



Lion Copper and Gold Corp.

Condensed Interim Consolidated Financial Statements

For the three and six months ended June 30, 2026 and 2025

(Expressed in thousands of U.S. Dollars)

(Unaudited)

Lion Copper and Gold Corp.

Condensed Interim Consolidated Balance Sheets

As of June 30, 2026 and December 31, 2025

(In thousands of U.S. Dollars)

	Notes	June 30, 2026 (unaudited)	December 31, 2025 (audited)
ASSETS			
Current			
Cash and cash equivalents	\$	24,523	\$ 2,364
Other receivables		15	557
Prepaid and deposit		-	4
		24,538	2,925
Non-Current			
Mineral properties	4	7,986	7,986
Reclamation bonds		9	9
Investment in associate	3	10,391	17,829
Investment other	3	666	719
Property and equipment		37	-
Total assets	\$	43,627	\$ 29,468
LIABILITIES			
Current			
Accounts payable and accrued liabilities	\$	1,060	\$ 228
Nuton LLC earn in liability	4	19,437	204
Convertible debentures	7	2,610	2,086
Derivative liabilities	8	-	3,564
Total current liabilities		23,107	6,082
Total liabilities		23,107	6,082
Shareholders' Equity			
Share capital, no par value, unlimited common shares authorized; 431,222,956 issued and outstanding (December 31, 2025 - 413,234,899)			
	9	112,641	110,702
Additional paid-in capital	10	34,183	28,500
Commitment to issue shares		-	10
Deficit		(126,304)	(115,826)
Total shareholders' equity		20,520	23,386
Total liabilities and shareholders' equity	\$	43,627	\$ 29,468

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

On behalf of the Board of Directors on August 7, 2026

/s/ "Thomas Patton"

Director

/s/ "Tony Alford"

Director

Lion Copper and Gold Corp.

Condensed Interim Consolidated Statements of Operations and Comprehensive Loss

For the three and six months ended June 30, 2026 and 2025

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

	Notes	For the three months ended June 30,		For the six months ended June 30,	
		2026	2025	2026	2025
Operating expenses					
Exploration and evaluation	4	\$ 4,144	\$ 987	\$ 5,078	\$ 2,150
General and administrative	5	798	1,392	1,677	2,793
Share-based compensation	10	81	171	88	1,257
Nuton LLC earn in liability	4	(4,997)	(1,940)	(6,762)	(4,153)
Operating loss		(26)	(610)	(81)	(2,047)
Non-operating income (expenses)					
Accretion and interest expenses	7	(271)	(7)	(524)	(12)
Fair value loss on derivative liabilities	8	-	(1,008)	(2,677)	(1,782)
Foreign exchange gain		116	19	119	(11)
Interest income and other		85	40	186	169
Gain (loss) on shares issued for services	9	3	-	(10)	-
Share of loss in associate	3	(3,683)	(116)	(7,438)	(317)
Unrealized loss on investments	3	(309)	-	(53)	-
		(4,059)	(1,072)	(10,397)	(1,953)
Net loss and comprehensive loss for period		\$ (4,085)	\$ (1,682)	\$ (10,478)	\$ (4,000)
Net loss and comprehensive loss attributed to:					
Shareholders of the Company		\$ (4,085)	\$ (1,335)	\$ (10,478)	\$ (2,890)
Non-controlling interest		\$ -	\$ (347)	\$ -	\$ (1,110)
		(4,085)	(1,682)	(10,478)	(4,000)
Loss per share, basic and diluted		\$ (0.01)	\$ (0.00)	\$ (0.02)	\$ (0.01)
Weighted average number of shares outstanding basic and diluted		430,242,672	411,132,693	423,365,174	411,072,314

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 six months ended June 30, 2026 and 2025

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

		Number of	Share	Additional		Commitment	Non-	
	Notes	Shares	Capital	Paid-in	Deficit	to Issue Shares	Controlling	Total Equity
Balance, December 31, 2024		411,011,264	\$ 110,459	\$ 25,877	\$ (130,597)	\$ -	\$ 3,660	\$ 9,399
Shares issued for option exercises	9	750,000	84	(40)	-	-	-	44
Share-based compensation	6, 10	-	-	117	-	-	1,140	1,257
Shares issued by Falcon Copper Corp.	6	-	-	-	-	-	482	482
Net loss and comprehensive loss for the period		-	-	-	(2,890)	-	(1,110)	(4,000)
Balance, June 30, 2025		411,761,264	110,543	25,954	(133,487)	-	4,172	7,182
Balance, December 31, 2025		413,234,899	\$ 110,702	\$ 28,500	\$ (115,826)	\$ 10	\$ -	\$ 23,386
Shares issued for option and warrant exercises	9	17,611,718	1,859	(337)	-	-	-	1,522
Shares issued for services	9	376,339	80	-	-	(10)	-	70
Modification of warrants	8	-	-	5,932	-	-	-	5,932
Share-based compensation	10	-	-	88	-	-	-	88
Net loss and comprehensive loss for the period		-	-	-	(10,478)	-	-	(10,478)
Balance, June 30, 2026		431,222,956	\$ 112,641	\$ 34,183	\$ (126,304)	\$ -	\$ -	\$ 20,520

Lion Copper and Gold Corp.

Condensed Interim Consolidated Statements of Changes in Equity

For the three months ended June 30, 2026 and 2025

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

	Notes	Number of Shares	Share Capital	Additional Paid-in Capital	Deficit	Commitment to Issue Shares	Non- Controlling Interest	Total Equity
Balance, March 31, 2025		411,011,264	\$ 110,459	\$ 25,925	\$ (132,152)	\$ -	\$ 4,417	\$ 8,649
Shares issued for option exercises	9	750,000	84	(40)	-	-	-	44
Share-based compensation	6, 10	-	-	69	-	-	102	171
Net loss and comprehensive loss for the period		-	-	-	(1,335)	-	(347)	(1,682)
Balance, June 30, 2025		411,761,264	110,543	25,954	(133,487)	-	4,172	7,182
Balance, March 31, 2026		421,997,186	\$ 111,770	\$ 34,230	\$ (122,219)	\$ -	\$ -	\$ 23,781
Shares issued for option and warrant exercises	9	9,107,656	844	(128)	-	-	-	716
Shares issued for services	9	118,114	27	-	-	-	-	27
Share-based compensation	10	-	-	81	-	-	-	81
Net loss and comprehensive loss for the period		-	-	-	(4,085)	-	-	(4,085)
Balance, June 30, 2026		431,222,956	\$ 112,641	\$ 34,183	\$ (126,304)	\$ -	\$ -	\$ 20,520

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 six months ended June 30, 2026 and 2025

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

	Note	Six months ended June 30,	
		2026	2025
Operating activities			
Loss for the period	\$	(10,478)	\$ (4,000)
Non-cash transactions			
Accretion and interest expenses	7	524	12
Fair value gain on derivative liabilities	8	2,677	1,782
Depreciation expense		2	-
Share of loss in associate	3	7,438	317
Shares-based compensation		88	1,257
Amortization of ROU asset		-	21
Shares issued for services	9	60	-
Unrealized gain on investments	3	53	-
Loss on shares issued for services	9	10	-
Changes in non-cash operating assets and liabilities			
Other receivable		542	18
Prepaid expenses and deposit		4	(134)
Accounts payable and accrued liabilities		832	(117)
Lease liabilities		-	(21)
Nuton LLC earn in liability		19,233	(4,284)
Cash flow provided (used) by operating activities		20,985	(5,149)
Investing activities			
Mineral properties		(4,505)	(356)
Nuton LLC deposit applied		4,505	131
Purchase of property and equipment		(39)	-
Cash used by investing activities		(39)	(225)
Financing activities			
Proceeds from private placements		-	482
Conversion of convertible debentures	7	-	416
Repayment of convertible debentures		-	(6)
Proceeds from warrants and options exercised	9	1,213	44
Cash provided by financing activities		1,213	936
Increase (decrease) in cash and cash equivalents		22,159	(4,438)
Cash and cash equivalents, beginning of period		2,364	7,999
Cash and cash equivalents, end of period	\$	24,523	\$ 3,561

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 and six months ended June 30, 2026 and 2025

(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. ("**LCG**"), together with its subsidiaries, collectively, the "**Company**", is engaged in the acquisition, exploration and development of copper properties in the United States. The Company is currently advancing its flagship Yerington Copper Project in Nevada toward a Feasibility Study (the "**FS**"), pursuant to an earn-in agreement with Nuton LLC ("**Nuton**"), a Rio Tinto venture.

LCG was incorporated in British Columbia, Canada on May 11, 1993. Its common shares are listed on the Canadian Securities Exchange ("**CSE**") under the symbol "LEO" and are quoted for trading on the OTCQB Market under the symbol "LCGMF".

The Company acquires mineral properties through option agreements and claim staking. The carrying value of its mineral properties represents the acquisition costs and does not reflect present or future values. The recoverability of these assets is dependent on the discovery of mineral reserves, the Company's ability to secure sufficient financing for corporate and other obligations, and the successful development disposition of the properties.

The Company's development activities on the Yerington Copper Project are substantially funded under an earn-in agreement with Nuton rather than direct Company funding.

These condensed interim consolidated financial statements ("**Interim Financial Statements**") have been prepared on a going concern basis, which assumes the Company will continue to operate for the foreseeable future and realize its assets and discharges its liabilities in the normal course of business.

As of June 30, 2026, the Company had an accumulated deficit of \$126,304 (December 31, 2025 - \$115,826), and working capital of \$1,431 (December 31, 2025 – working capital deficiency of \$3,157).

The Company has not generated revenue and will require additional financing to fund general corporate and administrative activities and repay its outstanding convertible debt obligations when due. Although the Company has historically been successful in raising capital, there can be no assurance that additional financing will be available on acceptable terms, or at all. These conditions and events raise substantial doubt about the Company's ability to continue as a going concern.

The Interim Financial Statements do not include any adjustments that would be necessary if the Company were unable to continue as a going concern. Such adjustments could be material.

2. SIGNIFICANT ACCOUNTING POLICIES

a) Statement of compliance and consolidation

The Interim Financial Statements have been prepared in accordance with accounting principles generally accepted in the United States ("**U.S. GAAP**") and are presented in United States dollars ("**\$**" or "**USD**"), unless otherwise indicated.

The Interim Financial Statements include the accounts of LCG and its wholly owned subsidiaries, Quaterra Alaska Inc. ("**QTA**") which holds a 100% interest in Singatse Peak Services LLC ("**SPS**"), MRE LLC,

Lion Copper and Gold Corp.

Notes to the Condensed Interim Consolidated Financial Statements

For the three and six months ended June 30, 2026 and 2025

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

and Lyon Development LLC, as well as its partially owned consolidated entity, Blue Copper Royalties LLC ("BCR"). Falcon Copper Corp. ("FCC") was deconsolidated effective December 31, 2025 (Note 3).

The Company consolidates entities over which it has control. Control exists when the Company has power over the relevant activities, exposure to variable returns, and the ability to affect those returns through its power over the entity.

The Company reassesses control when events or circumstances indicate a change in its ability to direct the activities of a subsidiary. Changes in consolidation status are applied prospectively, with assets and liabilities initially recorded at fair value. A gain or loss may be recognized upon deconsolidation of a subsidiary, depending on the carrying amounts of deconsolidated assets and liabilities compared to the fair value of retained interests and ongoing contractual arrangements.

The significant accounting policies applied in the preparation of these Interim Financial Statements are consistent with those disclosed in Note 3 of the Company's audited consolidated financial statements for the year ended December 31, 2025.

In preparing these Interim Financial Statements, management has applied the same judgements, estimates and assumptions as those applied to the audited consolidated financial statements as at and for the year ended December 31, 2025.

3. INVESTMENTS

a) Falcon Copper Corp. ("FCC")

Falcon Copper Corp., formerly Blue Copper Resources Corp, is a privately held company incorporated in Wyoming, United States. Prior to December 31, 2025, the Company consolidated FCC due to a majority representation on FCC's board of directors.

On December 31, 2025, FCC restructured its board such that the Company no longer had a controlling financial interest. Accordingly, the Company deconsolidated FCC in accordance with ASC 810, Consolidation.

Upon deconsolidation, the Company derecognized the assets, liabilities and non-controlling interests of FCC and recognized its retained investment in FCC at fair value of \$17,829, based on FCC's share price of \$0.31.

As of June 30, 2026 and December 31, 2025, the Company held 57,513,764 common shares of FCC, representing 33.69% of FCC's issued and outstanding shares. The investment is accounted for using the equity method with the continuity listed below:

Balance, December 31, 2025	\$	17,829
Share of loss in associate		(7,438)
Balance, June 30, 2026	\$	10,391

Lion Copper and Gold Corp.

Notes to the Condensed Interim Consolidated Financial Statements

For the three and six months ended June 30, 2026 and 2025

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

The Company's share of FCC's net loss was based on FCC's unaudited net loss of \$22,081 for the six months ended June 30, 2026. Based on its 33.69% ownership interest, the Company recognized its proportionate share of the loss in the Interim Financial Statements.

Summarized financial information of FCC is presented below:

Summarized balance sheet:

	June 30, 2026	December 31, 2025
Assets		
Cash	\$ 11,918	\$ 24,090
Prepaid expenses	2,769	175
Mineral properties	3,275	1,550
Investment in associate	8,817	8,927
Total Assets	\$ 26,779	\$ 34,742
Liabilities		
Accounts payable & accrued liabilities	\$ 766	\$ 1,259
Convertible debentures	31,766	24,364
Derivative liabilities	9,850	10,490
Total Liabilities	\$ 42,382	\$ 36,113

Summarized statement of loss

	Three months ended June 30, 2026	Three months ended June 30, 2025	Six months ended June 30, 2026	Six months ended June 30, 2025
Operating expenses				
General and administrative expenses	\$ 300	\$ 72	\$ 641	\$ 94
Exploration & evaluation	1,398	24	1,474	99
Professional fees	2,556	283	4,483	855
Salaries & benefits	5,725	215	8,045	883
Travel	130	1	240	5
Total operating expenses	10,109	595	14,883	1,936
Interest expense	2	7	3	11
Fair value gain on derivative liability	(3,498)	-	(641)	-
Other income	(98)	-	(138)	-
Accretion expense	4,343	-	7,864	-
Share of loss in associate	75	-	110	-
Net loss	\$ 10,933	\$ 602	\$ 22,081	\$ 1,947

b) FCC Warrants

Lion Copper and Gold Corp.

Notes to the Condensed Interim Consolidated Financial Statements

For the three and six months ended June 30, 2026 and 2025

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

As of December 31, 2025, the Company held 6,564,180 FCC share purchase warrants classified as financial assets with a fair value of \$719. The warrants are revalued at each period end, with changes in fair value recognized in the Condensed Interim Consolidated Statements of Operations and Comprehensive Loss.

Each warrant entitles the Company to acquire one common share of FCC for a period of five years. The price is variable and determined based on the lower of a valuation cap or discounts to future financing or market prices.

As at June 30, 2026, the fair value of the warrants was \$666, which was measured using a Monte Carlo simulation method.

The following table summarizes the continuity of the FCC warrants during the six months ended June 30, 2026:

Balance, December 31, 2025	\$	719
Unrealized gain on investments		(53)
Balance, June 30, 2026	\$	666

Lion Copper and Gold Corp.

Notes to the Condensed Interim Consolidated Financial Statements

For the three and six months ended June 30, 2026 and 2025

(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:

	Singatse Peak Services LLC					Falcon Copper Corp.				
	MacArthur	Yerington	Bear*	Wassuk	Copper Canyon	Blue Copper	Schell Creek	Groundhog	Total	
Balance, December 31, 2024	\$ 2,489	\$ 1,195	\$ 1,575	\$ 1,405	\$ 10	\$ 1,028	\$ 200	\$ -	\$ 7,902	
Acquisition	-	-	1,312	-	-	-	-	-	1,312	
Option payments	-	-	231	-	-	225	50	47	553	
Funded by Nuton LLC	-	-	(231)	-	-	-	-	-	(231)	
Deconsolidation of Falcon Copper Corp.	-	-	-	-	-	(1,253)	(250)	(47)	(1,550)	
	-	-	1,312	-	-	(1,028)	(200)	-	84	
Balance, December 31, 2025	2,489	1,195	2,887	1,405	10	-	-	-	7,986	
Acquisition	-	33	2,806	-	-	-	-	-	2,839	
Option payments	-	100	1,566	-	-	-	-	-	1,666	
Funded by Nuton LLC	-	(133)	(4,372)	-	-	-	-	-	(4,505)	
	-	-	-	-	-	-	-	-	-	
Balance, June 30, 2026	\$ 2,489	\$ 1,195	\$ 2,887	\$ 1,405	\$ 10	\$ -	\$ -	\$ -	\$ 7,986	

*During the year ended December 31, 2025, the Company paid \$1,312 to acquire land situated within the Bear property. The Hunewill land is owned by Lion Copper and Gold Corp. and is not included in the Nuton earn-in agreement.

Lion Copper and Gold Corp.

Notes to the Condensed Interim Consolidated Financial Statements

For the three and six months ended June 30, 2026 and 2025

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

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

	Singatse Peak Services LLC					Falcon Copper Corp.				
						Blue	Schell			
Six months ended June 30, 2026	MacArthur	Yerington	Bear	Wassuk		Copper	Creek	Other	Total	
Property Maintenance	\$ -	\$ 5	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5	
Assay & Labs	-	205	-	-	-	-	-	-	205	
Drilling	-	283	-	-	-	-	-	-	283	
Environmental	-	1,860	-	-	-	-	-	-	1,860	
Geological	-	34	-	-	-	-	-	-	34	
Geophysical	25	35	-	-	-	-	-	-	60	
Technical Study	-	2,210	19	-	-	-	-	-	2,229	
Field Support	17	384	1	-	-	-	-	-	402	
	42	5,016	20	-	-	-	-	-	5,078	
Funded by Nuton LLC	(42)	(5,016)	(20)	-	-	-	-	-	(5,078)	
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Six months ended June 30, 2025										
Property Maintenance	\$ 6	\$ -	\$ -	\$ 1	\$ 38	\$ -	\$ 22	\$ 67		
Assay & Labs	-	10	20	-	-	-	-	30		
Drilling	-	119	-	-	-	-	-	119		
Environmental	1	238	-	-	-	-	-	239		
Geophysical	-	-	-	-	-	11	-	11		
Technical Study	53	1,580	7	-	-	-	-	1,640		
Field Support	-	14	2	-	28	-	-	44		
	60	1,961	29	1	66	11	22	2,150		
Funded by Nuton LLC	(60)	(1,961)	(29)	(1)	-	-	-	(2,051)		
	\$ -	\$ -	\$ -	\$ -	\$ 66	\$ 11	\$ 22	\$ 99		

Lion Copper and Gold Corp.

Notes to the Condensed Interim Consolidated Financial Statements

For the three and six months ended June 30, 2026 and 2025

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

	Singatse Peak Services LLC					Falcon Copper Corp.					
Three months ended June 30, 2026	MacArthur	Yerington	Bear	Wassuk	Blue Copper	Schell Creek	Other	Total			
Property Maintenance	\$ -	\$ 5	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5			
Assay & Labs	-	138	-	-	-	-	-	138			
Drilling	-	199	-	-	-	-	-	199			
Environmental	-	1,421	-	-	-	-	-	1,421			
Geological	-	34	-	-	-	-	-	34			
Geophysical	25	34	-	-	-	-	-	59			
Technical Study	-	1,914	1	-	-	-	-	1,915			
Field Support	6	367	-	-	-	-	-	373			
	31	4,112	1	-	-	-	-	4,144			
Funded by Nuton LLC	(31)	(4,112)	(1)	-	-	-	-	(4,144)			
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -			
Three months ended June 30, 2025											
Property Maintenance	\$ 6	\$ -	\$ -	\$ -	\$ 7	\$ -	\$ -	\$ 13			
Assay & Labs	-	1	20	-	-	-	-	21			
Drilling	-	-	-	-	-	-	-	-			
Environmental	-	88	-	-	-	-	-	88			
Geophysical	-	-	-	-	-	1	-	1			
Technical Study	21	817	2	-	-	-	-	840			
Field Support	-	6	2	-	16	-	-	24			
	27	912	24	-	23	1	-	987			
Funded by Nuton LLC	(27)	(912)	(24)	-	-	-	-	(963)			
	\$ -	\$ -	\$ -	\$ -	\$ 23	\$ 1	\$ -	\$ 24			

Lion Copper and Gold Corp.

Notes to the Condensed Interim Consolidated Financial Statements

For the three and six months ended June 30, 2026 and 2025

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

a) Nuton Agreement

On March 18, 2022, the Company entered into an option earn-in agreement with Nuton LLC (“**Nuton**”), a subsidiary of Rio Tinto, as subsequently amended (the “**Nuton Agreement**”). Under the Nuton Agreement, Nuton was granted an exclusive option to acquire an initial 65% interest in the Company’s Yerington, MacArthur, Wassuk, Bear projects, together with the associated water rights (collectively, the “**Mining Assets**”) through the completion of staged work programs and funding commitments totaling up to \$59,000.

Following the completion of Stage 1 and Stage 2, Nuton elected to advance to Stage 3 in November 2025, and the parties entered into a Stage 3 Earn-In Agreement dated December 19, 2025. In January 2026, Nuton contributed \$30,500 to fund feasibility study and project permitting activities. As of June 30, 2026, cumulative funding received under the Nuton Agreement totaled \$58,500.

Upon completion of the feasibility study, Nuton and the Company will determine whether to establish a separate investment vehicle to hold the Mining Assets, with Nuton retaining a minimum 65% ownership interest.

Funds received under the Nuton Agreement do not represent revenue to the Company. Accordingly, such amounts are recorded as a deposit liability until eligible project expenditures are incurred in accordance with the staged work programs. As expenditure is incurred, the deposit liability is reduced, with corresponding amounts recognized as associated expenses or capitalized to mineral properties, consistent with the Company’s accounting policies.

The continuity of the Company’s Nuton LLC earn in liability is as follows:

Balance December 31, 2024	\$	6,645
Funds applied to capitalized acquisition		(231)
Funds applied to exploration and evaluation		(2,805)
Funds applied to general and administrative		(3,405)
Balance December 31, 2025	\$	204
Funds received		30,500
Funds applied to capitalized acquisition		(4,505)
Funds applied to exploration and evaluation		(5,078)
Funds applied to general and administrative		(1,684)
Balance June 30, 2026	\$	19,437

b) MacArthur and Yerington Properties, Nevada

Located in the historic copper district of Yerington, Nevada, the Company’s MacArthur and Yerington are 100% owned by SPS, a wholly owned subsidiary of Quaterra Alaska Inc.

The MacArthur property consists of unpatented lode claims and placer claims and covers lands administered by the U.S. Department of Interior - Bureau of Land Management (“**BLM**”). It is subject to a 2% net smelter return royalty upon commencing commercial production, which can be reduced to a 1% NSR in consideration of \$1,000.

Lion Copper and Gold Corp.

Notes to the Condensed Interim Consolidated Financial Statements

For the three and six months ended June 30, 2026 and 2025

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

The Yerington property is centered on the former Anaconda open pit copper mine. This includes simple parcels and patented mining claims as well as unpatented lode and placer claims on land administered by BLM. The Yerington deposit is subject to a 2% NSR upon commencing commercial production. The total lifetime royalty is capped at \$7,500.

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.

On May 15, 2026, the Company entered into an option agreement for initial consideration of \$100, and subsequent annual payments of \$100 due on each anniversary date until October 31, 2029. The option agreement grants the Company the exclusive option to purchase 164.88 acres of land located in Yerington. At any time during the term of the agreement, the Company may exercise the option by paying the purchase price determined as follows:

- a) If the option is exercised on or before October 31, 2026, the purchase price shall be \$16,000.
- b) If the option is exercised after October 31, 2026 but on or before October 31, 2027, the purchase price shall be \$16,000.
- c) If the option is exercised after October 31, 2027 but on or before October 31, 2028, the purchase price shall be \$17,000.
- d) If the option is exercised after October 31, 2028 but on or before October 31, 2029, the purchase price shall be \$18,000.

c) Bear Deposit, Nevada

The Bear deposit consists of private land located to the northeast of the Yerington deposit.

The Company has five option agreements, entered between March 2013 and May 2015, subsequently amended, pursuant to which it may acquire a 100% interest in private lands covering the Bear deposit. Under the terms of these option agreements, the Company is required to make aggregate cash payments of \$5,988 over 15 years, of which \$5,966 had been paid as of June 30, 2026, in order to maintain its exclusive right to purchase the land, mineral rights, and certain water rights, and to conduct mineral exploration activities on the 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 in total.

The remaining payments required to keep the option agreements in good standing consist of \$100 due in 2026, \$51 annually from 2027 through 2028, and \$50 in 2029, for a total of \$252.

Lion Copper and Gold Corp.

Notes to the Condensed Interim Consolidated Financial Statements

For the three and six months ended June 30, 2026 and 2025

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

These option agreements also contain purchase provisions with cash payments ranging from \$6,250 to \$22,770, subject to varying written notice requirements ranging from no prior notice to 12-months' notice. During the six months ended June 30, 2026, two of these options were exercised and land was also acquired for total cash consideration of \$4,372.

In November 2025, the Company acquired a parcel of land for total cash consideration of \$1,312, including transaction costs. The acquisition was undertaken to expand the Company's land position for potential future exploration and development activities within the footprint of the Bear Deposit. This acquisition is not included in the Nuton earn-in agreement.

d) Wassuk, Nevada

The Wassuk property consists of unpatented lode claims on land administered by the BLM. 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.

e) Copper Canyon, Nevada

On August 21, 2023, the Company purchased the title to the Copper Canyon claims from Convergent Mining, LLC and paid \$10 in mineral claim fees. Further, the Company is 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.

5. GENERAL AND ADMINISTRATIVE EXPENSES

Certain general and administrative expenses were funded by Nuton, including salaries of \$293 and \$596 for the three and six months ended June 30, 2026, respectively (2025 - \$292 and \$617), legal and consulting fees of \$61 and \$172 for the three and six months ended June 30, 2026, respectively (2025 - \$297 and \$764), and other general administration expenses of \$418 and \$755 for the three and six months ended June 30, 2026, respectively (2025 - \$381 and \$709).

A detailed breakdown of general and administrative expenses is provided below:

	Three months ended June 30,		Six months ended June 30,	
	2026	2025	2026	2025
Professional fees	\$ 210	\$ 654	\$ 593	\$ 1,358
Salaries, bonuses and benefits	416	540	777	1,035
Office expenses	101	102	122	205
Travel	10	19	24	62
Investor relations	34	58	91	77
Transfer agent and regulatory	27	19	70	56
	\$ 798	\$ 1,392	\$ 1,677	\$ 2,793
Nuton LLC deposit applied	(772)	(970)	(1,523)	(2,090)

Lion Copper and Gold Corp.

Notes to the Condensed Interim Consolidated Financial Statements

For the three and six months ended June 30, 2026 and 2025

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

6. NON-CONTROLLING INTEREST ("NCI")

There were no transactions involving NCI during the six months ended June 30, 2026, as FCC, the entity giving rise to the NCI balance, was deconsolidated effective December 31, 2025.

During the six months ended June 30, 2025, FCC completed a private placement issuing 4,150,000 common shares at \$0.116 per common share for gross proceeds of \$482. In addition, FCC granted 12,180,000 stock options with an estimated fair value of \$1,140.

7. CONVERTIBLE DEBENTURES

On February 3, 2025, and March 11, 2025, FCC entered into convertible loan agreements for \$200, and \$20, respectively. The loans bear interest at 5% per annum and have 12 months' terms. The principal and accrued interest are convertible into common shares of FCC at the lower of the price per share in the lowest equity financing undertaken by FCC during the term of the loan or \$0.106.

On February 3, 2025, March 11, 2025, May 19, 2025, and May 31, 2025, FCC entered into convertible loan agreements for \$200, \$20, \$75, and \$121 respectively. The loans bear interest at 5% per annum and have 12 months terms. The principal and accrued interest is convertible into common shares of FCC at the lower of the price per share in the lowest equity financing undertaken by FCC during the term of the loan or \$0.106.

Under ASC 815, the conversion feature does not require bifurcation. Therefore, both the debt and the conversion option were accounted for as a single liability carried at book value plus accrued interest.

The following table summarizes the continuity of the convertible debentures for the six months ended June 30, 2026 and year ended December 31, 2025:

Balance as at December 31, 2024	\$	257
Issued		24,590
Accretion		2,125
Interest		70
Converted		(586)
Repayment		(6)
Deconsolidation of FCC		(24,364)
Balance as at December 31, 2025	\$	2,086
Accretion		363
Interest		161
Balance as at June 30, 2026	\$	2,610

8. DERIVATIVE LIABILITIES

During the year ended December 31, 2024, the Company issued certain share purchase warrants that can be exercised in USD or CAD. The warrants were classified as derivative liabilities, carried at fair value and revalued at each reporting date.

Lion Copper and Gold Corp.

Notes to the Condensed Interim Consolidated Financial Statements

For the three and six months ended June 30, 2026 and 2025

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

During the six months ended June 30, 2026, 2,380,952 warrants were exercised resulting in a decrease of \$309 to the derivative liability.

On March 31, 2026, the Company modified the exercise price of the warrants such that they are only exercisable in USD, the functional currency of the Company. As such, the warrants no longer meet the definition of a derivative liability, and the fair value of the warrants of \$5,932 on March 31, 2026 was reclassified to equity.

The following table summarizes the continuity of the derivative liabilities for the six months ended June 30, 2026 and year ended December 31, 2025:

Balance December 31, 2024	\$	289
Issuance of convertible debentures with variable conversion price		10,393
Deconsolidation of Falcon Copper		(10,490)
Fair value change on derivative liabilities		3,372
Balance December 31, 2025	\$	3,564
Exercise of warrants		(309)
Fair value change on derivative liabilities		2,677
Modification of warrants		(5,932)
Balance June 30, 2026	\$	-

9. SHARE CAPITAL

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

Share transactions for the six months ended June 30, 2026

During the six months ended June 30, 2026, the Company issued 376,339 common shares in consideration for services received, with an aggregate deemed value of \$80, including \$10 relating to amounts accrued as a commitment to issue shares as of December 31, 2025. The common shares issued had a fair value of \$90, resulting in a loss of \$10 recognized during the period.

During the six months ended June 30, 2026, the Company issued 17,611,718 common shares pursuant to the exercise of warrants and stock options for total proceeds of \$1,213. In connection with these exercises, \$337 was reclassified from additional paid-in capital and \$309 was reclassified from derivative liability to share capital.

Share transactions for the six months ended June 30, 2025

During the six months ended June 30, 2025, the Company issued 750,000 common shares in connection with stock options exercised for total proceeds of \$44.

10. ADDITIONAL PAID-IN CAPITAL

a) Stock options

Lion Copper and Gold Corp.

Notes to the Condensed Interim Consolidated Financial Statements

For the three and six months ended June 30, 2026 and 2025

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

The Company is authorized to grant stock options to directors, employees, and consultants pursuant to its stock option plan for up to 20% of the Company's issued and outstanding common shares. Stock options are granted at the discretion of the Board of Directors and may vest immediately or upon the achievement of specified performance milestones.

The exercise price of each option cannot be lower than the closing market share price of the Company's common shares on the trading day preceding the grant. Most options are granted for a term of five years and invested immediately, except for those subject to performance milestones.

During the six months ended June 30, 2025, the Company granted the following stock options:

- 7,500,000 performance options with an exercise price of \$0.08, expiring on April 4, 2030, and vest as follows:
 - 3,750,000 vest upon either (a) the market capitalization of the Company's common shares reaches \$100,000 for any 30 consecutive trading days or (b) the Company closing a liquidity event having a fair market value of no less than \$100,000 (met);
 - 3,750,000 vest upon either (a) the market capitalization of the Company's common shares reaches \$200,000 for any 30 consecutive trading days or (b) the Company closing a liquidity event having a fair market value of no less than \$200,000;

The performance options were valued using a Monte Carlo simulation model with the following inputs:

April 4, 2025	
Risk-free interest rate	2.52%
Expected volatility	125%
Dividend yield	0%
Market Cap	\$100M/\$200M
Exercise Price	\$0.08
Simulation Paths	10,000

The following table summarizes the continuity of the number of stock options issued and outstanding:

	June 30, 2026		December 31, 2025	
	Number of options	Weighted average exercise price (CAD)	Number of options	Weighted average exercise price (CAD)
Outstanding, beginning of period	88,540,965	0.10	63,735,248	\$ 0.09
Granted	-	-	29,000,000	0.05
Exercised	(4,950,000)	(0.08)	(2,223,635)	(0.08)
Expired	(1,750,000)	(0.25)	(1,970,648)	(0.08)
Outstanding, ending of period	81,840,965	0.10	88,540,965	0.10
Exercisable, ending of period	78,090,965	0.10	81,040,965	0.10

As of June 30, 2026, all stock options were fully vested except for 3,750,000 granted on April 5, 2025.

As of June 30, 2026, the number of stock options outstanding and exercisable were:

Lion Copper and Gold Corp.

Notes to the Condensed Interim Consolidated Financial Statements

For the three and six months ended June 30, 2026 and 2025

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

Expiry date	Exercise price (CAD)	Number of options outstanding	Remaining contractual life in years	Number of options exercisable
June 18, 2026*	0.245	800,000	-	800,000
October 21, 2026	0.09	900,000	0.31	900,000
May 25, 2027	0.085	2,000,000	0.90	2,000,000
March 2, 2028	0.095	350,000	1.67	350,000
July 21, 2028	0.08	15,715,965	2.06	15,715,965
March 1, 2029	0.07	12,865,000	2.67	12,865,000
July 26, 2029	0.08	7,500,000	3.07	7,500,000
December 10, 2029	0.085	12,710,000	3.45	12,710,000
April 4, 2030	USD 0.08	7,500,000	3.76	3,750,000
September 5, 2030	0.12	20,000,000	4.19	20,000,000
September 8, 2030	0.135	1,500,000	4.19	1,500,000
Balance, June 30, 2026		81,840,965		78,090,965

*Under the Company's Stock Option Plan, the expiry date of certain stock options has been extended beyond June 18, 2026, as the original expiry fell within a corporate trading blackout period.

As of December 31, 2025, 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 18, 2026	0.245	2,550,000	0.46	2,550,000
October 21, 2026	0.09	900,000	0.81	900,000
May 25, 2027	0.085	2,000,000	1.40	2,000,000
March 2, 2028	0.095	350,000	2.17	350,000
July 21, 2028	0.08	16,215,965	2.56	16,215,965
March 1, 2029	0.07	12,865,000	3.17	12,865,000
July 26, 2029	0.08	7,500,000	3.57	7,500,000
December 10, 2029	0.085	17,160,000	3.95	17,160,000
April 4, 2030	USD 0.08	7,500,000	4.26	-
September 5, 2030	0.12	20,000,000	4.68	20,000,000
September 8, 2030	0.135	1,500,000	4.69	1,500,000
Balance, December 31, 2025		88,540,965		81,040,965

During the six months ended June 30, 2026, the Company recognized shared-based compensation expense of \$88 (2025 - \$1,257) related to the vesting of options. Share-based compensation expense is recorded over the vesting period of the respective awards.

b) Share purchase warrants

The following table summarizes the continuity of the number of warrants issued and outstanding:

Lion Copper and Gold Corp.

Notes to the Condensed Interim Consolidated Financial Statements

For the three and six months ended June 30, 2026 and 2025

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

	June 30, 2026		December 31, 2025	
	Number	Weighted average exercise price	Number	Weighted average exercise price
	of warrants		of warrants	
Outstanding, beginning of period	122,759,564	\$ 0.06	110,477,171	\$ 0.06
Warrants issued	-	-	27,979,275	0.10
Warrants exercised	(12,661,718)	(0.07)	-	-
Warrants expired	-	-	(15,696,882)	(0.06)
Outstanding, end of period	110,097,846	\$ 0.070	122,759,564	\$ 0.06

The following table summarizes warrants outstanding as of June 30, 2026 and December 31, 2025:

Grant Date	Exercise Price (\$)	Expiry Date	June 30, 2026	December 31, 2025
March 8, 2024	0.056	March 8, 2029	25,536,568	27,917,520
September 19, 2024	0.056	September 19, 2029	40,978,549	41,707,215
November 8, 2024	0.06	November 8, 2029	20,266,666	25,155,554
November 6, 2025	0.0965	November 6, 2030	23,316,063	27,979,275
			110,097,846	122,759,564

11. RELATED PARTY TRANSACTIONS

The Company's key management personnel consist of its directors and executive officers. Compensation for key management personnel was as below:

	Three months ended June 30,			Six months ended June 30,		
	2026	2025		2026	2025	
Salaries and bonuses	\$ 152	\$ 190	\$ 290	\$ 405		
Director fees	\$ 45	\$ -	\$ 45	\$ -		
Share-based compensation	81	61	88	719		
	\$ 278	\$ 251	\$ 423	\$ 1,124		

Certain officers are entitled to payment upon a change of control in accordance with their employment agreements. Share-based compensation represents the fair value of stock options granted to directors and officers during the year.

12. SEGMENTED INFORMATION

The Company operates as a single operating segment focused on exploration and development in the United States. Although general and administrative expenses are incurred across multiple legal entities, the chief operating decision maker ("CODM"), the Company's board of directors, evaluates performance and allocates resources on a consolidated basis. The accounting policies used to measure the profit and loss of the segment are the same as those described in the summary of significant accounting policies. The measure of segment assets is reported on the consolidated balance sheet as total assets.

Lion Copper and Gold Corp.

Notes to the Condensed Interim Consolidated Financial Statements

For the three and six months ended June 30, 2026 and 2025

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

13. 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.

14. 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 and cash equivalents, investment other, accounts payable, accrued liabilities, lease liabilities, Nuton LLC earn-in liability, 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, convertible debentures, and Nuton LLC earn in liability approximate their fair values because of their immediate or short term to maturity and are recorded at amortized cost.

The Company's investment other is categorized as Level 3 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 financing 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.

Lion Copper and Gold Corp.

Notes to the Condensed Interim Consolidated Financial Statements

For the three and six months ended June 30, 2026 and 2025

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

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; and 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 flow 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 and US financial institutions that have high credit ratings assigned by international credit rating agencies.

15. SUBSEQUENT EVENTS

- a) 55,866 shares were issued for service received in July 2026.