

**Letter from the Chief Executive Officer**

Year Ended December 31, 2025

Dear Shareholders,

2025 was a defining year for Lion CG. It was a year in which we achieved a series of meaningful, value-defining milestones that materially strengthened the Company's foundation and advanced the Yerington Copper Project along a disciplined development pathway.

Our strategy remains clear: advance a high-quality U.S. copper asset through measured execution, systematically reduce risk, and protect shareholder capital while doing so. During 2025, we delivered tangible progress against each of these objectives.

**Completion of the Preliminary Feasibility Study**

A cornerstone achievement during the year was the completion of the Preliminary Feasibility Study (PFS) for the Yerington Copper Project. The PFS demonstrated the technical viability and economic potential of the project and established a robust framework for advancing into Definitive Feasibility Study and permitting.

Completion of the PFS marked a critical transition for Lion CG—from early-stage evaluation to advanced project definition—and significantly reduced uncertainty around project scale, development pathways, and key design parameters. This milestone underpinned subsequent partner decisions, permitting strategy, and long-term project planning.

**Strategic Advancement of Water Rights**

During 2025, the Company also successfully regained significant water rights associated with the Yerington Copper Project. Water availability is a critical development consideration in the western United States, and securing long-term access materially de-risks both permitting and future project execution.

By restoring control over these water rights, Lion CG strengthened the project's development profile and enhanced flexibility in future mine planning. This achievement represents a meaningful reduction in non-technical risk and reflects management's focus on addressing critical project constraints early in the development cycle.

**Nuton's Commitment to Stage 3 Development**

Following completion of the PFS and continued technical evaluation, Nuton made the decision to proceed with Stage 3 of the Yerington Copper Project and to provide up to approximately USD 31 million to fund Definitive Feasibility Study and permitting activities.

This decision represents a significant validation milestone for the project. Nuton's commitment reflects confidence in the quality, scale, and development potential of Yerington, as well as alignment on a disciplined, technically rigorous advancement strategy.

Importantly, this structure enables Lion CG to advance the project through DFS and permitting while minimizing equity dilution and managing execution risk, an outcome that is particularly important in the current capital markets environment.

## **Advancing Yerington with Discipline**

With the PFS completed, key water rights secured, and Stage 3 funding committed, our focus during the latter part of 2025 shifted to executing the DFS and permitting program in accordance with approved scope, schedule, and governance frameworks.

Mining development creates value through risk reduction, not acceleration for its own sake. Throughout the year, management remained focused on:

- Advancing technical definition following PFS completion
- Progressing environmental and permitting activities within established regulatory frameworks
- Protecting critical project inputs, including land tenure and water access
- Strengthening project governance, cost controls, and accountability
- This disciplined approach preserves flexibility, protects shareholder interests, and positions the Company to make informed decisions as the project advances.

## **Governance and Capital Stewardship**

As a pre-revenue company, capital stewardship is central to our responsibility to shareholders. During 2025, we continued to enhance internal controls, clarify decision authorities, and reinforce governance structures designed to align spending with approved scope and risk tolerance.

Our objective is to ensure that capital deployed contributes directly to reducing technical, regulatory, or execution risk, while maintaining transparency and accountability for shareholders and partners alike.

## **Market Perspective and Valuation**

Lion CG's market valuation reflects the realities of a development-stage mining company, including permitting timelines, project advancement risk, and broader commodity market conditions. At this stage of the development cycle, it is typical for companies to trade at a significant discount to underlying project Net Asset Value (NAV) as estimated in technical studies.

The PFS completed in 2025 provides an initial economic framework for the Yerington Copper Project; however, market participants generally apply meaningful discounts to PFS-level NAV to account for remaining technical, permitting, execution, and financing risks. These discounts often persist until projects advance through DFS, key permits are secured, and capital pathways become clearer.

Management views the current valuation gap not as a reflection of asset quality, but as a function of project maturity and risk perception. Our focus is therefore not on short-term market movements, but on systematically closing that gap through execution—by advancing the project through DFS, progressing permitting and maintaining disciplined capital stewardship.

As these risks are reduced, we believe the market will increasingly assess Lion CG based on the underlying scale, jurisdictional quality, and strategic positioning of the Yerington Copper Project. While there can be no assurance as to valuation outcomes or timing, we believe that consistent delivery against clearly defined milestones is the most credible pathway to long-term value recognition.

## Looking Ahead

As we enter 2026, Lion CG is positioned to continue advancing the Yerington Copper Project through Definitive Feasibility Study and permitting, supported by a committed strategic partner and strengthened by the milestones achieved during 2025.

In parallel with the core DFS and permitting work, the Company expects to continue evaluating the potential of the Bear deposit within the broader Yerington district. This work is intended to further inform long-term development optionality and district-scale opportunities, while maintaining clear priority on advancing the primary project through its current stage of definition and permitting.

Our priorities remain unchanged:

- Advance the project responsibly
- Maintain capital discipline
- Reduce risk through execution
- Protect and enhance long-term shareholder value

I would like to thank our shareholders for their continued support, our employees and consultants for their dedication, and our partners for their collaboration. We recognize the responsibility that comes with stewarding a significant asset on your behalf, and we remain committed to doing so with rigor, transparency, and discipline.

Sincerely,

John Banning  
*Chief Executive Officer*  
**Lion Copper & Gold Corp.**