued convertible debt with a conversion feature that are both exercisable in a currency different from the Company's functional currency (Note 9). The warrants and the conversion feature were classified as derivative liabilities, carried at fair value and revalued at each reporting date.

A continuity schedule of the Company's derivative liabilities is as follows:

| | | |
|--|-----------|------------|
| Balance December 31, 2022 | | 4 |
| Issuance of Warrants (Note 9) | | 280 |
| Issuance of convertible debentures with conversion feature (Note 9) | | 248 |
| Fair value change on derivative liabilities | | (356) |
| Balance December 31, 2023 | \$ | 176 |
| Issuance of warrants for private placement (Note 12) | | 346 |
| Issuance of warrants upon conversion of existing debentures (Note 9) | | 60 |
| Issuance of contingent warrants upon conversion of existing debentures (Note 9) | | 649 |
| Issuance of warrants and conversion feature for extinguishment of existing debentures (Note 9) | | 55 |
| Modification of warrants upon restructuring of debentures (Note 9) | | 109 |
| Modification of conversion feature upon restructuring of debentures (Note 9) | | 129 |
| Fair value change on derivative liabilities | | (826) |
| Balance March 31, 2024 | \$ | 698 |

9. CONVERTIBLE DEBENTURES

On June 17, 2022, the Company closed the first tranche of its non-brokered private placement of unsecured convertible debentures for gross proceeds of \$1,075 (Note 12) ("Existing Debentures"). The debentures bear interest at a rate of 14% per annum and mature on February 17, 2024, and are convertible into shares of the Company at \$0.067 (\$0.085 CAD) per share until June 17, 2023, and thereafter at \$0.078 (\$0.10 CAD) per share. The holder also has the option to elect at any time prior to the election date to be repaid by way of shares the Company owns of Falcon Butte (Note 5) at the rate of \$0.25 per Falcon Butte share.

In conjunction with the first tranche of the convertible debt financing, the Company issued 16,044,774 warrants. The warrants are exercisable into one common share of the Company at \$0.067 (\$0.085 CAD) per share and expire on February 17, 2024.

The convertible debentures were determined to be a financial instrument comprising a host debt component, a conversion feature classified as a derivative liability, and freestanding warrants classified as a derivative liability. The warrants and conversion features were determined to be derivative liabilities because the exercise prices are denominated in both the functional currency of the Company and a foreign currency. Thus, the instrument fails to meet the criterion of an equity instrument that states that the instrument must be indexed to its own stock.

On initial recognition, the warrants and the conversion feature were fair valued, with the proceeds first allocated to the freestanding warrants, then the conversion feature. The residual proceeds are then allocated to the host debt component with an effective interest rate of 27.90%. Regarding the warrant and conversion feature, the volatility input was calibrated such that the conversion feature, warrants, and host debt component, on issuance date, equates proceeds. The fair values of the freestanding warrants and conversion features were determined to be \$143 and \$77, respectively, and the fair value allocated to the host debt component was \$855.

Lion Copper and Gold Corp.

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(Unaudited - In thousands of U.S. Dollars except for shares and per share amounts)

9. CONVERTIBLE DEBENTURES (continued)

On July 8, 2022, the Company closed the second tranche of its non-brokered private placement of unsecured convertible debentures for gross proceeds of \$925 (Note 12) ("Existing Debentures"). The debentures bear interest at a rate of 14% per annum and mature on March 8, 2024, and are convertible into shares of the Company at \$0.067 (\$0.085 CAD) per share until July 8, 2023, and thereafter at \$0.078 (\$0.10 CAD) per share. The holder also has the option to elect at any time prior to the election date to be repaid by way of shares the Company owns of Falcon Butte (Note 5) at the rate of \$0.25 per Falcon Butte share.

In conjunction with the second tranche of the convertible debt financing, the Company issued 13,805,964 warrants. The warrants are exercisable into one common share of the Company at \$0.067 (\$0.085 CAD) per share and expire on March 8, 2024.

The convertible debentures were determined to be a financial instrument comprising a host debt component, a conversion feature classified as a derivative liability, and freestanding warrants classified as a derivative liability. On initial recognition, the warrants and the conversion feature were fair valued, with the proceeds first allocated to the freestanding warrants, then the conversion feature. The residual proceeds are then allocated to the host debt component with an effective interest rate of 14%-27.46%. Regarding the warrant and conversion feature, the volatility input was calibrated such that the conversion feature, warrants, and host debt component, on issuance date, equates proceeds. The fair values of the freestanding warrants and conversion features were determined to be \$104 and \$54, respectively, and the residual value allocated to the host debt component was \$767.

On March 2, 2023, the Company closed the third tranche of its non-brokered private placement of unsecured convertible debenture for gross proceeds of \$1,306 (Note 12) ("Existing Debentures"). The debenture bear interest at a rate of 14% per annum and mature on November 2, 2024, and are convertible into shares of the Company at \$0.070 (\$0.095 CAD) per share. The holder also has the option any time prior to the election date to be repaid by way of shares the Company owns of Falcon Butte (Note 5) at the rate of \$0.28 (\$0.37 CAD) per Falcon Butte Share.

In conjunction with the third tranche of the convertible debt financing, the Company issued 18,461,015 warrants. The warrants are exercisable into one common share of the Company at \$0.070 (\$0.095 CAD) per share and expire on November 2, 2024.

The convertible debentures were determined to be a financial instrument comprising a host debt component, a conversion feature classified as a derivative liability, and freestanding warrants classified as a derivative liability. On initial recognition, the warrants and the conversion feature were fair valued, with the proceeds first allocated to the freestanding warrants, then the conversion feature. The residual proceeds are then allocated to the host debt component with an effective interest rate of 46.07%. Regarding the warrant and conversion feature, the volatility input was calibrated such that the conversion feature, warrants, and host debt component, on issuance date, equates proceeds. The fair values of the freestanding warrants and conversion features were determined to be \$280 and \$248, respectively, and the residual value allocated to the host debt component was \$778.

On February 16, 2024, the Company issued 3,500,000 common shares to settle \$259 of Existing Debentures of tranche 3 with a carrying value of \$211.

Lion Copper and Gold Corp.

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(Unaudited - In thousands of U.S. Dollars except for shares and per share amounts)

9. CONVERTIBLE DEBENTURES (continued)

Convertible Debt Restructuring

On February 16, 2024, the Company provided notice to existing holders of convertible debentures about a replacement offer with the following terms:

- Existing Debentures will be replaced with new debentures. New debentures will have, a maturity date of 12 months; bear interest at a rate of 20% per annum, non-compounding, and accrued interest may be converted into common shares of the Company at a conversion price equal to \$0.06 (C\$0.08) per share, or at the holder's option into common shares the Company owns of Falcon Butte at \$0.25 (C\$0.32) per share; and one Warrant will be issued for every \$0.06 of principal New Debentures issued ("New Debentures"). Each Warrant is exercisable into one common share of the Company at an exercise price of \$0.06 (C\$0.08) for a period of 12 months from the date of issuance.
- Existing Debentures that elect not to participate in the replacement offer for New Debentures may instead convert the principal and interest of their Existing Debentures into units of the Company at \$0.045 (C\$0.06) per Unit. Each Unit will be comprised of one common share and one share purchase warrant. Each warrant is exercisable into one additional common share at a price of \$0.06 (C\$0.08) per share for a period of 5 years from the date of issuance.
- Existing Debentures that do not elect for either of the above offers, will have their debentures repaid in cash.

On February 16, 2024, the Company issued new convertible debentures totaling \$941 to replace the Existing Debentures with a carrying value of \$908. New Debentures holders also received 15,696,883 share purchase warrants, exercisable at \$0.06 (C\$0.08) per share which expire on February 16, 2025. These warrants were determined to be liability classified as the warrants have an exercise price in a currency other than its functional currency (Note 8, 12).

Based on the terms of the New Debentures, the convertible debentures were determined to be a financial instrument comprising a host debt component, a conversion feature classified as a derivative liability, and freestanding warrants classified as a derivative liability. In this case, as the conversion option on the instrument is bifurcated both before and after the modification or exchange, the Company used the 10% cash flow test. As a result, the change in cash flows were considered not substantial for the convertible debentures issued on June 17, 2022, and July 8, 2022, and extinguishment accounting was not applied. A new effective interest rate was determined and there was no gain or loss recorded on the condensed interim consolidated statements of operations and comprehensive loss. However, the convertible debentures issued on March 2, 2023, surpassed the 10% cash flow test and as a result, the debentures were considered extinguished. A new effective interest was determined and there was a loss on extinguishment recorded on the condensed interim consolidated statements of operations and comprehensive loss.

Under ASC 815, for the convertible debentures that did not meet the 10% cash flow test, the amended conversion feature and the replacement warrants were valued using the Black Scholes model and the difference between the fair value of the original conversion feature and amended conversion feature were reflected on the condensed interim consolidated statements of operations and comprehensive loss as a gain/loss on the revaluation of the derivative liabilities. The fair value of the warrants associated with the prior debentures was recognized as a gain/loss and the fair value of the replacement warrants were deducted from the face value of the replacement debentures. For the convertible debentures that surpassed the 10% cash flow test, the fair value of the debentures at maturity were present valued using the new effective interest rate of 44.01% and the conversion feature and replacement warrants were valued using the Black Scholes model. The difference between the present value of the new debentures, conversion feature, replacement warrants and the carrying value of the prior debentures, fair value of the original conversion feature and warrants were recorded on the condensed interim consolidated statements of operations and comprehensive loss as a loss on extinguishment of \$55.

On March 8, 2024, the Company issued 4,107,998 units and 41,707,215 common shares to settle \$1,924 of Existing Debenture debt with a carrying value of \$1,764. The fair value of the shares issued is \$2,723 and the fair value of the warrants issued is \$59. These warrants were determined to be liability classified as the warrants have an exercise price in a currency other than its functional currency (Note 8, 12).

Certain directors and individuals did not receive warrants with their convertible debenture settlement and will receive these warrants upon the Company's listing on the CSE ("Contingent Warrants"). The Company expects to list in the near future, therefore management concluded that the issuance of the 41,707,215 Contingent Warrants is probable. As such, the fair value of the warrants as at March 8, 2024, of \$648 was recognized as a derivative liability at issuance (Note 16).

Lion Copper and Gold Corp.

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9. CONVERTIBLE DEBENTURES (continued)

Under ASC 815, the conversion of debt with a bifurcated conversion option should be accounted for under the debt extinguishment accounting model. Therefore, both the debt and the conversion option that is accounted for as a derivative was derecognized at their carrying amounts and the consideration transferred should be measured at its then-current fair value, with any difference recorded as a gain or loss on the extinguishment of the two separate liabilities. The Existing Debenture settlement resulting in a loss on conversion of \$1,690.

Additionally, on March 8, 2024, the Company repaid convertible debentures of a total of \$831 in cash with a loss of \$5.

The fair value of the warrants and conversion features were determined using the Black-Scholes Option Pricing Model using the assumptions set out as follows:

| | Initial recognition in 2023 | Fair value at December 31, 2023 | Initial recognition in 2024 | Fair value at March 31, 2024 |
|-------------------------|--------------------------------|------------------------------------|--------------------------------|---------------------------------|
| Risk-free interest rate | 4.27% | 3.91% | 4.07 - 4.41% | 4.20% |
| Expected volatility | 10% | 10% | 10% | 13% |
| Dividend yield | 0% | 0% | 0% | 0% |
| Expected life | 1.67 years | 0.13 - 0.84 years | 1 - 5.56 years | 0.88 - 5.5 years |

A continuity schedule of the Company's convertible debt is as follows:

| | | |
|--|-----------|--------------|
| Balance as at December 31, 2022 | \$ | 1,874 |
| Issued | | 1,306 |
| Fair value of conversion feature | | (280) |
| Fair value of warrants | | (248) |
| Accretion | | 460 |
| Interest | | 432 |
| Balance as at December 31, 2023 | \$ | 3,544 |
| Issued | | 211 |
| Extinguished debt - fair value of conversion feature | | (30) |
| Extinguished debt - fair value of warrants | | (30) |
| Modified debt - fair value of warrants | | (93) |
| Accretion | | 111 |
| Interest | | 94 |
| Extinguished | | (150) |
| Converted | | (1,976) |
| Repayment | | (831) |
| Loss on repayment | | 5 |
| Balance as at March 31, 2024 | \$ | 855 |
| Current | | 855 |
| Long-term | | - |

10. SIMPLE AGREEMENT FOR FUTURE EQUITY

During the year ended December 31, 2022, Falcon Copper Corp. raised \$198 with a valuation cap of \$1,450 and \$569 with a valuation cap of \$4,120, respectively, by entering into Simple Agreement for Future Equity Notes ("SAFE Note") with several parties.

During the year ended December 31, 2023, FCC raised an additional \$100 with a valuation cap of \$4,120 by entering into SAFE notes with several parties. The private placement described above in Note 7 was considered a triggering event, and the face value of SAFE Notes of \$868 were converted into common shares of FCC resulting in 21,629,382 common shares being issued.

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(Unaudited - In thousands of U.S. Dollars except for shares and per share amounts)

10. SIMPLE AGREEMENT FOR FUTURE EQUITY (continued)

The valuation cap provides the basis for the price at which the SAFE notes are converted into common stock of FCC. The SAFE Notes resulted in cash proceeds to the FCC in exchange for the right to stock of the FCC, or cash at a future date in the occurrence of certain events, as follows:

If there is an equity financing before the expiration or termination of the instrument, the FCC will automatically issue to the investor, a number of shares of common stock equal to the purchase amount divided by the conversion price. The conversion price is equal to the price per share equal to the Valuation Cap divided by the FCC capitalization immediately prior to the transaction.

If there is a liquidity event before the expiration or termination of the instrument, the investor will, at its option, either (i) receive a cash payment equal to the purchase amount, or (ii) automatically receive from the Company a number of shares of common stock equal to the purchase amount divided by the liquidity price, if the investor fails to select the cash option.

If there is a dissolution event before the instrument expires or terminates, the FCC will pay an amount equal to the purchase amount, due and payable to the investor immediately prior to, or concurrent with, the consummation of the dissolution event.

The SAFE notes were classified as liabilities pursuant to ASC 480 as certain redemptions are based upon the occurrence of certain events that are outside of the control of the Company and were measured at fair value at each reporting period, with changes in fair value recorded within the condensed interim consolidated statements of operations and comprehensive loss.

A continuity of the FCC's SAFE notes are as follows:

| | | |
|--|-----------|--------------|
| Balance as at December 31, 2022 | \$ | 1,131 |
| Issued | | 100 |
| Loss on change in fair value of SAFE notes | | 305 |
| Conversion upon Equity Financing Event (Note 7) | | (1,536) |
| Balance as at March 31, 2024, and December 31, 2023 | \$ | - |

11. SHARE CAPITAL

The Company is authorized to issue an unlimited number of common shares without par value.

Share transactions for the three months ended March 31, 2024

- a) On February 16, 2024, the Company issued 3,500,000 common shares to settle Existing Debenture at a price of \$0.074 per common share (Note 9)
- b) On March 8, 2024, the Company issued 45,815,213 common shares to settle Existing Debenture at a price of \$0.042 per share (Note 9).
- c) On March 8, 2024, the Company closed a private placement consisting of an aggregate of 23,809,522 units at a price of \$0.042 (C\$0.05625) per unit for aggregate gross proceeds to the Company of \$1,000. Each unit consists of one common share and one common share purchase warrant of the Company (Note 8, 12).

Lion Copper and Gold Corp.

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For the three months ended March 31, 2024 and 2023

(Unaudited - In thousands of U.S. Dollars except for shares and per share amounts)

11. SHARE CAPITAL (continued)*Share transactions for the three months ended March 31, 2023*

d) No share capital activity in the Company during the 3 months ended March 31, 2023.

Weighted Average Breakdown

(i) Basic & Diluted

Basic earnings per share is calculated by dividing the income attributable to equity owners of the Company by the weighted average number of shares in issue during the period.

| | For the three months ended | |
|---|----------------------------|----------------|
| | March 31, 2024 | March 31, 2023 |
| Net loss for the period | \$ (2,453) | \$ (1,953) |
| Weighted average number of shares - basis & diluted | 329,761,311 | 309,567,975 |
| Basic & Diluted loss per share | \$ (0.01) | \$ (0.01) |

12. ADDITIONAL PAID-IN CAPITAL

a) Stock options

The Company has a stock option plan under which the Company is authorized to grant stock options of up to 10% of the number of common shares issued and outstanding of the Company at any given time.

Stock option activity during the three months ended March 31, 2024, is summarized below:

- i. On March 1, 2024, the Company granted 14,295,000 stock options at an exercise price of \$0.052(C\$0.07) per common share and expire on March 1, 2029, which vest immediately upon grant,

The continuity of the number of stock options issued and outstanding as of March 31, 2024, and December 31, 2023, is as follows:

| | As at March 31, 2024 | | As at December 31, 2023 | |
|-----------------------------------|----------------------|---------------------------------------|-------------------------|---------------------------------------|
| | Number of options | Weighted average exercise price (CAD) | Number of options | Weighted average exercise price (CAD) |
| Outstanding, beginning of period | 49,239,020 | 0.10 | 29,614,283 | 0.11 |
| Granted | 14,295,000 | 0.07 | 23,544,737 | 0.08 |
| Expired | - | - | (1,370,000) | 0.06 |
| Cancelled | - | - | (2,450,000) | 0.10 |
| Exercised | - | - | (100,000) | 0.06 |
| Outstanding, end of period | 63,534,020 | 0.09 | 49,239,020 | 0.10 |

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(Unaudited - In thousands of U.S. Dollars except for shares and per share amounts)

12. ADDITIONAL PAID-IN CAPITAL (continued)

a) Stock options (continued)

As of March 31, 2024, and December 31, 2023, the number of stock options outstanding and exercisable were:

| Expiry date | Exercise price (CAD) | Number of options outstanding | Remaining contractual life in years | Number of options exercisable |
|------------------------------------|---------------------------------|--|--|--|
| June 21, 2024 | 0.07 | 1,900,000 | 0.22 | 1,900,000 |
| August 8, 2024 | 0.06 | 500,000 | 0.36 | 500,000 |
| June 20, 2025 | 0.08 | 2,450,000 | 1.22 | 2,450,000 |
| August 18, 2025 | 0.072 | 2,394,283 | 1.38 | 2,394,283 |
| June 18, 2026 | 0.25 | 3,950,000 | 2.22 | 3,950,000 |
| September 17, 2026 | 0.11 | 4,500,000 | 2.47 | 4,500,000 |
| October 21, 2026 | 0.09 | 2,700,000 | 2.56 | 2,700,000 |
| May 25, 2027 | 0.085 | 8,300,000 | 3.15 | 8,300,000 |
| March 2, 2028 | 0.095 | 350,000 | 3.92 | 350,000 |
| July 21, 2028 | 0.08 | 22,194,737 | 4.31 | 22,194,737 |
| March 1, 2029 | 0.07 | 14,295,000 | 4.92 | 14,295,000 |
| Outstanding, March 31, 2024 | | 63,534,020 | | 63,534,020 |

| Expiry date | Exercise price (CAD) | Number of options outstanding | Remaining contractual life in years | Number of options exercisable |
|---------------------------------------|---------------------------------|--|--|--|
| June 21, 2024 | 0.07 | 1,900,000 | 0.47 | 1,900,000 |
| August 8, 2024 | 0.06 | 500,000 | 0.61 | 500,000 |
| June 20, 2025 | 0.08 | 2,450,000 | 1.47 | 2,450,000 |
| August 18, 2025 | 0.072 | 2,394,283 | 1.63 | 2,394,283 |
| June 18, 2026 | 0.25 | 3,950,000 | 2.47 | 3,950,000 |
| September 17, 2026 | 0.11 | 4,500,000 | 2.72 | 4,500,000 |
| October 21, 2026 | 0.09 | 2,700,000 | 2.81 | 2,700,000 |
| May 25, 2027 | 0.085 | 8,300,000 | 3.40 | 8,300,000 |
| March 2, 2028 | 0.095 | 350,000 | 4.17 | 350,000 |
| July 21, 2028 | 0.080 | 22,194,737 | 4.56 | 22,194,737 |
| Outstanding, December 31, 2023 | | 49,239,020 | | 49,239,020 |

During the three months ended March 31, 2024, an amount of \$660 (2023 - \$95) was expensed as share-based payments related to the vesting of options. The portion of share-based payments recorded is based on the vesting schedule of the options. The following weighted average assumptions were applied using the Black-Scholes Option Pricing model used to estimate the weighted average fair value of stock options granted during the three months ended March 31, 2024

Lion Copper and Gold Corp.

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(Unaudited - In thousands of U.S. Dollars except for shares and per share amounts)

12. ADDITIONAL PAID-IN CAPITAL (continued)

a) Stock options (continued)

| | Three months ended March 31, 2024 | Three months ended March 31, 2023 |
|-------------------------|--------------------------------------|--------------------------------------|
| Risk-free interest rate | 3.59% | 3.66% |
| Expected life (years) | 5 | 5 |
| Annualized volatility | 141% | 145% |
| Forfeiture rate | 0% | 0% |
| Dividend yield | 0% | 0% |

b) Share purchase warrants

Warrant activity during the three months ended March 31, 2024, is summarized below:

- i. On February 16, 2024, the Company issued 15,696,882 share purchase warrants, exercisable at \$0.06 (C\$0.08) per share which expire on February 16, 2025, in connection with the convertible debenture restructuring. These warrants replace the previously issued 11,493,767 warrants for the Existing Debentures. (Note 9)
- ii. On March 8, 2024, a total of 4,107,998 share purchase warrants, exercisable at \$0.06 (C\$0.08) per share for a period of 5 years from the date of issuance were issued in relation to the conversion of Existing Debentures. Additionally, a total of 20,776,254 share purchase warrants were cancelled or expired in relation to the conversion or repayment of the Existing Debentures. (Note 9)
- iii. On March 8, 2024, the Company issued 23,809,522 share purchase warrants, exercisable at \$0.056 (C\$0.075) per share which expire on March 8, 2029, in connection to the private placement of \$1,000 (Note 8).

Warrant activity during the three months ended March 31, 2023, is summarized below:

- i. On March 2, 2023, the Company granted 18,461,015 warrants with an exercise price of \$0.07 (CAD\$0.095) with an expiry date of November 2, 2024, pursuant to the grant of \$1,306 in convertible debenture (Note 9).

The continuity of the number of share purchase warrants outstanding as of March 31, 2024, and December 31, 2023, is as follows:

| | March 31, 2024 | | December 31, 2023 | |
|---|-----------------------|---------------------------------------|-----------------------|---------------------------------------|
| | Number of warrants | Weighted average exercise price | Number of warrants | Weighted average exercise price |
| Outstanding, beginning of period | 119,626,027 | \$ 0.09 | 101,165,012 | \$ 0.09 |
| Issued | 43,614,402 | 0.06 | 18,461,015 | 0.07 |
| Exercised | - | - | - | - |
| Cancelled | (32,270,021) | 0.07 | - | - |
| Outstanding, end of period | 130,970,408 | 0.08 | 119,626,027 | \$ 0.09 |

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(Unaudited - In thousands of U.S. Dollars except for shares and per share amounts)

12. ADDITIONAL PAID-IN CAPITAL (continued)

b) Share purchase warrants (continued)

The following table summarizes warrants outstanding as of March 31, 2024, and December 31, 2023:

| Expiry date | Currency | Exercise price | March 31, 2024 | December 31, 2023 |
|---|----------|----------------|--------------------|----------------------|
| September 13, 2024 | USD | 0.10 | 26,488,733 | 26,488,733 |
| September 27, 2024 | USD | 0.10 | 13,152,909 | 13,152,909 |
| October 21, 2024 | USD | 0.10 | 31,672,632 | 31,672,632 |
| February 17, 2024 | USD | 0.067 | - | 16,044,774 |
| March 8, 2024 | USD | 0.067 | - | 13,805,964 |
| November 2, 2024 | USD | 0.070 | 16,041,732 | 18,461,015 |
| February 16, 2025 | USD | 0.06 | 15,696,882 | - |
| March 8, 2029 | USD | 0.056 | 23,809,522 | - |
| March 8, 2029 | USD | 0.056 | 4,107,998 | - |
| Outstanding at the end of the period | | | 130,970,408 | 119,626,027 |

c) Restricted share units

At the 2022 Annual General Meeting, the Company's stockholders approved issuance of common shares from treasury pursuant to the Company's Amended 2021 Restricted Share Unit Plan (the "RSU Plan") and reserved 30,330,661 shares for issuance under the RSU Plan. Under the RSU Plan, if the Company divests its interests, including the option to purchase, absent a merger, sale or similar transaction in a) one of either the Chaco Bear or Ashton projects, then 50% of the total RSUs that have not vested will be cancelled, or b) both the Chaco Bear or Ashton projects, then 100% of the total RSUs that have not vested will be cancelled.

There was no activity for Restricted share units ("RSU") during the three months ended March 31, 2024, and 2023.

During the three months ended March 31, 2024, an amount of \$Nil (2023 - \$69) was expensed as share-based payments related to the grant of RSU's. The RSU's were tied to the Chaco Bear and Ashton property option agreements which was terminated on June 1, 2023 as a result, the RSU's were also cancelled.

The continuity of the number of RSUs issued and outstanding as of March 31, 2024, and December 31, 2023, is as follows:

| | Number of RSUs |
|---|-------------------|
| Outstanding at December 31, 2022 | 5,333,334 |
| Cancelled | (5,333,334) |
| Outstanding at March 31, 2024, and December 31, 2023 | - |

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13. RELATED PARTY TRANSACTIONS

The Company's related parties include its directors and officers whose remuneration was as follows, subject to change of control provisions for officers:

| | | Three months ended March 31, | |
|-----------------------------------|----|------------------------------|---------------|
| | | 2024 | 2023 |
| Salaries | \$ | 113 | \$ 115 |
| Directors' fees | | - | 21 |
| Share-based payments | | 281 | 69 |
| Interest on convertible debenture | | 106 | 39 |
| | \$ | 500 | \$ 244 |

Other transactions for the three months ended March 31, 2024

- a) On February 16, 2024, CEO, CFO and directors of the company restructured \$407 of their existing convertible debentures into the New Debentures (Note 9). The debentures bear interest at a rate of 20% per annum and mature on November 16, 2025, and are convertible into shares of the Company at \$0.06 (C\$0.08) per share. Additionally, certain directors converted \$259 of their existing convertible into 3,500,000 common shares at a price of \$0.074 (Note 9, 11).
- b) On March 8, 2024, the CFO and directors converted \$1,541 of their outstanding convertible debentures into 36,675,478 common shares at a price of US\$0.042 (Note 9, 11).
- c) On March 8, 2024, the Company recognized 36,675,478 Contingent Warrants for CEO, CFO, directors, and other related parties who converted their existing debentures into units. The value of the contingent warrants upon recognition was \$570. The related parties will receive these warrants upon the Company's listing on the CSE (Note 9).
- d) On March 8, 2024, CFO and directors subscribed for 12,202,380 common shares for a total proceeds of \$513 in relation of a private placement (Note 11). Additionally, the directors received 12,202,380 warrants with a value of \$177 (Note 12).
- e) As at March 31, 2024, the Company had \$10 (December 31, 2023 - \$290) in interest accrued relating to outstanding convertible debentures with directors and officers of the Company.
- f) As at March 31, 2024, there was \$11 (December 31, 2023 - \$11) in prepaid expenses to the CEO of the Company relating to wages paid during the year for services subsequent to period end.

Other transactions for the three months ended March 31, 2023

- g) During the three months ended March 31, 2023, certain directors of the Company subscribed for \$1,135 of unsecured convertible debt in the third tranche (Note 9). The debentures bear interest at a rate of 14% per annum and mature on November 2, 2024, and are convertible into shares of the Company at \$0.070 (\$0.095 CAD) per share until January 2, 2024, and thereafter at \$0.074 (\$0.10 CAD) per share.

Lion Copper and Gold Corp.

Notes to the Condensed Interim Consolidated Financial Statements

For the three months ended March 31, 2024 and 2023

(Unaudited - In thousands of U.S. Dollars except for shares and per share amounts)

14. SEGMENTED INFORMATION

The Company operates in one reportable operating segment, being mineral exploration. Geographic segment information relating to the Company's mineral properties as at March 31, 2024, and December 31, 2023, is as follows:

| | March 31, 2024 | | | December 31, 2023 | | |
|--------------------|----------------|----------|----------|-------------------|----------|----------|
| | Canada | USA | Total | Canada | USA | Total |
| Mineral properties | \$ - | \$ 7,802 | \$ 7,802 | \$ - | \$ 7,647 | \$ 7,647 |

15. COMMITMENTS

To acquire certain mineral property interests as per Note 4, the Company must make optional acquisition expenditures to satisfy the terms of existing option agreements, failing which the rights to such mineral properties will revert to the property vendors.

16. CONTINGENCIES

On July 23, 2021, the Company received notice from the State of Nevada that the State has not approved extensions of three water rights permits purchased by its subsidiary, SPS in 2011. The State also advised that a fourth permit would not be extended after a period of an additional year. This appeal process is ongoing as discussed in Note 4(a).

On March 8, 2024, the Company settled a portion of its Existing Debentures with the issuance of units (Note 9). Certain directors and individuals did not receive warrants with their convertible debenture settlement and will receive these warrants upon the Company's listing on the CSE ("Contingent Warrants"). The Company expects to list in the near future, therefore management concluded that the issuance of the 41,707,215 Contingent Warrants is probable (Note 9).

17. FINANCIAL INSTRUMENT RISKS

The board of directors has overall responsibility for establishing and oversight of the Company's risk management framework. The Company examines the various financial instrument risks to which it is exposed and assesses the impact and likelihood of those risks. Financial instruments consist of cash, accounts payable, accrued liabilities, lease liabilities, Rio Tinto deposit, SAFE notes, convertible debentures, derivative liabilities.

Financial instruments recorded at fair value on the consolidated statements of financial position are classified using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The three levels of the fair value hierarchy are:

- Level 1 - Unadjusted quoted prices in active markets for identical assets or liabilities.
- Level 2 - Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and
- Level 3 - Inputs that are not based on observable market data.

The Company's activities expose it to financial risks of varying degrees of significance, which could affect its ability to achieve its strategic objectives for growth and stockholder returns. The principal financial risks to which the Company is exposed are, liquidity risk, currency risk, interest rate risk, credit risk and commodity price risk. The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework and reviews the Company's policies on an ongoing basis.

The carrying values of cash, accounts payable, accrued liabilities and Rio Tinto deposit approximate their fair values because of their immediate or short term to maturity and the Company's convertible debentures and lease liabilities are recorded at amortized cost.

Lion Copper and Gold Corp.

Notes to the Condensed Interim Consolidated Financial Statements

For the three months ended March 31, 2024 and 2023

(Unaudited - In thousands of U.S. Dollars except for shares and per share amounts)

17. FINANCIAL INSTRUMENT RISKS (continued)

The Company's derivative liabilities is measured at its fair value at the end of each reporting period and is categorized as Level 2 in the fair value hierarchy.

a) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company manages liquidity risk through the management of its capital structure. To mitigate this risk, the Company has a planning and budgeting process in place to determine the funds required to support its ongoing operations and capital expenditures. The Company ensures that sufficient funds are raised from equity offerings or debt financings to meet its operating requirements, after considering existing cash and expected exercise of stock options and share purchase warrants. See Note 1 for further discussion.

b) Currency risk

Foreign exchange risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company operates in the United States and Canada; therefore, it is exposed to currency risk from transactions denominated in CAD. Currently, the Company does not have any foreign exchange hedge programs and manages its operational CAD requirements through spot purchases in the foreign exchange markets. Based on CAD financial assets and liabilities' magnitude, the Company does not have material sensitivity to CAD to USD exchange rates.

c) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market interest rates. The Company is exposed to the interest rate risk on its liabilities through its outstanding borrowings and the interest earned on cash balances. The Company monitors its exposure to interest rates and maintains an investment policy that focuses primarily on the preservation of capital and liquidity.

d) Credit risk

Credit risk is the risk of a financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Company is exposed to credit risk through its cash and cash equivalents. Cash and cash equivalents are held in large Canadian financial institutions that have high credit ratings assigned by international credit rating agencies.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

Cautionary Note Regarding Forward-Looking Statements

This Quarterly Report on Form 10-Q contains forward-looking statements within the meaning of applicable United States and Canadian securities legislations ("**Forward-Looking Statements**"). Forward-Looking Statements reflect the expectations of management and consist of statements that are not only historical fact but also relate to predictions, expectations, belief, plans, projections, objectives, assumptions, future events, or future performance. Forward-Looking Statements may be identified by such terms as "believes", "anticipates", "expects", "estimates", "may", "could", "would", "will", "plan" or similar words. Although the Company believes that such information is reasonable, it can give no assurance that such expectations will prove to be correct. The Company cautions investors that any Forward-Looking Statements provided by the Company is not a guarantee of future results or performance, and that actual results may differ materially from those in Forward-Looking Statements as a result of various estimates, risks, and uncertainties. Readers should not place undue reliance on Forward-Looking Statements. Forward-Looking Statements in this annual report and in documents incorporated by reference herein include, but are not limited to, statements with regard to:

- planned exploration activity including both expected drilling and geological and geophysical related activities;
- future foreign exchange rates;
- future sources of liquidity, cash flows and their uses;
- realization of anticipated benefits of acquisitions and dispositions;
- expected levels of operating costs, general and administrative costs, costs of services and others; and
- treatment under government regulation and taxation regimes.

Forward-Looking Statements are subject to a variety of known and unknown risks, uncertainties and other factors which could cause actual events or results to differ from those expressed or implied by the Forward-Looking Statements, including, without limitation:

- risks related to exploration and development of natural resource properties;
- the uncertain nature of estimating mineral resources and mineral reserves;
- uncertainty in the Company's ability to obtain funding;
- copper price fluctuations;
- recent market events and conditions;
- risks related to governmental regulations;
- risks related to the Company's business being subject to environmental laws and regulations;
- risks related to the Company's inability to meet its financial obligations under agreements to which it is a party; and
- risks related to the Company's ability to recruit and retain qualified personnel.

These Forward-Looking Statements are based on the beliefs of our management as well as on assumptions made by and information currently available to us at the time such statements were made. We undertake no obligation to update forward-looking statements should circumstances or estimates or opinions change.



Lion Copper and Gold Corp.

**Management's Discussion and Analysis
For the three months ended March 31, 2024**

Dated: May 14, 2024

(In U.S. dollars)

General

This Management's Discussion and Analysis ("MD&A") of Lion Copper and Gold Corp. and its wholly owned subsidiaries (collectively, "Lion CG" or the "Company"), dated May 14, 2024, should be read in conjunction with the condensed interim consolidated financial statements for the three months ended March 31, 2024 and audited consolidated financial statements year ended December 31, 2023, and related notes thereto which have been prepared in accordance with accounting principles generally accepted in the United States ("U.S. GAAP"). All dollar amounts in this MD&A are United States dollars unless otherwise noted.

Additional information about the Company, including the Company's press releases, quarterly and annual reports, and Form 10-K, is available through the Company's filings with the securities regulatory authorities in Canada at www.sedarplus.com or the United States Securities Exchange Commission at www.sec.gov/edgar. Information about mineral resources, as well as risks associated with investing in the Company's securities is contained in the Company's most recently filed 10-K.

Under U.S. federal securities laws, issuers must assess their foreign private issuer status as of the last business day of their second fiscal quarter. It was announced that more than 50% of the Company's common shares are held by U.S. shareholders, and the Company no longer meets the definition of a foreign private issuer under the United States securities laws. As a result, commencing in 2023, the Company is required to use forms and rules prescribed for U.S. domestic companies, including the requirement that financial statements be presented in accordance with U.S. GAAP instead of International Financial Reporting Standards ("IFRS"). The Company's common shares will continue to be listed on the TSX Venture Exchange and quoted on the OTCQB.

Charles Travis Naugle, CEO of the Company, is a Qualified Person under National Instrument 43-101 - Standards of Disclosure for Mineral Projects ("NI 43-101"), and has approved the scientific and technical information in this MD&A.

Company Profile

Lion Copper and Gold Corp. is a Canadian-based Company advancing its 100% owned flagship copper projects at Yerington, Nevada through an option to earn-in agreement with Nuton LLC, a Rio Tinto Venture.

The Company also looks for opportunities to acquire projects on reasonable terms that have the potential to host large mineral deposits attractive to major mining companies. The Company is incorporated in British Columbia, Canada. Its registered and records offices are located at 1200 - 750 West Pender Street, Vancouver, British Columbia, Canada, V6C 2T8.

On November 22, 2021, the Company changed its name from Quaterra Resources Inc. to Lion Copper and Gold Corp. The shares of the Company commenced trading under the new name at the open of trading on November 23, 2021. The Company's common shares are listed on the TSX Venture Exchange ("TSXV") under the symbol "LEO" and traded on the OTCQB Market under the symbol "LCGMF".

The Company prepares its condensed interim consolidated financial statements on a going concern basis, which contemplates that the Company will be able to meet its commitments, continue operations and realize its assets and discharge its liabilities in the normal course of business for at least twelve months from the date of this report. The Company has incurred ongoing losses and expects to incur further losses in the advancement of its business activities. For the three months ended March 31, 2024, the Company incurred a net loss of \$2,453,000 (2023 – \$2,116,000). As at March 31, 2024, the Company had cash of \$10,899,000 (December 31, 2023 - \$2,310,000), working capital deficit of \$712,000 (December 31, 2023 – \$2,854,000) and an accumulated deficit of \$128,920,000 (December 31, 2023 - \$126,663,000).

The Company continues to incur losses, has limited financial resources, and has no current source of revenue or cash flow generated from operating activities. To address its financing requirements, the Company plans to seek financing through, but not limited to, debt financing, equity financing and strategic alliances. However, there is no assurance that such financing will be available. If adequate financing is not available or cannot be obtained on a timely basis, the Company may be required to delay, reduce the scope of or eliminate one or more of its exploration programs or relinquish some or all of its rights under the existing option and acquisition agreements. The above factors give rise to material uncertainties that cast substantial doubt on the Company's ability to continue as a going concern.

If the going concern assumptions were not appropriate for these condensed interim consolidated financial statements, then adjustments would be necessary to the carrying values of assets, liabilities, the reported expenses, and the condensed interim consolidated balance sheet classifications used. Such adjustments could be material.

Mineral Properties

The following table summarizes the balance of exploration and evaluation assets as at March 31, 2024, and December 31, 2023, and the changes in exploration and evaluation assets for the years then ended (in thousands of \$).

| | Singatse Peak Services ("SPS") | | | | Lion CG Falcon Copper Corp (formerly Blue Copper Resources Corp) ("FCC") ("LCG") | | Schell Creek Project | | | | | Total |
|--|--------------------------------|--------------|--------------|--------------|--|---------------------|----------------------|-------|------------|---------|-----------|----------------|
| | MacArthur | Yerington | Bear | Wassuk | Copper Canyon | Chaco Bear & Ashton | Blue Copper | Cabin | Muncy | Pioneer | Groundhog | |
| (In thousands of U.S dollars) | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ |
| Balance December 31, 2022 | 2,489 | 1,195 | 1,575 | 1,405 | - | 602 | 618 | - | - | - | - | - 7,884 |
| Acquisition costs | - | - | 231 | - | 10 | - | 260 | - | 95 | - | - | - 596 |
| Impairment | - | - | - | - | - | (602) | - | - | - | - | - | - (602) |
| Paid by Rio Tinto | - | - | (231) | - | - | - | - | - | - | - | - | - (231) |
| Total additions (disposals) for the year | - | - | - | - | 10 | (602) | 260 | - | 95 | - | - | - (237) |
| Balance December 31, 2023 | 2,489 | 1,195 | 1,575 | 1,405 | 10 | - | 878 | - | 95 | - | - | - 7,647 |
| Acquisition costs | - | - | 1 | - | - | - | 150 | - | 5 | - | - | - 156 |
| Impairment | - | - | - | - | - | - | - | - | - | - | - | - - |
| Paid by Rio Tinto | - | - | (1) | - | - | - | - | - | - | - | - | - (1) |
| Total additions (disposals) for the period | - | - | - | - | - | - | 150 | - | 5 | - | - | - 155 |
| Balance March 31, 2024 | 2,489 | 1,195 | 1,575 | 1,405 | 10 | - | 1,028 | - | 100 | - | - | - 7,802 |

On June 1, 2023, Lion CG and Houston Minerals Ltd. terminated the option agreement surrounding the Chaco Bear and Ashton properties. As at December 31, 2023, Lion CG impaired the full balance of property and recognized \$602,000 in impairment expense.

Total exploration expenditures recorded on the condensed interim consolidated statement of operations are listed in the tables below (in thousands of \$):

Exploration expenditures incurred for the three months ended March 31, 2024

| | Singatse Peak Services | | | | | Falcon Copper Corp | | | | | | | Total |
|---|------------------------|----------------|--------------|----------|-----------|--------------------|-------------|----------|----------|----------|-----------|----------|----------------|
| | MacArthur | Yerington | Bear | Wassuk | Prospects | Copper Canyon | Blue Copper | Cabin | Muncy | Pioneer | Groundhog | Recon | |
| (In thousands of U.S. dollars) | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ |
| Property maintenance | - | 157 | - | - | - | - | 37 | - | - | - | - | - | 194 |
| Assay & Labs | 40 | 53 | 1 | - | - | - | - | - | - | - | - | - | 94 |
| Drilling | 350 | 524 | 903 | - | - | - | - | - | - | - | - | - | 1,777 |
| Environmental | 21 | 201 | - | - | - | - | - | - | - | - | - | - | 222 |
| Geological & mapping | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Geophysical surveys | - | 40 | 1 | - | - | - | - | - | 2 | - | - | - | 43 |
| Technical study | - | 285 | - | - | - | - | - | - | - | - | - | - | 285 |
| Field support | - | - | 11 | - | - | - | 19 | - | - | 1 | 13 | 1 | 45 |
| Total expenses incurred | 411 | 1,260 | 916 | - | - | - | 56 | - | 2 | 1 | 13 | 1 | 2,660 |
| Total Expenditures funded by Rio Tinto | (411) | (1,260) | (916) | - | - | - | - | - | - | - | - | - | (2,587) |
| Total Expenditures funded by Lion CG | - | - | - | - | - | - | 56 | - | 2 | 1 | 13 | 1 | 73 |

Exploration expenditures incurred for the three months ended March 31, 2023

| | Singatse Peak Services | | | | Lion CG | Blue Copper Resources Corp | | | | | | |
|---|------------------------|--------------|--------------|----------|---------------------------|----------------------------|-----------|----------|----------|-----------|-----------|----------------|
| | Schell Creek Project | | | | | | | | | | | |
| | | | | | Chaco Bear & Ashton | Blue Copper | Cabin | Muncy | Arizona | Groundhog | Recon | Total |
| (In thousands of U.S dollars) | MacArthur | Yerington | Bear | Wassuk | | | | | | | | |
| | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ |
| Property maintenance | 8 | 5 | - | - | - | 44 | - | - | - | - | - | 57 |
| Assay & Labs | - | 7 | - | - | - | - | - | - | - | - | - | 7 |
| Drilling | 196 | - | 379 | - | - | - | - | - | - | - | - | 575 |
| Environmental | 5 | 33 | - | - | - | - | - | - | - | - | - | 38 |
| Geophysical surveys | - | - | - | - | - | 24 | 4 | - | - | - | 52 | 80 |
| Technical study | - | 378 | - | - | - | - | - | - | - | - | - | 378 |
| Field support | - | - | 6 | - | - | 66 | 36 | - | 7 | - | - | 115 |
| Total expenses incurred | 209 | 423 | 385 | - | - | 134 | 40 | - | 7 | - | 52 | 1,250 |
| Total Expenditures funded by Rio Tinto | (209) | (423) | (385) | - | - | - | - | - | - | - | - | (1,017) |
| Total Expenditures funded by Lion CG | - | - | - | - | - | 134 | 40 | - | 7 | - | 52 | 233 |

Option to Earn-in Agreement with Rio Tinto

On March 18, 2022, the Company entered into an Option to Earn-in Agreement with Rio Tinto to advance studies and exploration at Lion CG's copper assets in Mason Valley, Nevada (the "Rio Tinto Agreement"). Under the agreement, Rio Tinto has the exclusive option to earn a 65% interest in the assets comprising Yerington, MacArthur, Wassuk, Bear and associated water rights (the "Mining Assets").

In addition, Rio Tinto will evaluate the potential commercial deployment of its Nuton™ technologies at the site. Nuton™ offers copper heap leaching technologies developed by Rio Tinto to deliver greater copper recovery from mined ore and access new sources of copper such as low-grade sulfide resources and reprocessing of stockpiles and mineralized waste. The technologies have the potential to deliver leading environmental performance through more efficient water usage, lower carbon emission, and the ability to reclaim mine sites by reprocessing waste.

On April 27, 2022, the Company TSX Venture Exchange approved the Rio Tinto Agreement.

The status of the Rio Tinto Agreement is set out below.

Stage 1

Rio Tinto paid four million U.S. dollars (\$4,000,000) for the agreed-upon Program of Work on the Mining Assets. Stage 1 was deemed completed on December 22, 2022.

Stage 2

Within forty-five (45) days of the completion of Stage 1, Rio Tinto was to provide notice to the Company whether Rio Tinto elected to proceed with Stage 2 (notice was provided), upon which Rio Tinto was to pay up to \$5,000,000 for agreed-upon Mason Valley study and evaluation works to be completed by the Company within 12 months from the date that the parties agree upon the scope of Stage 2 work (\$7,500,000 paid January 13, 2023, representing \$5,000,000 for Stage 2 and \$2,500,000 for Stage 3 in which some of the work has started for Stage 3 and a portion of the deposit has been used).

On October 5, 2023, an amendment was signed for the modification of the Stage 2 Program of Work. The significant updates are related to the following:

- The term of Stage 2 of the Option Agreement has an end date of January 12, 2024. The Parties extend that end date by 9 months, to September 12, 2024 to continue study work, including testing and evaluation of the Nuton Technologies.
- Subject to internal approvals, Nuton LLC ("Nuton"), on behalf of Rio Tinto, will advance \$10,000,000 of the Stage 3 Earn-In Not to Exceed Amount to Lion CG for the Stage 2b Program of Work within 30 days of completion of Stage 2a (Stage 2a is defined as the Stage 2 Program of Work activities performed up until January 12, 2024).
- Should the Parties agree that Stage 2c is necessary, the Parties will memorialize the scope of work in a letter agreement. Subject to internal approvals, Nuton will advance another \$5,000,000 of the Stage 3 Earn-In Not to Exceed Amount to Lion CG within 30 days of the execution of the Stage 2c Program of Work Agreement.
- The Parties agree that Lion CG may allocate \$50,000 per month for its corporate G&A expenses from the funds paid under the payments above (if any) and such allocation will be detailed in the relevant Program of Work Agreement(s).

Stage 3 - Feasibility Study

Within sixty (60) days of the completion of Stage 2, Rio Tinto shall provide notice to the Company whether Rio Tinto will exercise its Option and fund a Feasibility Study based on the results of the Stage 1 and Stage 2 Programs of Work. Rio Tinto will fully-fund the Feasibility Study and ancillary work completed by the Company in an amount composed of the aggregate of Stage 1 through 3 not to exceed \$50,000,000.

Investment Decision

Upon completion of the Feasibility Study, Rio Tinto and the Company will decide whether to create an investment vehicle into which the Mining Assets will be transferred, with Rio Tinto holding not less than a 65% interest in the investment vehicle.

- If Rio Tinto elects to not to create the investment vehicle, then the Company shall grant to Rio Tinto a 1.5% NSR on the Mining Assets.
- If Rio Tinto elects to create the investment vehicle but the Company elects not to create the investment vehicle, then, at Rio Tinto's option, Lion CG shall create the investment vehicle and Rio Tinto will purchase the Company's interest in the investment vehicle for fair market value.

Project Financing

- Following the formation of the investment vehicle, any project financing costs incurred will be funded by Rio Tinto and the Company in proportion to their respective ownership interest in the investment vehicle.
- Rio Tinto may elect to fund up to \$60,000,000 of the Company's project financing costs in exchange for a 10% increase in Rio Tinto's ownership percentage. In addition, upon mutual agreement of Rio Tinto and the Company, Rio Tinto may fund an additional \$40,000,000 of the Company's project financing costs in exchange for an additional 5% increase in Rio Tinto's ownership percentage.
- If the Company's ownership percentage in the investment vehicle is diluted to 10% or less, then the Company's ownership interest will be converted into a 1% uncapped NSR.

On May 15, 2022, Rio Tinto approved the Stage 1 Program of Work and provided \$4,000,000 to the Company for the development of the Mason Valley projects, which has been completed as of December 31, 2022. The remaining funds of the \$4,000,000 will be spent per agreement with Rio Tinto in 2023 for Stage 2.

On March 20, 2023, the Company and Rio Tinto formally agreed to proceed with the Stage 2 Program of Work and an advance on the Stage 3 Program of Work.

On January 4, 2024, \$11,500,000 was received from Rio Tinto relating to the Stage2b and the Stage 3 Programs of Work. The Company completed the Stage 2a program of work on January 12, 2024.

The funds incurred in connection with these Programs of Work were offset against additions to mineral properties and general expenditures as follows:

| | |
|--|--------------|
| (In thousands of U.S. dollars) | |
| Balance December 31, 2022 | 613 |
| Proceeds received | 7,500 |
| Funds applied to capitalized mineral property expenditures | (231) |
| Funds applied to reclamation deposits | (9) |
| Funds applied to exploration expenditures: | |
| Property maintenance | (323) |
| Assay & labs | (236) |
| Drilling | (1,957) |
| Environmental | (583) |
| Geophysical surveys | (123) |
| Technical study | (1,440) |
| Field support & other | (77) |
| Funds applied to general operating expenditures | (1,777) |
| Balance December 31, 2023 | 1,357 |
| Proceeds received | 11,500 |
| Funds applied to capitalized mineral property expenditures | (1) |
| Funds applied to prepaid expenses | (120) |
| Funds applied to reclamation deposits | - |
| Funds applied to exploration expenditures: | |
| Property maintenance | (157) |
| Assay & labs | (95) |
| Drilling | (1,778) |
| Environmental | (222) |
| Geophysical surveys | (39) |
| Technical study | (285) |
| Field support & other | (11) |
| Funds applied to general operating expenditures | (631) |
| Balance March 31, 2024 | 9,518 |

Yerington Copper Project, Nevada

The Yerington Copper Project ("Project") is located near the geographic center of Lyon County, Nevada, U.S.A., along the eastern flank of the Singatse Range. The Project is approximately 70 miles by road from Reno Nevada, 50 miles south of Tahoe-Reno Industrial Center, and 10 miles from the nearest rail spur of Wabuska.

The Project includes both the historical Yerington Property and the historic MacArthur Deposit located approximately 4.5 miles to the northwest. The Project is bordered on the east by the town of Yerington, Nevada which provides access via a network of paved and gravel roads that were used during previous mining operations. The Project consists of 5 fee simple parcels and 82 patented mining claims totaling 2,768 acres, and 1,113 unpatented lode and placer claims totaling 22,996 acres. The unpatented claims are located on lands administered by the U.S. Department of Interior, Bureau of Land Management (BLM).

Please refer to the Company's Preliminary Economic Assessment technical report, details of which were released on January 30, 2024.

Yerington Property, Nevada

The Yerington pit area has a rich history of exploration, with extensive drilling conducted by Anaconda, ultimately leading to the extraction of over 1.7 billion pounds of copper.

The Company has primarily focused its exploration efforts at the Yerington Property on drilling activities conducted along the accessible pit ramps and access roads surrounding the Yerington pit.

The Yerington Property produced approximately 162 million tons of ore grading 0.54% Cu, of which oxide copper ores amenable to leaching accounted for approximately 104 million tons. A 1971 snapshot of head grades shows oxide mill head grade averaging 0.53% Cu and sulfide grades ranging from 0.45% to 0.75% Cu.

The general geometry of copper mineralization below the Yerington pit is an elongate body extending 6,600 feet along a strike of S62°E. The modeled mineralization has an average width of 2,000 feet and has been defined by drilling to an average depth of 400-500 feet below the pit bottom at the 3,500-foot elevation.

Oxide copper occurred throughout the extent of the Yerington pit, attracting the early prospectors who sank the Nevada-Empire shaft on copper showings located over the present-day south-central portion of the pit. To extract the copper oxides, Anaconda produced sulfuric acid on site for a period of time, utilizing native sulfur mined and trucked from Anaconda's Leviathan Mine located approximately 70 miles west of Yerington. Following shut down of the acid plant, Anaconda imported acid from various offsite sources.

MacArthur Deposit, Nevada

The MacArthur Deposit is a large copper mineralized system containing near-surface acid soluble copper and the potential for a significant primary sulfide resource that remains underexplored. The MacArthur Deposit is one of several copper deposits and prospects located near the town of Yerington that collectively comprise the Yerington Mining District. The MacArthur Deposit is underlain by Middle Jurassic granodiorite and quartz monzonite intruded by west-northwesterly-trending, moderate to steeply north-dipping quartz porphyry dike swarms.

The MacArthur Deposit consists of a 50 to 150-ft thick, tabular zone of secondary copper (in the form of oxides and/or chalcocite) covering an area of approximately two square miles. This mineralized zone has yet-to-be fully delineated. Limited drilling has also intersected underlying primary copper mineralization open to the north, but only partially tested to the west and east.

Oxide copper mineralization is most abundant and particularly well exposed in the walls of the legacy MacArthur pit. The most common copper mineral is chrysocolla; also present is black copper wad (neotocite) and trace cuprite and tenorite. The flat-lying zones of oxide copper mirror topography, exhibit strong fracture control and range in thickness from 50 to 100 feet. Secondary chalcocite mineralization forms a blanket up to 50 feet or more in thickness that is mixed with and underlies the oxide copper. Primary chalcopyrite mineralization has been intersected in several locations mixed with and below the chalcocite. The extent of the primary copper is unknown as many of the holes bottomed at 400 feet or less.

Bear Deposit, Nevada

The Bear Deposit consists of approximately 2,300 acres of private land located to the northeast of the Yerington Property, plus several hundred acres beneath the Yerington Property.

The Company has five option agreements, entered from March 2013 to May 2015, to acquire a 100% interest in private lands covering the Bear Deposit. Under the terms of these option agreements, as amended, the Company is required to make \$5,988,290 in cash payments over 15 years (\$5,454,290 paid) to maintain the exclusive right to purchase the land, mineral rights, and certain water rights and to conduct mineral exploration on these properties. Two of the properties are subject to a 2% NSR upon commencing commercial production, which can be reduced to a 1% NSR in consideration of \$1,250,000 total.

Outstanding payments to keep the option agreements current are as follows, by year:

- \$131,000 due in 2024 (\$1,000 paid)
- \$404,000 due in years 2025 to 2028

Outstanding consideration payments under the five option agreements are as follows:

- \$1,250,000 for Taylor, purchase option expiring April 4, 2025
- \$250,000 for Chisum, purchase option has no expiration date, \$50,000 per year payment required for continuation
- \$5,000,000 for Yerington Mining, purchase option expiring in Q4 2024
- Circle Bar N purchase option:
 - On or before June 15, 2025: \$12,000,000
 - June 16, 2025 - June 15, 2026: \$13,000,000
 - June 16, 2026 - June 15, 2027: \$14,000,000
 - June 16, 2027 - June 15, 2028: \$15,000,000
 - June 16, 2028 - June 15, 2029: \$16,000,000
- \$22,770,000 for Desert Pearl Farms, purchase option expiring in 2029

Wassuk, Nevada

The Wassuk Property consists of 310 unpatented lode claims totaling approximately 6,400 acres on lands administered by the BLM.

The Company fulfilled the Wassuk purchase option on January 14, 2023.

The property is subject to a 3% NSR royalty upon commencing commercial production, which can be reduced to a 2% NSR in consideration of \$1,500,000.

Copper Canyon Property, Nevada

On August 21, 2023, the Company entered into a Purchase and Sale Agreement with Convergent Mining, LLC, whereby the Company purchased the title to the Copper Canyon claims from Convergent Mining, LLC upon closing of agreement. As consideration, the Company paid \$10,000 in necessary claim fees. Further, the Company will be required to pay an Exploration fee to Convergent Mining, LLC calculated as:

- 5% of the first \$2,000,000 of qualifying exploration costs, not exceeding \$100,000

The Copper Canyon Property does not constitute a Mining Asset applicable to the Company's Rio Tinto Agreement.

Prospects

During the three months ended March 31, 2024, the Company, through Singatse Peak Services, incurred \$Nil (during the year ended December 31, 2023 - \$366,000) in evaluation expenditures, which was covered by Rio Tinto, on other prospects located within the Mining Assets, subject to the Rio Tinto Agreement, in order to determine whether they warranted further pursuit.

Chaco Bear and Ashton Properties, British Columbia

On June 1, 2023, Lion CG and Houston terminated the option agreement which resulted in Lion CG defaulting on the Chaco Bear and Ashton properties. As at March 31, 2024, and December 31, 2023, Lion CG impaired the full balance of properties and recognized \$602,000 in impairment expense.

FALCON COPPER CORP.

Blue Copper Project, Montana

A Butte-style copper-gold system in Powell County and Lewis & Clark County in Montana, located 45 miles north of the world famous Butte, Montana copper mines. District-scale consolidation sitting on top of a prolific placer gold system with extensive copper showings.

Schell Creek Project, Nevada

The Schell Creek Project is composed of the Cabin and Muncy Properties in White Pine County, Nevada, which represent two copper immediately adjacent targets composed of approximately 15,000 acres of mineral claims.

The Cabin Property represents a potential major copper-moly porphyry discovery concealed beneath the Spring Valley pediment within a district-scale BLM land package, located immediately north of the Muncy Property.

Muncy Option to Joint Venture Agreement

On November 22, 2023, Falcon Copper Corp. entered into an Option to Joint Venture Agreement with Kennecott Exploration Company ("Kennecott"), a Rio Tinto subsidiary.

Pursuant to the Agreement, Kennecott grants FCC the sole and exclusive right and option to acquire 100% interest in the Muncy Property. To exercise this option, FCC must satisfy the following:

- pay the Payment Commitment of \$95,059 to Kennecott on or before the Effective Date of November 22, 2023 (Paid);
- pay an additional payment commitment of \$5,000 by February 18, 2024 (Paid);
- pay an additional payment commitment of \$51,000 by July 1, 2024;
- incur exploration expenditures of \$1,500,000 with respect to the Muncy Property and \$1,000,000 with respect to the Cabin Property on or before November 22, 2025.

Upon FCC satisfying the exploration expenditures, Kennecott has the option to opt in for 40% of an asset-level joint venture for the Schell Creek Project; if Kennecott chooses to not opt in, FCC takes 100% ownership of the Muncy Property, along with the Cabin Property, with a Muncy Property royalty granted to Rio Tinto.

If FCC decides to terminate the option at any time, they will grant Kennecott a 2.0% net smelter royalty in the Cabin Property. After this is done, the agreement, except for specified sections, will terminate

If Kennecott elects not to form a joint venture, Kennecott must transfer all their rights in the Muncy Property to the FCC. In return, FCC will grant the optionor a 2.0% net smelter royalty (NSR) in the Properties. Before FCC decides to develop a commercial mining operation on any portion of the Properties, FCC has the right to reduce the net smelter royalty (NSR) from 2.0% to 1.0% by paying the optionor \$10,000,000 in cash

Pioneer, Arizona

An approximate 1,300 acre covered target area prospective for high grade primary or enriched porphyry copper mineralization located within Arizona's prolific Copper Triangle - within 10 miles of the Resolution & Ray mines.

Groundhog, Alaska

On April 20, 2017, the Company signed an agreement with Chuchuna Minerals Company, an Alaska corporation, giving it an option to purchase a 90% interest in the Groundhog copper prospect, a property located on an established copper porphyry belt, two hundred miles southwest of Anchorage, Alaska. The Groundhog claims cover the northern extension of a structural zone that hosts a number of porphyry copper-gold prospects.

On December 13, 2022, the Groundhog property was transferred from Quaterra Alaska to Falcon Copper Corp.

To earn the 90% interest, FCC must fund a total of \$5,000,000 (approximately \$3,000,000 funded) of exploration expenditures and make a lump sum payment to Chuchuna of \$3,000,000 by the end of April 20, 2024. FCC can terminate the agreement at its discretion.

The property is subject to a 1.75% NSR upon commencing commercial production, which can be reduced to a 0.875% NSR royalty in consideration of \$25,000,000.

Reconnaissance

FCC incurred evaluation expenditures on reconnaissance in Nevada, Montana and Arizona properties in order to determine whether they warranted further pursuit.

BLUE COPPER ROYALTIES, LLC

Blue Copper Royalties, LLC holds the Butte Valley Royalty and the Nieves interest.

The Butte Valley Royalty is represented by a 1.0% NSR, subject to a buy-down to a 0.5% NSR in exchange for an aggregate payment of \$15,000,000.

The Nieves Interest is represented by a 5% net profits interest associated with the Nieves Silver property in Mexico.

Performance Highlights

On January 13, 2023, the Company reached an agreement with Rio Tinto on the scope of the Stage 2 Program of Work. As a result, the Company received \$7,500,000, comprising of \$5,000,000 for Stage 2 work and \$2,500,000 as an immediate advance on part of the Stage 3 financing.

On March 20, 2023, the Company and Rio Tinto agreed on the detailed scope for the Stage 2 and Stage 3 Programs of Work as described as follows.

On January 12, 2024, the Company completed the stage 2a program of work on January 12, 2024. On January 4, 2024, \$11,500,000 was received, comprising of 10,000,000 for Stage 2b work and \$1,500,000 as an immediate advance on part of the Stage 3 financing.

Yerington Copper Project

No lost-time accidents were incurred by the Company or its contractors during the three months ending March 31.

Preliminary Economic Assessment

On January 30, 2024, the Company announced the results of a Preliminary Economic Assessment (“PEA”) on its Yerington Copper Project. The PEA envisions an open pit mining strategy followed by a heap leach operation, enhanced by the application of Rio Tinto’s Nuton technologies to process primary sulfide copper materials. Highlights of the PEA results include (full details and disclaimers on the PEA results are provided in the January 30, 2024 news release):

Highlights:

- Post-tax NPV7% of \$356 million and IRR of 17.4%, calculated at a copper price of \$3.85/lb
- Utilization of cutting-edge Nuton technologies for recovering cathode copper from primary sulfide materials, negating the need for concentrator, tailings impoundment and smelter operations
- 12-year open pit mine life encompassing operations at Yerington and MacArthur, with projected lifetime copper (Cu) production of 1.4 billion pounds, averaging 117 million pounds per year
- Initial capital expenditure of \$413 million including all mine pre-production costs, with sustaining capital of \$653 million
- Post-tax payback period of 5.0 years
- Average cash operating costs of \$2.20/lb copper payable
- Cumulative cashflow of \$1.00 billion post-tax and \$1.24 billion pre-tax on base case assumptions
- Exceptionally low overall open pit strip ratio at 0.3:1.0 (waste:feed)
- Synergistic co-location of processing facilities within a single legacy-affected site, servicing both the Yerington Mine and the MacArthur Mine, effectively minimizing environmental impacts in the region
- Dewatering of the Yerington Pit Lake, involving the pumping of approximately 43,000 acre-feet of water at a cost of \$50 million, which not only facilitates pit expansion but also unlocks water for alternative beneficial use in Mason Valley

The Yerington Copper Project PEA merges the Yerington and MacArthur projects into an integrated mining operation. The development strategy begins with reprocessing legacy rock stockpiles and tailings at the Yerington Mine, followed by mining activities at the base of the legacy Yerington pit once dewatered. Oxide and sulfide materials will be mined and processed via separate heap leach pads located at the legacy Yerington Mine.

The sulfide processing will utilize Nuton technologies, enabling copper recovery reaching 74% and eliminating the necessity for a concentrator, tailings facility and smelter. Application of the Nuton technologies greatly reduces the environmental footprint of the Yerington Copper Project (i.e., lower power and water consumption, lower CO2 emissions, use of brownfield real estate). Resulting copper-rich solutions from both sulfide and oxide heaps will be collected and routed to a central solvent extraction and electrowinning (SX-EW) facility for on-site production of cathode copper. In a subsequent project phase, oxide material from the MacArthur Mine will complement ongoing Yerington operations.

| Parameter | Units | Pre-Tax | Post-Tax |
|-------------------------------|-----------------|---------|----------|
| Copper Price | \$US/lb | 3.85 | |
| Economic Indicators | | | |
| Net Present Value (7%) | \$US M | 482 | 356 |
| IRR | % | 20.3 | 17.4 |
| Payback Period | Years | 4.7 | 5.0 |
| Copper Revenue less Royalties | \$US M | 5,297 | 5,297 |
| Total Operating Cost | \$US M | 2,987 | 2,987 |
| Life of Mine Capital Cost | \$US M | 1,067 | 1,067 |
| Net Taxes | \$US M | - | 243 |
| Net Cash Flow | \$US M | 1,244 | 1,001 |
| Cash Costs | \$US/lb payable | 2.20 | 2.37 |
| AISC | \$US/lb payable | 2.96 | |
| Copper – Payable | Mlb | 1,402 | |
| Mine Life | Years | 12 | |

| | | | | | | |
|-----------------------------|---------|--------|---------------|--------|---------|---------|
| Copper Price \$US/lb | \$3.08 | \$3.47 | \$3.85 | \$4.24 | \$4.62 | \$5.00 |
| Variance | -20% | -10% | Base | 10% | 20% | 30% |
| Pre-tax | | | | | | |
| NPV @7% \$M | -\$89.8 | \$201 | \$482 | \$771 | \$1,051 | \$1,332 |
| IRR | 3.7% | 13.2% | 20.3% | 26.5% | 31.8% | 36.7% |
| Post-tax | | | | | | |
| NPV @7% \$M | -\$129 | \$122 | \$356 | \$589 | \$812 | \$1,035 |
| IRR | 2.1% | 11.0% | 17.4% | 22.9% | 27.6% | 32.0% |

Mineral Resource Estimate

The Mineral Resources for the Yerington Copper Project are composed of the Yerington Deposit, W-3 Stockpile, Vat Leach Tailings and the MacArthur Deposit.

The Mineral Resources are reported in accordance with CIM Definition (CIM, 2014) Standards and do not represent Mineral Reserves. There is no certainty that all or any part of the Mineral Resources will be converted to Mineral Reserves. The Inferred Resources are considered too speculative geologically to have economic considerations applied to them that would enable them to be categorized as Mineral Reserves. Inferred Resources must be excluded from economic evaluations.

Yerington Deposit - The Mineral Resource estimate utilizes validated historic drill hole data generated by Anaconda Copper Mining Company (“**Anaconda**”) and recent drilling results by the Company in 2011, 2017 and 2022. The updated Mineral Resources for the Yerington Deposit are: Measured Resources of 62.9 Mtons at 0.30% TCu; Indicated Resources of 94.7 Mtons at 0.27% TCu; and Inferred Resources of 113.2 Mtons at 0.22% TCu.

2023 Yerington Deposit Mineral Resource estimate

| Material | Cutoff Grade (TCu%) | Tons | Grade (TCu%) | Contained Copper (lbs) |
|-----------------------------------|---------------------|--------------------|--------------|------------------------|
| Measured Oxide | 0.038 | 20,230,000 | 0.25 | 99,367,000 |
| Measured Sulfide | 0.126 | 42,671,000 | 0.32 | 274,578,000 |
| Measured Total | | 62,901,000 | 0.30 | 373,945,000 |
| Indicated Oxide | 0.038 | 13,749,000 | 0.22 | 60,166,000 |
| Indicated Sulfide | 0.126 | 80,960,000 | 0.28 | 457,921,000 |
| Indicated Total | | 94,709,000 | 0.27 | 518,087,000 |
| Measured + Indicated Oxide | 0.038 | 33,979,000 | 0.23 | 159,533,000 |
| Measured + Indicated Sulfide | 0.126 | 123,631,000 | 0.30 | 732,499,000 |
| Measured + Indicated Total | | 157,610,000 | 0.28 | 892,032,000 |
| Inferred Oxide | 0.038 | 33,347,000 | 0.18 | 122,221,000 |
| Inferred Sulfide | 0.126 | 79,881,000 | 0.24 | 385,938,000 |
| Inferred Total | | 113,229,000 | 0.22 | 508,159,000 |

Notes:

1. Effective date for this Mineral Resource estimate is May 1, 2023.
2. The 2023 Mineral Resource estimate uses a variable break-even economic cut-off grade of 0.038% TCu and 0.126% TCu based on assumptions of a net copper price of \$4.08/lb (after processing, transportation and royalty charges), 70% recovery in oxide material, 75% recovery in sulfide material.
3. Mineral Resources are not Mineral Reserves and do not demonstrate economic viability.
4. Mineral Resource estimate reported from within resource pit shell.
5. There is no certainty that all or any part of the Mineral Resource estimate will be converted into Mineral Reserves.
6. All figures are rounded to reflect the relative accuracy of the estimates and totals may not add correctly.

W-3 Stockpile - W-3 is a rock disposal stockpile that lies north-northwest of the current Yerington pit and was derived from subgrade copper oxide material mined during historical Anaconda mining operations. The Inferred W-3 Stockpile Mineral Resource is 14.1 million tons at 0.11% TCu.

2023 W-3 Stockpile Mineral Resource Statement

| Class | Cutoff Grade (TCu%) | Tons | Grade (TCu%) | Contained Copper (lbs) |
|----------------|----------------------------|-------------|---------------------|-------------------------------|
| Inferred Oxide | >= 0.04 | 14,100,000 | 0.11 | 30,571,000 |

Notes:

1. Effective date for this W-3 Stockpile Mineral Resource estimate is July 31, 2023.
2. The 2023 Mineral Resource estimate uses a variable break-even economic cut-off grade of 0.040 % TCu based on assumptions of a net copper price of \$4.08/lb (after processing, transportation, and royalty charges), and 70% recovery in oxide material.
3. Mineral Resource are not Mineral Reserves and do not demonstrate economic viability.
4. Mineral Resource estimate reported from within resource pit shell.
5. There is no certainty that all or any part of the Mineral Resource estimate will be converted into Mineral Reserves.
6. All figures are rounded to reflect the relative accuracy of the estimates and totals may not add correctly.

Vat-Leached Tailings - Vat-Leached Tailings, in the form of oxide tailings, are the leached products of Anaconda’s vat leach copper extraction. The oxide tailings, located north of the Process Areas, contain the crushed rock at the base of the leach vats that remained following the extraction of copper in the vat-leaching process. The Inferred VLT Mineral Resource is 33.2 million tons at 0.09% TCu.

2023 VLT Mineral Resource Statement

| Class | Cutoff Grade (TCu%) | Tons | Grade (TCu%) | Contained Copper (lbs) |
|----------------|----------------------------|-------------|---------------------|-------------------------------|
| Inferred Oxide | >= 0.04 | 33,160,000 | 0.09 | 62,622,000 |

Notes:

1. Effective date for this VLT Mineral Resource estimate is July 31, 2023.
 2. The 2023 Mineral Resource estimate uses a variable break-even economic cut-off grade of 0.040 % TCu based on assumptions of a net copper price of \$4.08/lb (after processing, transportation and royalty charges), and 70% recovery in oxide material.
 3. Mineral Resource are not Mineral Reserves and do not demonstrate economic viability.
 4. Mineral Resource estimate reported from within resource pit shell.
 5. There is no certainty that all or any part of the Mineral Resource estimate will be converted into Mineral Reserves.
- All figures are rounded to reflect the relative accuracy of the estimates and totals may not add correctly.

MacArthur Deposit - The Mineral Resource estimate of the MacArthur Deposit encompasses three principal domains: Main MacArthur, Gallagher and North Ridge. An overview of Section 14 from the Technical Report, titled "MacArthur Copper Project, Mason Valley, Nevada, USA, Mineral Resource Estimate," is presented in the following tables. There have been no subsequent updates to the MacArthur Mineral Resource following the publication of the Technical Report on February 25, 2022.

The Mineral Resource estimate for the MacArthur Deposit are: Measured Resources of 116.7 Mtons at 0.18% TCu; Indicated Resources of 183.7 Mtons at 0.158% TCu; and Inferred Resources of 156.5 Mtons at 0.151% TCu.

MacArthur Deposit – Summary of Mineral Resource

| Classification | Ktons | Grade (Total Cu%) | Contained Copper Pounds x 1000 |
|----------------------|---------|-------------------|--------------------------------|
| Measured | 116,666 | 0.180 | 420,929 |
| Indicated | 183,665 | 0.158 | 579,479 |
| Measured + Indicated | 300,331 | 0.167 | 1,000,408 |
| Inferred | 156,450 | 0.151 | 471,714 |

Notes:

1. The effective date of the MacArthur Mineral Resource estimate is February 25, 2022.
2. Cutoff grade: 0.06% TCu for Leach Cap, Oxide & Transition
3. Cutoff grade for Sulfide: 0.06% TCu for MacArthur & North Ridge, 0.08% TCu for Gallagher.
4. Total resource shell tonnage = 628,831 ktons

Mineral Resource by Domain

| Domain | Total Copper Cutoff, % | MEASURED Ktons & Grade Above Cutoff | | | INDICATED Ktons & Grade Above Cutoff | | | MEASURED & INDICATED Ktons & Grade Above Cutoff | | |
|--------------|------------------------|--|--------------|----------------------------|---|--------------|----------------------------|--|--------------|----------------------------|
| | | Ktons | TCu, % | Contained Cu Pounds x 1000 | Ktons | TCu, % | Contained Cu Pounds x 1000 | Ktons | TCu, % | Contained Cu Pounds x 1000 |
| MacArthur | 0.06 | 82,983 | 0.184 | 305,303 | 77,171 | 0.151 | 233,446 | 160,154 | 0.168 | 538,749 |
| North Ridge | 0.06 | 25,149 | 0.176 | 88,507 | 78,305 | 0.166 | 259,558 | 103,454 | 0.168 | 348,065 |
| Gallagher | 0.06/0.08 | 8,534 | 0.159 | 27,119 | 28,189 | 0.153 | 86,475 | 36,723 | 0.155 | 113,594 |
| Total | | 116,666 | 0.180 | 420,929 | 183,665 | 0.158 | 579,479 | 300,331 | 0.167 | 1,000,408 |

| Domain | Total Copper Cutoff, % | INFERRED Ktons & Grade Above Cutoff | | |
|--------------|------------------------|--|--------------|----------------------------|
| | | Ktons | TCu, % | Contained Cu Pounds x 1000 |
| MacArthur | 0.06 | 30,815 | 0.158 | 97,490 |
| North Ridge | 0.06 | 62,593 | 0.154 | 192,187 |
| Gallagher | 0.06/0.08 | 63,042 | 0.144 | 182,037 |
| Total | | 156,450 | 0.151 | 471,714 |

Due to the uncertainty that may be attached to Inferred Mineral Resources, it cannot be assumed that all or any part of an Inferred Mineral Resource will be upgraded to an Indicated or Measured Mineral Resource as a result of continued exploration. Confidence in the estimate is insufficient to allow the meaningful application of technical and economic parameters or to enable an evaluation of economic viability worthy of public disclosure. Inferred Mineral Resources must be excluded from estimates forming the basis of feasibility or other economic studies.

The PEA highlights the potential economic viability and development opportunity for an integrated, sustainable mining operation at the Company's Yerington Copper Project.

Stage 2b and Stage 3 Programs of Work

On March 12, 2024 the Company announced the commencement of the Stage 2b and Stage 3 Advance Programs of Work to advance the flagship Yerington Copper Project through completion of a Pre-Feasibility Study (“PFS”) and progress permitting and exploration initiatives on the Bear Deposit.

Key components of the fully-funded Stage 2b Program of Work include:

- Drilling: PFS Program – Phase 1
 - Yerington Pit – approximately 3,000 ft of core drilling
 - Seeking to upgrade the mineral resource along the margin of, and beneath, the Yerington pit
 - Pit slope stability evaluation
 - Sulfide metallurgical testing
 - Geochemical characterization
 - MacArthur – approximately 4,900 ft of rotary drilling
 - Seeking to upgrade the mineral resource within the MacArthur mineral resource domain as represented in the PEA
- Drilling: PFS Program – Phase 2
 - Resource upgrade - barge-mounted drilling within the Yerington pit
 - Resource upgrade - W-3 and VLT legacy materials
 - Condemnation drilling
- Yerington Copper Project Pre-Feasibility Study
 - Ongoing heap leach metallurgical optimization and testing
 - Trade-off analyses: Yerington Pit Lake dewatering, materials movement and logistics, site infrastructure
 - Permitting, water rights, stakeholder engagement

Additionally, a US\$1,500,000 Stage 3 Advance is allocated to continued exploration at the Bear Deposit, an additional opportunity not included in the PEA.

Drilling: PFS Program – Phase 1

During the three months ending March 31 a total of 18 reverse circulation drill holes were completed at MacArthur for a combined drill footage of 6,165 feet. Two of these reverse circulation holes were converted into monitoring stations to allow water level measurements for developing a hydrologic model.

During the three months ending March 31 a total of two core drill holes were completed in the Yerington pit for a combined drill footage of 1,553 feet. A third core hole reached 561 ft by March 31 and an additional 709 feet was drilled in early April. One of the Yerington pit core holes has been converted into a water level measuring station.

Exploration

During the three months ending March 31 a core drill hole was completed in the Bear Deposit with a drill length of 3,435 feet. The drill test was made in a target location determined in contracted IP/ resistivity survey in Q4 2023. An additional core drill test reached 1,704 feet by March 31 and drilling was continued for an additional 1,909 feet, for a total length of 3,613 feet, in the central area of the Bear Deposit.

Water Rights

On July 23, 2021, the Company received a notice from the State of Nevada that three water rights permits had been forfeited. Further, the application for an extension of time to prevent forfeiture of a fourth certificate was denied. On August 20, 2021, the Company filed a Petition for Judicial Review of the Forfeiture Notice and has retained legal counsel to undertake the appeal process. SPS subsequently filed and was granted a Stay of the Forfeiture Notice on September 15, 2021. SPS filed its Opening Brief on March 28, 2022. The State Engineer filed its Answering Brief on July 8, 2022. SPS filed its Reply Brief on August 25, 2022. A hearing regarding the status of the forfeiture appeal was held in the Third Judicial Court District in Lyon County on November 4, 2022. On December 6, 2022, the Judge remanded the case back to the State for further written findings based on issues raised at the hearing.

On August 30, 2023, SPS received written notice from the Nevada State Engineer in response to the Remand Order that the three water rights applications for Extensions of Time were denied and declared forfeited. The fourth certificate was not forfeited although the Extension of Time has not yet been approved.

On September 28, 2023, SPS simultaneously timely filed an Amended Petition for Review and a Complaint for Equitable Relief with the Third Judicial District Court in Lyon County, Nevada seeking judicial relief from the August 30 Forfeiture Notice. On October 10, 2023, the Judge signed an order granting a Stipulated Stay of the August 30, 2023, Forfeiture Notice while the appeal process is ongoing. A hearing regarding both legal paths described above is tentatively scheduled for January 2025.

Just as SPS did with the initial forfeiture decision that was remanded by the Court, SPS will diligently defend against the wrongful forfeiture of its water rights with clear evidence of the need for those water rights in mine remediation, production and reclamation.

Investment in Associate

On April 5, 2022, the Company received 16,049,444 shares in Falcon Butte in connection with a property acquisition agreement to assign the Company's options to acquire the Butte Valley property. At the time of acquisition, the 16,049,444 shares represented 25.54% of shares outstanding, and as March 31, 2024, and at December 31, 2023, the Company's share ownership was reduced to 20.48%. The Company and Falcon Butte have one common director and managerial personnel, as such, management has assessed that the Company has significant influence over Falcon Butte and that the investment should be accounted for using the equity method of accounting.

The initial balance of the investment was determined to be \$1,906,000 (\$2,374,000 CAD), which represents the fair value of the shares received. The value of the shares was determined based on Falcon Butte's financing that closed concurrently with the property acquisition. The Company's share of net income (loss) for the year ended December 31, 2023, and the three months ended March 31, 2024, was \$(288,000) and \$(94,000), respectively. The portion of net income attributable to the Company was determined using the weighted average percentage of voting rights held by the Company throughout the period.

On February 24, 2023, the Company transferred 116,071 shares of Falcon Butte to the CEO of the Company, pursuant to amended terms of the CEO's employment agreement. The cost value of the shares associated with the transfer was determined to be \$11,000 and a gain of \$22,000 was recorded on the transaction.

Non-Controlling Interest

On December 13, 2022, Quaterra Alaska assigned and transferred all right, title and interest in the Groundhog property, Butte Valley Royalty, 100% of the outstanding membership interest held in Blue Copper LLC, and the interest in the Nieves project to Falcon Copper Corp.

As consideration, on the date of transfer of assets to Falcon Copper Corp, Quaterra Alaska was issued 57,513,764 common shares of Falcon Copper Corp which represented 79.3% of all issued and outstanding shares at December 13, 2022 and December 31, 2022.

On March 2, 2023, Falcon Copper Corp completed a financing through a private placement, raising \$2,000,000 by issuing 23,809,524 units at a price of \$0.084 per unit. Each unit consists of one common share and one common share purchase warrant exercisable at \$0.15 for 1 year. In addition, the private placement was considered a "triggering event" for Simple Agreements for Future Equity ("SAFE Notes"). FCC had previously raised \$867,500 in SAFE Notes, and were converted into equity of FCC, resulting in FCC issuing an additional 21,629,382 common shares.

On September 6, 2023, Falcon Copper Corp., a Wyoming corporation, carried out a re-organization of its assets and capital structure (the transaction described herein is referred to as the "Reorganization"). On August 25, 2023 a new entity, Blue Copper Royalties, LLC ("BCR LLC") was organized in Wyoming. BCR LLC subsequently adopted an Operating Agreement that provided for issuance of LLC Interests to its Members in the same amounts as shares issued to Shareholders of FCC. On September 6, 2023, two of the mining assets, commonly referred to as the Butte Valley Royalty and the Nieves Royalty, that had been held by FCC were assigned to BCR LLC in exchange for 100% of the issued and outstanding LLC Interests of BCR LLC. The Nieves Royalty may only be transferred with the written consent of a third party which was received October 23, 2023 resulting in the Nieves property transferring immediately. The same LLC interests were immediately distributed pro rata to the shareholders of FCC. Furthermore, FCC had previously issued Warrants to purchase 7,936,508 (total of 23,809,524 common share purchase warrants) shares of Common Stock of FCC at a Warrant Price of \$0.1500 per Share. As part of the Reorganization, these Warrants were exchanged by the Warrant Holders for two new Warrants; one issued by FCC to purchase 7,936,508 Shares of FCC at a Warrant Price of \$0.1332 per Share, and the other issued by BCR LLC to purchase 7,936,508 LLC Units of BCR LLC at a Warrant Price of \$0.0168 per LLC Unit. The exchange transaction was accounted for under ASC 815 whereby the effect of the exchange was measured as the excess of the fair value of the exchanged warrant over the fair value of the warrant immediately before it is exchanged. Using this method, the effect of the exchange was calculated to be \$Nil. As a result of the Reorganization and the issuance and distribution of these LLC Interests, each shareholder of FCC holds the same percentage interest in FCC as the shareholders holds in BCR LLC. Additionally, the Warrant Holders now holds two Warrants, one issued by each of FCC and BCR LLC, with the aggregate value of the two warrants equal to the aggregate value of the Warrant that they held prior to the exchange. The net effect is that the capital structure of BCR LLC matches the capital structure of FCC, including the issuance of new Warrants, and the Butte Valley Royalty and Nieves Royalty are now held by BCR LLC rather than FCC.

On October 17, 2023, FCC issued 2,750,000 common shares at a price of \$0.10 per common share for total proceeds of \$275,000.

During the 3 months ended March 31, 2024, FCC completed the following private placements at \$0.116 per common share for a total proceeds of \$450,000:

- On February 5, 2024, FCC issued 2,586,207 common shares
- On February 27, 2024, FCC issued 862,069 common shares
- On March 29, 2024, FCC issued 431,034 common shares

After the events described above, the Company held 57,513,764 common shares out of 124,581,981 shares issued and outstanding, representing 46.17% ownership on a Non-Diluted Basis. Management has determined that control over FCC and BCR LLC exists as at March 31, 2024.

Simple Agreement for Future Equity

During the year ended December 31, 2022, Falcon Copper Corp. raised \$197,500 with a valuation cap of \$1,450,000 and \$569,000 with a valuation cap of \$4,120,000, respectively, by entering into Simple Agreement for Future Equity Notes with several parties.

During the year ended December 31, 2023, FCC raised an additional \$100,000 with a valuation cap of \$4,120,000 by entering into SAFE notes with several parties. The private placement was considered a triggering event, and the face value of SAFE Notes of \$868,000 were converted into common shares of FCC resulting in 21,629,382 common shares being issued.

The valuation cap provides the basis for the price at which the SAFE notes are converted into common stock of FCC. The SAFE Notes resulted in cash proceeds to the Company in exchange for the right to stock of the Company, or cash at a future date in the occurrence of certain events, as follows:

If there is an equity financing before the expiration or termination of the instrument, the Company will automatically issue to the investor, a number of shares of common stock equal to the purchase amount divided by the conversion price. The conversion price is equal to the price per share equal to the Valuation Cap divided by the Company capitalization immediately prior to the transaction.

If there is a liquidity event before the expiration or termination of the instrument, the investor will, at its option, either (i) receive a cash payment equal to the purchase amount, or (ii) automatically receive from the Company a number of shares of common stock equal to the purchase amount divided by the liquidity price, if the investor fails to select the cash option.

If there is a dissolution event before the instrument expires or terminates, the Company will pay an amount equal to the purchase amount, due and payable to the investor immediately prior to, or concurrent with, the consummation of the dissolution event.

The SAFE notes were classified as liabilities pursuant to ASC 480 as certain redemptions are based upon the occurrence of certain events that are outside of the control of the Company and were measured at fair value at each reporting period, with changes in fair value recorded within the Condensed Interim Consolidated Statements of Operations.

On March 2, 2023, as a result of the closing of an equity financing, the SAFE notes were converted into 21,629,382 common shares valued at \$1,536,000.

Proposed Transactions

The Company has no proposed transactions other than as disclosed in this MD&A.

Results of Operations

The following table summarizes the Company's financial results for the three months ended March 31, 2024, and 2023.

| Three months ended March 31, (In thousands of U.S. dollars) | 2024 \$ | 2023 \$ | Change \$ | Change % |
|--|----------------|----------------|--------------|-------------|
| Operating expenses | | | | |
| Exploration expenditures | 2,660 | 1,250 | 1,410 | 113% |
| Rio Tinto Deposit | (3,218) | (1,322) | (1,896) | 143% |
| General Office | 101 | 41 | 60 | 146% |
| Interest | 94 | 83 | 11 | 13% |
| Insurance | 18 | 11 | 7 | 64% |
| Investor Relations | 12 | 6 | 6 | 100% |
| Professional fees | 482 | 242 | 240 | 99% |
| Rent | 4 | 4 | - | 0% |
| Salaries and benefits | 389 | 341 | 48 | 14% |
| Share-based payments | 660 | 95 | 565 | 595% |
| Transfer agent and regulatory | 38 | 45 | (7) | -16% |
| Travel | 23 | 9 | 14 | 156% |
| Operating loss | (1,263) | (805) | (458) | 57% |
| Fair value gain (loss) on derivative liabilities | 680 | (940) | 1,620 | -172% |
| Foreign exchange gain (loss) | (1) | - | (1) | -100% |
| Gain on settlement of debt | - | - | - | 0% |
| Gain on sale of Butte Valley | - | - | - | 0% |
| Gain on transfer of share | - | 22 | (22) | -100% |
| Accretion expense | (111) | (74) | (37) | -50% |
| NSR buy-down | - | - | - | 0% |
| Share of loss in associate | (94) | (26) | (68) | -262% |
| Interest and other income | 86 | 12 | 74 | 617% |
| Impairment of mineral properties | - | - | - | 0% |
| Loss on conversion | (1,690) | - | (1,690) | -100% |
| Loss on repayment of convertible debenture | (5) | - | (5) | 100% |
| Loss on revaluation of SAFE notes | - | (305) | 305 | -100% |
| Loss on Extinguishment | (55) | - | (55) | -100% |
| Net and comprehensive loss | (2,453) | (2,116) | (337) | 16% |

For the three months ended March 31, 2024, the Company incurred a net loss of \$2,453,000 compared to a net loss of \$2,116,000 in the prior period. The increase in net loss of \$337,000 is primarily due to an increase of \$1,690,000 in losses relating to the conversion of convertible debentures, coupled with a \$458,000 increase in operating expenses. Within the operating expenses for the three months ended March 31, 2024, the Company incurred share-based payments expense of \$660,000 for stock option issued in the period and professional fees of \$482,000 relating to legal matters surrounding the Water Rights dispute and convertible debentures restructuring costs. The increase in net loss is partially offset by the following:

- During the three months ended March 31, 2024, the Company recognized a \$680,000 gain on the fair value of derivative liabilities. In comparison to a \$940,000 loss on the fair value of derivative liabilities during the three months ended March 31, 2023.
- During the three months ended March 31, 2023, the Company recognized a \$305,000 loss on the revaluation of SAFE notes. No such revaluation occurred during the three months ended March 31, 2024.
- During the three months ended March 31, 2024, the Company incurred \$86,000 in interest income, compared to \$12,000 in interest income incurred during the three months ended March 31, 2023.

For the three months ended March 31, 2024, the Company incurred operating expenses of \$1,263,000 compared to operating expenses of \$805,000 in the prior period. The increase in operating expenses of \$458,000 is primarily due to the following:

- During the three months ended March 31, 2024, the Company recognized \$2,660,000 in exploration expenditures, compared to \$1,250,000 recognized during the three months ended March 31, 2023. The increase in exploration expenditures of \$1,410,000 is primarily due to increased drilling costs relating to the MacArthur, Yerington and Bear properties.
- During the three months ended March 31, 2024, the Company recognized a recovery of \$3,218,000 in exploration expenditures paid by Rio Tinto, compared to a recovery of \$1,322,000 in exploration expenditures paid by Rio Tinto during the three months ended March 31, 2023. The increase in recoveries of \$1,896,000 are a result of increased drilling costs relating to the MacArthur, Yerington and Bear properties.

Summary of Quarterly Financial Information

The following table sets out the quarterly financial information for each of the last eight quarters:

| (In thousands of U.S. dollars except for per share amount) | Q1'24 | Q4'23 | Q3'23 | Q2'23 | Q1'23 | Q4'22 | Q3'22 | Q2'22 |
|--|----------------|----------------|----------------|-------------|----------------|----------------|----------------|--------------|
| General administration | (1,821) | (1,161) | (2,148) | (723) | (877) | (515) | (795) | (1,002) |
| Fair value (loss) gain on derivative liabilities | 680 | (131) | 6 | 1,421 | (940) | 377 | 17 | (2) |
| Foreign exchange gain (loss) | (1) | (2) | - | - | - | (11) | 12 | 3 |
| Other Income | 86 | 16 | 32 | 51 | 12 | - | - | - |
| Loss on settlement of convertible notes | (1,695) | - | - | - | - | - | - | - |
| Gain on transfer of shares | - | - | - | - | 22 | 19 | - | - |
| Gain on settlement of debt | - | - | - | - | - | - | 14 | 6 |
| Accretion | (111) | (136) | (129) | (121) | (74) | (57) | (47) | (4) |
| Gain on sale of Butte Valley | - | - | - | - | - | - | - | 2,207 |
| Loss on revaluation of SAFE notes | - | - | - | - | (305) | (364) | - | - |
| NSR buy-down | - | - | - | - | - | - | 250 | 250 |
| Share of loss of investment in associate | (94) | (287) | 3 | 22 | (26) | (316) | (42) | (31) |
| Exploration Expenditures | (2,660) | (1,597) | (1,344) | (2,159) | (1,250) | (1,370) | (1,020) | (1,339) |
| Rio Tinto Deposit | 3,218 | 1,682 | 1,262 | 2,250 | 1,322 | 1,104 | 464 | 1,669 |
| Impairment of mineral properties | - | - | - | (602) | - | - | - | - |
| Gain (loss) on marketable securities | - | - | - | - | - | - | - | - |
| Loss on Extinguishment | (55) | - | - | - | - | - | - | - |
| Net loss | (2,453) | (1,616) | (2,318) | 139 | (2,116) | (1,133) | (1,147) | 1,757 |
| Basic income (loss) per share | (0.01) | (0.01) | (0.01) | 0.00 | (0.01) | (0.00) | (0.00) | 0.00 |

Liquidity and Capital Resources

The Company is an exploration stage company that has not earned any production revenue. Its operations have been dependent mainly on the Rio-Tinto agreement and private placements in the last few years without diluting shareholders' value. The Company may have capital requirements in excess of its currently available resources. In the event the Company's plans change, its assumptions change or prove inaccurate, or its capital resources in addition to projected cash flow, if any, prove to be insufficient to fund operations, the Company may be required to seek additional financing. There can be no assurance that the Company will have sufficient financing to meet its future capital requirements or that additional financing will be available on terms acceptable to the Company in the future.

The following table summarizes the Company's cash flows for the three months ended March 31, 2024, and 2023:

| (In thousands of U.S. dollars) | 2024 | | 2023 | |
|---|-----------|---------------|-----------|---------------|
| Cash provided by (used in) operating activities | \$ | 8,152 | \$ | 5,826 |
| Cash provided by (used in) investing activities | | (155) | | - |
| Cash provided by (used in) financing activities | | 592 | | 3,406 |
| Increase (decrease) in cash | | 8,589 | | 9,232 |
| Cash, beginning of period | | 2,310 | | 1,365 |
| Cash, end of period | \$ | 10,899 | \$ | 10,597 |

As at March 31, 2024, the Company had cash of \$10,899,000 (December 31, 2023 - \$ 2,310,000) and working capital deficit of \$712,000 (December 31, 2023 – \$2,854,000). The decrease in working capital of \$2,142,000 is primarily due to the increase in cash of \$8,589,000 which was offset by an increase in the Rio Tinto deposit of \$8,161,000.

As of March 31, 2024, the Company had convertible debentures with a face value of \$964,642 and a carrying value of \$855,000.

The first two tranches of the debentures bear interest at a rate of 14% per annum and mature on February 17, 2024, and March 8, 2024, and are convertible into shares of the Company at \$0.067 (\$0.085 CAD) per share until June 17, 2023, and July 8, 2023, and thereafter at \$0.078 (\$0.10 CAD) per share. The holder also has the option to elect at any time prior to the election date to be repaid by way of shares the Company owns of Falcon Butte at the rate of \$0.25 per Falcon Butte share. ("Existing Debentures")

The third tranche of the debentures bear interest at a rate of 14% per annum and matures on November 2, 2024, and are convertible into shares of the Company at \$0.070 (\$0.095 CAD) per share until January 2, 2024, and thereafter at \$0.074 (\$0.10 CAD) per share. The holder also has the option to elect at any time prior to the election date to be repaid by way of shares the Company owns of Falcon Butte at the rate of \$0.28 per Falcon Butte share. ("Existing Debentures")

On February 16, 2024, the Company issued new convertible debentures totaling \$941,000 to replace the Existing Debentures. The new debentures will have, a maturity date of 12 months; bear interest at a rate of 20% per annum, non-compounding, and accrued interest on may be converted into common shares of the Company at a conversion price equal to \$0.06 (C\$0.08) per share, or at the holder's option into common shares the Company owns of Falcon Butte at \$0.25 (C\$0.32) per share; and one Warrant will be issued for every \$0.06 of principal new debentures issued ("New Debentures"). New Debentures holders also received 15,696,883 share purchase warrants, exercisable at \$0.06 (C\$0.08) per share which expire on February 16, 2025.

On March 8, 2024, the Company issued 4,107,998 units and 41,707,215 common shares to settle \$1,924,000 of Existing Debenture debt. The Existing Debenture holders converted their principal and interest into units of the Company at \$0.045 (C\$0.06) per Unit. Each Unit will be comprised of one common share and one share purchase warrant. Each warrant is exercisable into one additional common share at a price of \$0.06 (C\$0.08) per share for a period of 5 years from the date of issuance.

Certain directors and individuals did not receive warrants with their convertible debenture settlement and will receive these warrants upon the Company's listing on the CSE ("Contingent Warrants"). The Company expects to list in the near future, therefore management concluded that the issuance of the 41,707,215 Contingent Warrants is probable. As such, the fair value of the warrants as at March 8, 2024, of \$648,000 was recognized as a derivative liability at issuance

Additionally, on March 8, 2024, the Company repaid convertible debentures of a total of \$831,000 in cash.

The Company has no operating revenues and therefore must utilize its cashflows from financing transactions to maintain its capacity to meet ongoing operating activities.

Related Party Information

The Company's related parties include its directors and officers whose remuneration was as follows, subject to change of control provisions for officers:

| (In thousands of U.S. dollars) | Three months ended March 31, 2024 | | Three months ended March 31, 2023 | |
|--|--|------------|--|------------|
| Salaries ⁽¹⁾ | \$ | 113 | \$ | 115 |
| Director's fees ⁽²⁾ | | - | | 21 |
| Share-based payments ⁽³⁾ | | 281 | | 69 |
| Interest on convertible debenture ⁽⁴⁾ | | 106 | | 39 |
| | \$ | 500 | \$ | 244 |

- (1) Charles Travis Naugle, CEO - \$63 (2023 - \$63); Stephen Goodman, President, CFO and Corporate Secretary - \$50 (2023 - \$52).
- (2) Thomas Pressello, Former Director - \$Nil (2023 - \$21).
- (3) Charles Travis Naugle, CEO - \$Nil (2023 - \$35); Stephen Goodman, President, CFO and Corporate Secretary - \$66 (2023 - \$34); Tony Alford, Director - \$215 (2023 - \$Nil).
- (4) Charles Travis Naugle, CEO - \$24 (2023 - \$6); Tony Alford, Director - \$77 (2023 - \$30); Ekaterina Naugle, spouse of the CEO - \$3 (2023 - \$1); Stephen Goodman, President, CFO and Corporate Secretary \$2 (2023 - \$1); Thomas Pressello, Director - \$Nil (2023 - \$1)

Other transactions for the three months ended March 31, 2024:

- a) On February 16, 2024, Charles Travis Naugle (CEO), Stephen Goodman (CFO), Ekaterina Naugle (CEO's spouse) and Tony Alford (director) of the Company restructured \$407,000 of their existing convertible debentures into the New Debentures. The debentures bear interest at a rate of 20% per annum and mature on November 16, 2025, and are convertible into shares of the Company at \$0.06 (C\$0.08) per share. Additionally, certain directors converted \$259,000 of their existing convertible into 3,500,000 common shares at a price of \$0.074.
- b) On March 8, 2024, Stephen Goodman (CFO), and Tony Alford (director) converted \$1,541,000 of their outstanding convertible debentures into 36,675,478 common shares at a price of US\$0.042.
- c) On March 8, 2024, the Company recognized 36,267,383 Contingent Warrants for Stephen Goodman (CFO), and Tony Alford (director), and other related parties who converted their existing debentures into units. The value of the contingent warrants upon recognition was \$564,000. The related parties will receive these warrants upon the Company's listing on the CSE.
- d) On March 8, 2024, certain directors subscribed for 12,202,380 common shares for total proceeds of \$513,000 in relation of a private placement. Additionally, Stephen Goodman (CFO), and Tony Alford (director), received 12,202,380 warrants with a value of \$177,000.
- e) As at March 31, 2024, the Company had \$10,000 (December 31, 2023 - \$290,000) in interest accrued relating to outstanding convertible debentures with Charles Travis Naugle (CEO), Stephen Goodman (CFO), Ekaterina Naugle (CEO's spouse) and Tony Alford (director).
- f) As at March 31, 2024, there was \$11,000 (December 31, 2023 - \$11,000) in prepaid expenses to the Charles Travis Naugle (CEO) of the Company relating to wages paid during the period for services subsequent to period end.

Other transactions for the three months ended March 31, 2023:

- g) During the three months ended March 31, 2023, Tony Alford (director), Charles Travis Naugle (CEO), and Stephen Goodman (CFO) subscribed for \$1,000,000, \$120,000, and \$15,000 respectively of unsecured convertible debentures. The debentures bear interest at a rate of 14% per annum and mature on November 2, 2024 and are convertible into shares of the Company at \$0.070 (\$0.095 CAD) per share until January 2, 2024 and thereafter at \$0.074 (\$0.10 CAD) per share. During the three months ended March 31, 2023, the Company accrued \$39,000 in interest related to the newly issued convertible debentures as well as convertible debentures issued during the year ended December 31, 2022.

Outstanding Share Information at Date of Report

Authorized: Unlimited number of common shares

Number of common shares issued and outstanding as of the date of the MD&A: 382,792,710

Number of stock options outstanding as of the date of the MD&A: 63,534,020

Number of warrants outstanding as of the date of the MD&A: 130,970,408

Number of restricted share units outstanding as of the date of the MD&A: Nil

As of March 31, 2024, the number of stock options outstanding and exercisable were:

| Expiry date | Exercise price (CAD) | Number of options outstanding | Remaining contractual life in years | Number of options exercisable |
|------------------------------------|---------------------------------|--|--|--|
| June 21, 2024 | 0.07 | 1,900,000 | 0.22 | 1,900,000 |
| August 8, 2024 | 0.06 | 500,000 | 0.36 | 500,000 |
| June 20, 2025 | 0.08 | 2,450,000 | 1.22 | 2,450,000 |
| August 18, 2025 | 0.072 | 2,394,283 | 1.38 | 2,394,283 |
| June 18, 2026 | 0.25 | 3,950,000 | 2.22 | 3,950,000 |
| September 17, 2026 | 0.11 | 4,500,000 | 2.47 | 4,500,000 |
| October 21, 2026 | 0.09 | 2,700,000 | 2.56 | 2,700,000 |
| May 25, 2027 | 0.085 | 8,300,000 | 3.15 | 8,300,000 |
| March 2, 2028 | 0.095 | 350,000 | 3.92 | 350,000 |
| July 21, 2028 | 0.08 | 22,194,737 | 4.31 | 22,194,737 |
| March 1, 2029 | 0.07 | 14,295,000 | 4.92 | 14,295,000 |
| Outstanding, March 31, 2024 | | 63,534,020 | | 63,534,020 |

As at the date of the MDA, the number of stock options outstanding and exercisable were:

| Expiry date | Exercise price (CAD) | Number of options outstanding | Remaining contractual life in years | Number of options exercisable |
|--|-----------------------------|--------------------------------------|--|--------------------------------------|
| June 21, 2024 | 0.07 | 1,900,000 | 0.12 | 1,900,000 |
| August 8, 2024 | 0.06 | 500,000 | 0.25 | 500,000 |
| June 20, 2025 | 0.08 | 2,450,000 | 1.11 | 2,450,000 |
| August 18, 2025 | 0.072 | 2,394,283 | 1.27 | 2,394,283 |
| June 18, 2026 | 0.25 | 3,950,000 | 2.11 | 3,950,000 |
| September 17, 2026 | 0.11 | 4,500,000 | 2.36 | 4,500,000 |
| October 21, 2026 | 0.09 | 2,700,000 | 2.45 | 2,700,000 |
| May 25, 2027 | 0.085 | 8,300,000 | 3.04 | 8,300,000 |
| March 2, 2028 | 0.095 | 350,000 | 3.81 | 350,000 |
| July 21, 2028 | 0.080 | 22,194,737 | 4.20 | 22,194,737 |
| March 4, 2029 | 0.07 | 14,295,000 | 4.81 | 14,295,000 |
| Outstanding, as at the date of the MD&A | | 63,534,020 | 3.47 | 63,534,020 |

As of December 31, 2023, the number of stock options outstanding and exercisable were:

| Expiry date | Exercise price (CAD) | Number of options outstanding | Remaining contractual life in years | Number of options exercisable |
|---------------------------------------|-----------------------------|--------------------------------------|--|--------------------------------------|
| June 21, 2024 | 0.07 | 1,900,000 | 0.47 | 1,900,000 |
| August 8, 2024 | 0.06 | 500,000 | 0.61 | 500,000 |
| June 20, 2025 | 0.08 | 2,450,000 | 1.47 | 2,450,000 |
| August 18, 2025 | 0.072 | 2,394,283 | 1.63 | 2,394,283 |
| June 18, 2026 | 0.25 | 3,950,000 | 2.47 | 3,950,000 |
| September 17, 2026 | 0.11 | 4,500,000 | 2.72 | 4,500,000 |
| October 21, 2026 | 0.09 | 2,700,000 | 2.81 | 2,700,000 |
| May 25, 2027 | 0.085 | 8,300,000 | 3.40 | 8,300,000 |
| March 2, 2028 | 0.095 | 350,000 | 4.17 | 350,000 |
| July 21, 2028 | 0.080 | 22,194,737 | 4.56 | 22,194,737 |
| Outstanding, December 31, 2023 | | 49,239,020 | | 49,239,020 |

The following table summarizes warrants outstanding as of the date of the MD&A, as at March 31, 2024 and December 31, 2023:

| Expiry date | Currency | Exercise price | Date of MD&A | March 31, 2024 | December 31, 2023 |
|--------------------|-----------------|-----------------------|-------------------------|-----------------------|--------------------------|
| September 13, 2024 | USD | 0.10 | 26,488,733 | 26,488,733 | 26,488,733 |
| September 27, 2024 | USD | 0.10 | 13,152,909 | 13,152,909 | 13,152,909 |
| October 21, 2024 | USD | 0.10 | 31,672,632 | 31,672,632 | 31,672,632 |
| February 17, 2024 | USD | 0.067 | - | - | 16,044,774 |
| March 8, 2024 | USD | 0.067 | - | - | 13,805,964 |
| November 2, 2024 | USD | 0.070 | 16,041,732 | 16,041,732 | 18,461,015 |
| February 16, 2025 | USD | 0.060 | 15,696,882 | 15,696,882 | - |
| March 8, 2029 | USD | 0.056 | 23,809,522 | 23,809,522 | - |
| March 8, 2029 | USD | 0.056 | 4,107,998 | 4,107,998 | - |
| Outstanding | | | 130,970,408 | 130,970,408 | 119,626,027 |

Risks Factors and Uncertainties

The Company is subject to many risks and uncertainties, each of which could have an adverse effect on the results, business prospects or financial position.

The board of directors has overall responsibility for establishing and oversight of the Company's risk management framework. The Company examines the various financial instrument risks to which it is exposed and assesses the impact and likelihood of those risks. Financial instruments consist of cash, accounts payable, accrued liabilities, lease liabilities, Rio Tinto deposit, SAFE notes, derivative liabilities and convertible debentures.

Financial instruments recorded at fair value on the condensed interim consolidated balance sheets are classified using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The three levels of the fair value hierarchy are:

- Level 1 - Unadjusted quoted prices in active markets for identical assets or liabilities.
- Level 2 - Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and
- Level 3 - Inputs that are not based on observable market data.

The Company's activities expose it to financial risks of varying degrees of significance, which could affect its ability to achieve its strategic objectives for growth and shareholder returns. The principal financial risks to which the Company is exposed are, liquidity risk, currency risk, interest rate risk, credit risk and commodity price risk. The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework and reviews the Company's policies on an ongoing basis.

a) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company manages liquidity risk through the management of its capital structure. To mitigate this risk, the Company has a planning and budgeting process in place to determine the funds required to support its ongoing operations and capital expenditures. The Company ensures that sufficient funds are raised from equity offerings or debt financings to meet its operating requirements, after considering existing cash and expected exercise of stock options and share purchase warrants.

b) Currency risk

Foreign exchange risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company operates in the United States and Canada; therefore, it is exposed to currency risk from transactions denominated in CAD. Currently, the Company does not have any foreign exchange hedge programs and manages its operational CAD requirements through spot purchases in the foreign exchange markets. Based on CAD financial assets and liabilities' magnitude, the Company does not have material sensitivity to CAD to USD exchange rates.

c) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market interest rates. The Company is exposed to the interest rate risk on its liabilities through its outstanding borrowings and the interest earned on cash balances. The Company monitors its exposure to interest rates and maintains an investment policy that focuses primarily on the preservation of capital and liquidity.

d) Credit risk

Credit risk is the risk of a financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Company is exposed to credit risk through its cash and cash equivalents. Cash and cash equivalents are held in large Canadian financial institutions that have high credit ratings assigned by international credit rating agencies.

Off - Balance Sheet Arrangements

The Company has not entered any off-balance sheet arrangements.

Initial adoption of new accounting standards

Adoption of new accounting standards have been disclosed in Note 3 of the Company's condensed interim consolidated financial statements at March 31, 2024 and consolidated financial statements at December 31, 2023.

Significant Accounting Policies

The condensed interim consolidated financial statements at March 31, 2024 and the consolidated financial statements at December 31, 2023 have been prepared in accordance with U.S. GAAP.

The significant accounting policies applied in the preparation of the condensed interim consolidated financial statements are consistent with the accounting policies disclosed in Note 3 of the Company's audited consolidated financial statements for the year ended December 31, 2023.

Critical Accounting Judgements and Key Sources of Estimation Uncertainty

The preparation of these condensed interim consolidated financial statements in conformity with U.S. GAAP requires management to make estimates and judgments that affect the application of policies, reported amounts and disclosures. By their nature, these estimates and judgments are subject to uncertainty and the effect on these condensed interim consolidated financial statements of changes in such estimates in future periods could be significant. Actual results could differ from those estimates.

The accounting estimates applied in the preparation of the condensed interim consolidated financial statements are consistent with the accounting policies disclosed in Note 3 of the Company's audited consolidated financial statements for the year ended December 31, 2023.

Changes in Accounting Policies

The significant accounting policies applied in the preparation of the condensed interim consolidated financial statements are consistent with the accounting policies disclosed in Note 3 of the Company's audited consolidated financial statements for the year ended December 31, 2023.

In preparing the condensed interim consolidated financial statements, management has made judgements, estimates and assumptions that affect the applicability of the Company's accounting policies. In preparing the condensed interim consolidated financial statements, the significant estimates and critical judgments were the same as those applied to the audited consolidated financial statements as at and for the year ended December 31, 2023, other than noted below;

During the three months ended March 31, 2024, the Company's ownership in BCRC dropped from 48.8% to 46.17% and management assessed control exists and continues to consolidate BCRC as at March 31, 2024. In the absence of majority holdings, the Company will continue to consolidate BCRC as the Company has representation on the board of directors, and management of BCRC and the Company is shared.

Forward-Looking Statements

This Management's Discussion and Analysis contains "forward-looking information" and "forward-looking statements" within the meaning of Section 27A of the U.S. Securities Act of 1933, as amended, Section 21E of the U.S. Securities Exchange Act of 1934, as amended (the "Exchange Act"), and other applicable securities laws.

Any statements that express or involve discussions with respect to predictions, expectations, beliefs, plans, projections, objectives, assumptions or future events or performance (often, but not always, identified by words or phrases such as "expects", "is expected", "anticipates", "believes", "plans", "projects", "estimates", "assumes", "intends", "strategy", "goals", "objectives", "potential", "possible" or variations thereof or stating that certain actions, events, conditions or results "may", "could", "would", "should", "might" or "will" be taken, occur or be achieved, or the negative of any of these terms and similar expressions) are not statements of historical fact and may be forward-looking statements.

The Forward-Looking Statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance, or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by the Forward-Looking Statements. Such factors include, but are not limited to, general business and economic uncertainties; exploration and resource extraction risks; uncertainties relating to surface rights; the actual results of current exploration activities; the outcome of negotiations; conclusions of economic evaluations and studies; future prices of natural resource based commodities; increased competition in the natural resource industry for properties, equipment and qualified personnel; risks associated with environmental compliance and permitting, including those created by changes in environmental legislation and regulation; the risk of arbitrary changes in law; title risks; and the risk of loss of key personnel.

The foregoing lists of factors and assumptions are not exhaustive. The reader should also consider carefully the matters discussed under the heading "Risks Factors and Uncertainties" elsewhere in this MD&A. Forward-Looking Statements contained herein are made as of the date hereof (or as of the date of a document incorporated herein by reference, as applicable). No obligation is undertaken to update publicly or otherwise revise any Forward-Looking Statements or the foregoing lists of factors and assumptions, whether as a result of new information, future events or results or otherwise, except as required by law. Because Forward-Looking Statements are inherently uncertain, readers should not place undue reliance on them. The Forward-Looking Statements contained herein are expressly qualified in their entirety by this cautionary statement.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

Not applicable.

Item 4. Controls and Procedures**Disclosure controls and procedures**

The Company's management is responsible for establishing and maintaining adequate disclosure controls and procedures. The Company's management, including our principal executive officer and our principal financial officer, evaluated the effectiveness of our disclosure controls and procedures (as defined in Exchange Act Rule 13a-15(e)) as of the end of the period covered by this report. Based on that evaluation, the principal executive officer and principal financial officer concluded that as of the end of the period covered by this report, the Company has maintained effective disclosure controls and procedures in all material respects, including those necessary to ensure that information required to be disclosed in reports filed or submitted with the SEC (i) is recorded, processed, and reported within the time periods specified by the SEC, and (ii) is accumulated and communicated to management, including the principal executive officer and principal financial officer, as appropriate to allow for timely decision regarding required disclosure.

Changes in Internal Control

There have been no changes in internal control over financial reporting that occurred during the last fiscal quarter that have materially affected, or are reasonably likely to materially affect, internal control over financial reporting.

PART II - OTHER INFORMATION

Item 1. Legal Proceedings

We are not aware of any material current, pending, or threatened litigation with respect to the Company.

Item 1A. Risk Factors

Not applicable.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds.

Not applicable.

Item 3. Defaults Upon Senior Securities

Not applicable.

Item 4. Mine Safety Disclosures

The Company has no active mining operations or dormant mining assets currently and has no outstanding mine safety violations or other regulatory safety matters to report.

Item 5. Other Information

Not applicable.

Item 6. Exhibits

| | |
|---------------------------|---|
| <u>3.1</u> ⁽¹⁾ | <u>Certificate of Incorporation and Certificates of Change of Name</u> |
| <u>3.2</u> ⁽²⁾ | <u>Notice of Articles dated July 28, 2023</u> |
| <u>3.3</u> ⁽³⁾ | <u>Articles dated June 21, 2018</u> |
| <u>31.1</u> | <u>Certification of the Principal Executive Officer, pursuant to Rule 13a-14(a) or 15d-14(a) of the U.S. Securities Exchange Act of 1934 (filed herewith)</u> |
| <u>31.2</u> | <u>Certification of the Principal Financial Officer, pursuant to Rule 13a-14(a) or 15d-14(a) of the U.S. Securities Exchange Act of 1934 (filed herewith)</u> |
| <u>32.1</u> | <u>Section 1350 Certification of the Principal Executive Officer (filed herewith)</u> |
| <u>32.2</u> | <u>Section 1350 Certification of the Principal Financial Officer (filed herewith)</u> |
| | |
| 101.INS | Inline XBRL Instance Document |
| <u>101.SCH</u> | <u>Inline XBRL Taxonomy Extension Schema Document</u> |
| <u>101.CAL</u> | <u>Inline XBRL Taxonomy Extension Calculation Linkbase Document</u> |
| <u>101.DEF</u> | <u>Inline XBRL Taxonomy Extension Definition Linkbase Document</u> |
| <u>101.LAB</u> | <u>Inline XBRL Taxonomy Extension Label Linkbase Document</u> |
| <u>101.PRE</u> | <u>Inline XBRL Taxonomy Extension Presentation Linkbase Document</u> |
| 104 | Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101) |

(1) Previously filed as exhibit to the Form 10-K filed March 31, 2023 and incorporated herein by reference.

(2) Previously filed as exhibit to the Form 10-K filed March 29, 2024 and incorporated herein by reference.

(3) Previously filed as exhibit to the Form 20-F filed April 28, 2020 and incorporated herein by reference.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

Date: May 15, 2024

LION COPPER AND GOLD CORP.
(Registrant)

By: /s/ Charles Travis Naugle
Principal Executive Officer

By: /s/ Stephen Goodman
Principal Financial Officer

Exhibit 31.1

**CERTIFICATION
PURSUANT TO RULE 13a-14(a) OR 15d-14(a)
UNDER THE U.S. SECURITIES EXCHANGE ACT OF 1934**

I, Charles Travis Naugle, certify that:

1. I have reviewed this quarterly report on Form 10-Q for the fiscal quarter ended March 31, 2024 of Lion Copper and Gold Corp.
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rule 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent function):
 - a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 15, 2024

By: /s/ Charles Travis Naugle
Charles Travis Naugle
Principal Executive Officer

Exhibit 31.2

**CERTIFICATION
PURSUANT TO RULE 13a-14(a) OR 15d-14(a)
UNDER THE U.S. SECURITIES EXCHANGE ACT OF 1934**

I, Stephen Goodman, certify that:

1. I have reviewed this quarterly report on Form 10-Q for the fiscal quarter ended March 31, 2024 of Lion Copper and Gold Corp.
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rule 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent function):
 - a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 15, 2024

By: /s/ Stephen Goodman
Stephen Goodman
Principal Financial Officer

EXHIBIT 32.1

**CERTIFICATION
PURSUANT TO 18 U.S.C. SECTION 1350
AND RULE 13a-14(b) OR RULE 15d-14(b)
UNDER THE U.S. SECURITIES EXCHANGE ACT OF 1934**

In connection with the Quarterly Report of Lion Copper and Gold Corp. (the "Company") on Form 10-Q for the fiscal quarter ended March 31, 2024 (the "Report"), the undersigned, in the capacity and on the date indicated below, hereby certifies pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to his knowledge:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated: May 15, 2024

/s/ Charles Travis Naugle
Charles Travis Naugle
Principal Executive Officer

EXHIBIT 32.2

**CERTIFICATION
PURSUANT TO 18 U.S.C. SECTION 1350
AND RULE 13a-14(b) OR RULE 15d-14(b)
UNDER THE U.S. SECURITIES EXCHANGE ACT OF 1934**

In connection with the Quarterly Report of Lion Copper and Gold Corp. (the "Company") on Form 10-Q for the fiscal quarter ended March 31, 2024 (the "Report"), the undersigned, in the capacity and on the date indicated below, hereby certifies pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to his knowledge:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated: May 15, 2024

/s/ Stephen Goodman
Stephen Goodman
Principal Financial Officer
