



Lion Copper and Gold Corp.

Management's Discussion and Analysis For the three months ended March 31, 2025

Dated: May 15, 2025

(In thousands of U.S. dollars except for shares and per share amounts)

This Management's Discussion and Analysis ("**MD&A**") of Lion Copper and Gold Corp. and its subsidiaries (collectively, "**Lion Copper**" or the "**Company**"), dated **May 15, 2025**, should be read in conjunction with the condensed interim consolidated financial statements for the three months ended March 31, 2025 and the audited consolidated financial statements for the year ended December 31, 2024, and related notes thereto which have been prepared in accordance with accounting principles generally accepted in the United States ("**U.S. GAAP**").

Additional information about the Company, including the Company's press releases, quarterly and annual reports 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 ("**SEC**") at www.sec.gov/edgar. Information about mineral resources, as well as risks associated with investing in the Company's securities is also contained in the Company's most recently filed Form 10-K.

John Banning , Chief Executive Officer for 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.

ABOUT LION COPPER

Lion Copper was incorporated in British Columbia, Canada on May 11, 1993, under the name of Acquaterre Mineral Development Ltd. On November 13, 1997, the Company changed its name to Quaterra Resource Inc. and further to Lion Copper and Gold Inc. on November 22, 2021. On September 19, 2024, the Company's common shares were voluntarily delisted on the TSX Venture Exchange ("**TSXV**") and were subsequently listed on the Canadian Securities Exchange ("**CSE**") under the symbol "LEO "and continues to be quoted for trading on the OTCQB Market under the symbol "LCGMF".

On March 18, 2022, the Company entered an option to earn-in agreement with Rio Tinto America Inc. ("**Rio Tinto**"), subsequently assigned to Nuton LLC, a Rio Tinto Venture, (the "**Nuton Agreement**"), to advance studies and exploration at the Company's copper projects in Mason Valley, Nevada. The Nuton Agreement outlines 3-stage investments amounting to \$50,000 in aggregate and provides Nuton LLC with an exclusive option to earn a 65% interest in the projects, comprising 34,494 acres of land, including the historical Yerington mine, the historic MacArthur project, the Wassuk property, the Bear deposit, and associated water rights (the "**Mining Assets**").

Nuton LLC is evaluating the potential commercial deployment of its Nuton™ technology at the Company's Yerington Copper Project. Nuton™ offers copper heap leaching technologies to deliver greater copper recovery from mined materials and access new sources of copper, such as low-grade sulfide resources and reprocessing of stockpiles and mineralized waste. These 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.

In October 2023 and November 2024, Stage 2 was modified into Stage 2b and Stage 2c, with the respective terms extended to September 30, 2024 and June 30, 2025. Stage 2c includes advanced studies at Yerington, and completion of a Prefeasibility Study (the "**PFS**") incorporating Nuton™ technologies.

As of March 31, 2025, the Company received a total of \$28,000 from Nuton LLC and is on track to complete stage 2c by June 30, 2025.

Up to March 31, 2025, the Company incurred cumulative expenditures of \$23,649, consisting of \$16,711 for exploration & evaluation, \$6,221 for exploration-related overhead, and \$717 for capital items under the Nuton Agreement.

Within 60 days of the completion of Stage 2c, Nuton LLC shall provide written notice to the Company whether it elects to exercise the option and fund a comprehensive feasibility study (the “FS”) in an aggregate amount (inclusive of the Stage 3 advance funding) not to exceed \$50,000. Upon completion of the FS, Nuton LLC and the Company will decide whether to create an investment vehicle into which the Mining Assets will be transferred, with Nuton LLC holding not less than 65% interest in the investment vehicle.

PERFORMANCE HIGHLIGHTS

Reinstatement of Water Rights

On March 13, 2025, the Company announced the successful negotiation of a settlement agreement with the Nevada Division of Water Resources and the Nevada State Engineering (collectively, the “State”) to reinstate 3,452.8 ac-ft of previously forfeited water rights essential for the development of the Yerington Copper project. As a result, the State has officially rescinded its notice of forfeiture, thus restoring all the Company’s 6,014.5 ac-ft of water rights to good standing. This Settlement Agreement effectively terminates the legal proceedings initiated by the Company to defend its water rights.

MINERAL PROPERTIES

Nuton LLC Agreement

On March 12, 2024, the Company announced the commencement of the Stage 2b Program of Work to advance the Yerington Copper Project through completion of a PFS by September 2024 and progress exploration initiatives on the Bear Deposit. Stage 2b was subsequently extended into Stage 2c on November 15, 2024 to investigate identified opportunities and complete trade-off studies with a delivery date of the PFS to June 2025.

PFS Work Programs

During the year ending December 31, 2024 and three months ended March 31, 2025, PFS progressive work included geotechnical drilling and studies, metallurgical testing, and engineering studies.

Fourteen hollow stem auger drill holes were completed January 2025 on the legacy sulfide tailings facility. These drill holes collected samples which have been utilized for laboratory testing to evaluate and optimize infrastructure siting locations for the PFS.

Metallurgical column leach testing of MacArthur and Yerington transition and oxide material, which started September 2024, was completed January 2025. Column leach testing and hydrodynamic leach characterization of sulfides is ongoing by Nuton™. Results from the metallurgical programs will be utilized for the PFS.

Permitting and Environmental

No additional permitting occurred during the period. Permit compliance activities were completed to ensure compliance with existing permits.

Water Rights

On March 11, 2025, the Company reached a settlement agreement with the State, which rescinded the forfeiture decisions and reinstated all previously forfeited water rights. The Company received confirmation of this on March 13, 2025, and the court hearing was cancelled.

With the forfeiture recission complete, the Company now has 6,014.5 ac-ft of primary groundwater rights for use in ongoing exploration and future mining and milling operations.

RESULTS OF OPERATIONS

During the three months ended March 31, 2025, the Company incurred lower expenses of \$2,569, excluding non-cash items, compared to \$3,821 during the three months ended March 31, 2024. Of these expenses \$2,213 and \$3,218 were covered by Nuton LLC funding resulting in net expenses of \$356 and \$603 in 2025 and 2024, respectively. These net expenses were equally attributed to corporate expenses and Falcon Copper-related expenditures that were not covered by Nuton LLC.

Exploration and evaluation (“E&E”) activities include drilling, technical study, property maintenance, environmental, geological mapping and geophysical survey. During the three months ended March 31, 2025, the Company incurred \$1,163 in E&E expenses compared to \$2,660 during the three months ended March 31, 2024. The \$1,497 decrease reflects key milestones achieved in project development in 2024.

	Three months ended March 31,	
	2025	2024
Expenses	\$	\$
Exploration and evaluation	1,163	2,660
General office	108	217
Investor Relations	19	12
Professional fees	704	482
Salaries and benefits	495	389
Transfer agent and regulatory	37	38
Travel	43	23
	2,569	3,821
Exploration funded by Nuton LLC	(1,088)	(2,587)
General operating funded by Nuton LLC	(1,125)	(631)
	356	603
Other expenses		
Loss on convertible debentures	-	1,750
Fair value gain on derivative liabilities	774	(680)
Foreign exchange loss	30	1
Interest and other	72	119
Share-based payments	1,086	660
	1,962	1,850
Net and comprehensive loss	2,318	2,453

During the three months ended March 31, 2025, the Company recognized \$1,086 in share-based payments compared to \$660 in the prior period. The increase is due to the 10,900,000 options that were granted in the current period in FCC coupled with the vesting of options previously granted in LCG. This compares to the grant of 14,295,000 options in the prior period.

In addition, the Company recognized a loss of \$1,750 on the conversion, repayment, and extinguishment of certain convertible debentures in 2024, which was not applicable in 2025.

SUMMARY OF QUARTERLY RESULTS

	Q1'25	Q4'24	Q3'24	Q2'24	Q1'24	Q4'23	Q3'23	Q2'23
General administration	(2,492)	(1,856)	(1,502)	(1,358)	(1,821)	(1,161)	(2,148)	(723)
Fair value (loss) gain on derivative liabilities	(774)	39	439	(427)	680	(131)	6	1,421
Foreign exchange gain (loss)	(30)	(28)	(4)	(7)	(1)	(2)	-	-
Interest and other	(72)	387	(41)	(95)	(119)	(407)	(94)	(48)
Loss on convertible debentures	-	-	-	-	(1,750)	-	-	-
Exploration Expenditures	(1,163)	(1,603)	(1,591)	(2,389)	(2,660)	(1,597)	(1,344)	(2,159)
Nuton LLC Deposit	2,213	2,310	2,336	3,102	3,218	1,682	1,262	2,250
Impairment of mineral properties	-	-	-	-	-	-	-	(602)
Net income (loss)	(2,318)	(751)	(363)	(1,174)	(2,453)	(1,616)	(2,318)	139
Basic income (loss) per share	(0.00)	(0.00)	(0.00)	(0.00)	(0.01)	(0.01)	(0.01)	0.00

The Company's results have been driven by its general corporate and exploration activities. Other income and expenses fluctuate due to changes in the fair value of the Company's convertible notes and investment in associate.

The Company's results are also impacted by non-recurring events such as the \$1,750 loss in convertible debentures in 2024 and \$602 property impairment in 2023.

LIQUIDITY AND CAPITAL RESOURCES

The Company is in an advanced exploration stage that to date has not earned any revenue. Its operations have been dependent mainly on the Nuton LLC funding in the last few years without diluting shareholders' value.

During the three months ended March 31, 2025, the Company utilized the \$16,500 previously received from Nuton LLC, to cover approximately 86% (2024 - 84%) of the expenses, excluding non-cash items. Cash on hand is approximately \$4,000 as of May 15, 2025.

The following table summarizes the Company's cash flows for the three months ended March 31, 2025, and 2024:

	2025	2024
Cash provided (used) by operating activities	\$ (2,362)	\$ 8,152
Cash used in investing activities	-	(155)
Cash provided by financing activities	696	592
Increase in cash and cash equivalents	(1,666)	8,589
Cash and cash equivalents, beginning of period	7,999	2,310
Cash and cash equivalents, end of period	\$ 6,333	\$ 10,899

During the three months ended March 31, 2025, the Company repaid \$6 in convertible debentures. The Company also received \$482 pursuant to the issuance of 4,150,000 shares of FCC. FCC also issued 12-month convertible debentures totaling \$220.

The Company has no operating revenues and therefore must utilize its cashflows from financing transactions to maintain its capacity to meet ongoing operating activities. Should Nuton LLC decide not to proceed with Stage 3, the Company will need to secure additional financing to maintain its mineral property interests, advance its copper projects and fulfill its obligations as they come due. While the Company has successfully raised funds in the past, there is no assurance it will be able to do so in the future. This represents a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern, as outlined in Note 1 of the March 31, 2025 condensed interim consolidated financial statements.

TRANSACTIONS WITH RELATED PARTIES

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)	Three months ended March 31, 2025		Three months ended March 31, 2024	
Salaries ⁽¹⁾	\$	215	\$	113
Share-based payments ⁽²⁾		658		281
Interest on convertible debenture ⁽³⁾		-		106
	\$	873	\$	500

(1) Charles Travis Naugle, former CEO, Director - \$36 (2024 - \$63); Stephen Goodman, former CFO, Director - \$Nil (2024 - \$50); Steven Dischler, CEO - \$50 (2024 - \$Nil); Lei Wang, CFO - \$23 (2024 - \$Nil); John Banning, COO - \$62 (2024 - \$Nil); Doug Stiles, VP of Sustainability and Environment - \$44 (2024 - \$Nil)

(2) Charles Travis Naugle, former CEO, Director - \$476 (2024 - \$Nil); Stephen Goodman, former CFO Director - \$Nil (2024 - \$66); Tony Alford, Director - \$48 (2024 - \$215), Thomas Patton, Director - \$48 (2024 - \$Nil), Thomas Pressello, Director - \$Nil (2024 - \$Nil); Steven Dischler, CEO - \$19 (2024 - \$Nil); John Banning, COO - \$16 (2024 - \$Nil); Doug Stiles, VP of Sustainability and Environment - \$13 (2024 - \$Nil); Lukas Naugle, brother of a director - \$38 (2024 - \$Nil)

(3) Charles Travis Naugle, Former CEO, Director - \$Nil (2024 - \$24); Tony Alford, Director - \$Nil (2024 - \$77); Ekaterina Naugle, spouse of a director - \$Nil (2024 - \$3); Stephen Goodman, Former CFO, Director \$Nil (2024 - \$2); Thomas Pressello, Director - \$Nil (2024 - \$Nil)

These transactions have occurred in the normal course of the business and are measured at the equivalent amount of the services rendered.

OUTSTANDING SHARE INFORMATION

As of the date of this MD&A, the Company has:

- 411,011,264 common shares
- 71,235,248 stock options
- 94,780,289 warrants

OFF - BALANCE SHEET ARRANGEMENTS

The Company does not have any off-balance sheet arrangements.

PROPOSED TRANSACTIONS

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

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.