



# **Lion Copper and Gold Corp.**

## **Management's Discussion and Analysis**

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

Dated: August 7, 2026

(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 **August 7, 2026**, should be read in conjunction with the condensed interim consolidated financial statements for the three and six months ended June 30, 2026 and the audited consolidated financial statements for the year ended December 31, 2025, 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 regulatory authorities in Canada at [www.sedarplus.com](http://www.sedarplus.com) or the United States Securities Exchange Commission ("**SEC**") at [www.sec.gov/edgar](http://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, of the Company, is a Qualified Person ("**QP**") 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, and its common shares are listed on the Canadian Securities Exchange ("**CSE**") under the symbol "**LEO**" and quoted for trading on the OTCQB Market under the symbol "**LCGMF**".

On June 29, 2026, the Company announced that it had submitted an initial application to list its common shares on the Nasdaq Capital Market. The Proposed Nasdaq Listing (the "**Listing**") is intended to support the Company's long-term capital market strategy by increasing its visibility among U.S. investors and enhancing trading liquidity. The Listing remains subject to Nasdaq's initial listing requirements, regulatory approvals and customary listing processes. There can be no assurance that the Company's application will be approved or that a Nasdaq listing will be completed.

## NUTON EARN-IN AGREEMENT

In March 2022, Lion Copper & Gold entered into an **Option to Earn-In Agreement** with Rio Tinto America Inc., acting through its wholly-owned subsidiary Nuton LLC (Nuton), covering the Company's Mason Valley copper assets in Nevada, including the historic Yerington Mine, the MacArthur Project, the Wassuk property, the Bear deposit, and associated water rights. The agreement contemplated staged funding to advance technical studies while giving Nuton the opportunity to earn a minimum 65% interest in the project.

Following the successful completion of the initial work stages and Nuton's election to proceed to the next phase in **November 2025**, the parties entered into a new **Stage 3 Earn-In Agreement dated December 19, 2025**. This replaced the 2022 option arrangement and marked Nuton's exercise of its right to earn into the project.

Under the agreement, Nuton committed to fund approximately **US\$31 million** to advance the Yerington Copper Project through a Definitive Feasibility Study, permitting, engineering, environmental, and other technical work. In return, Nuton has the opportunity to earn up a **65% interest** in the project upon satisfying the earn-in conditions. Lion Copper & Gold continues to manage and operate the project during the earn-in period while Nuton provides funding and technical support.

Nuton funding continues to support advancement of the project while reducing the need for significant direct funding by the Company.

The Company expects to continue advancing feasibility study (“**FS**”) and permitting activities throughout 2026 and will provide updates as material developments occur.

Upon completion of the FS, Nuton and the Company will determine whether to establish an investment vehicle to which the Mining Assets will be transferred, with Nuton holding a minimum 65% interest.

## MINERAL PROPERTIES

### Yerington Copper Project

The Yerington Project is located within the historic Yerington Copper District in Nevada, one of the largest known porphyry copper districts in the United States. Copper production in the district began in the early 1900s, with large-scale mining conducted by Anaconda Copper Company from 1952 to 1979. During this period, the MacArthur and Bear deposits were also discovered through regional exploration. The Project has since undergone extensive exploration, technical studies, and engineering work.

In April 2011, the Company finalized the acquisition of the project which includes the Yerington Deposit, MacArthur Deposit and a portion of the Bear Property; these deposits represent three of four known porphyry copper deposits in the Yerington district.

During the six months ended June 30, 2026, the Company commenced execution of Stage 3 as defined in the earn-in Agreement, focused on advancing the DFS and supporting permitting efforts.

The Company has appointed Samuel Engineering, Inc. ("**Samuel**") as lead consultant for the Definitive Feasibility Study ("**DFS**") of its flagship Yerington Copper Project in Nevada, USA and NEXUS Environmental Consultants Inc. ("**NEXUS**") as lead consultant for permitting. In the first quarter of 2026 Lion hosted a multi-day DFS and permitting workshop at the Yerington project site, bringing together all core members of the study team. During the reporting period, advancement of the DFS remained a key strategic priority during the period. Engineering, environmental, permitting and technical studies continued to advance and de-risk the project.

Multiple drilling campaigns were undertaken to de-risk and optimize project design. Infill drilling commenced in February 2026 to upgrade the mineral resource of the Vat Leach Tailings ("**VLT**") and was completed in May 2026, totaling 2,575 ft in 23 drill holes. Additionally, piezometer and geotechnical drilling have started within the Yerington pit area. This drilling started in March 2026 and was completed in June 2026, totaling 13,026 ft in 14 drill holes. Geotechnical drilling was also undertaken within the MacArthur pit area, totaling 2,052 ft in four drill holes. These drilling programs are designed to advance the understanding of groundwater conditions, optimize pit slope design and stability analysis, and advance environmental and permitting workstreams.

Nuton continues to advance sulfide metallurgical study programs.

The Company expanded its land position through the acquisition of additional properties. The acquisition is consistent with the Company's strategy of consolidating prospective ground within the project area.

### Bear Deposit

Studies were conducted and are ongoing to evaluate the Mineral Resource estimate potential of the Bear Deposit. In addition, during the six months ended in Jun 30 2026, the company continuing with is strategy of consolidating strategic property interests completed the acquisition of approximately 183 acres of land.

## RESULTS OF OPERATIONS

For the six months ended June 30, 2026, the Company reported net loss of \$10,478, primarily driven by non-cash \$7,438 loss in investment of Falcon Copper Corp. ("**FCC**") and \$2,677 fair value loss on derivative liabilities.

Following the deconsolidation of FCC effective December 31, 2025, FCC's operating expenses are no longer included in the Company's consolidated financial statements. As a result, the current financial results are not directly comparable to those of the same period last year. Accordingly, the decrease in the current period operating expenses primarily reflects the accounting impact of the deconsolidation and related changes in presentation, rather than a reduction in the underlying operating costs of the Company.

Operating expenses includes personnel, professional fees and share-based compensation, as well as exploration and evaluation expenditures related to the Yerington Copper Project.

As an exploration and development company with no operating revenues, the Company's financial results continue to be influenced by non-cash items, such as share-based compensation as well as financing and investing activities.

| (in thousands of U.S. dollars except for share and per share amounts) | Three months ended June 30, |                | Six months ended June 30, |                |
|-----------------------------------------------------------------------|-----------------------------|----------------|---------------------------|----------------|
|                                                                       | 2026                        | 2025           | 2026                      | 2025           |
| <b>Expenses</b>                                                       |                             |                |                           |                |
| Exploration and evaluation                                            | \$ 4,144                    | \$ 987         | \$ 5,078                  | \$ 2,150       |
| General and administration                                            | 798                         | 1,392          | 1,677                     | 2,793          |
| Share-based compensation                                              | 81                          | 171            | 88                        | 1,257          |
| Nuton LLC earn in liability                                           | (4,997)                     | (1,940)        | (6,762)                   | (4,153)        |
| Other expenses                                                        | 4,059                       | 1,072          | 10,397                    | 1,953          |
| <b>Net loss and comprehensive loss</b>                                | <b>(4,085)</b>              | <b>(1,682)</b> | <b>(10,478)</b>           | <b>(4,000)</b> |
| Loss and comprehensive loss attributable to:                          |                             |                |                           |                |
| Lion Copper and Gold Corp.                                            | (4,085)                     | (1,335)        | (10,478)                  | (2,890)        |
| Non-controlling interest                                              | -                           | (347)          | -                         | (1,110)        |
| loss per share, basic and diluted                                     | \$ (0.01)                   | \$ (0.00)      | \$ (0.02)                 | \$ (0.01)      |
| shares outstanding                                                    | 430,242,672                 | 411,132,693    | 423,365,174               | 411,072,314    |

## SUMMARY OF QUARTERLY RESULTS

| (in thousands except for per share amounts)      | Q2'26            | Q1'26            | Q4'25          | Q3'25            | Q2'25            | Q1'25            | Q4'24            | Q3'24            |
|--------------------------------------------------|------------------|------------------|----------------|------------------|------------------|------------------|------------------|------------------|
| Exploration expenditures                         | \$ (4,144)       | \$ (934)         | \$ (849)       | \$ (1,033)       | \$ (987)         | \$ (1,163)       | \$ (1,603)       | \$ (1,591)       |
| General administration                           | (798)            | (879)            | (4,374)        | (2,887)          | (1,399)          | (1,406)          | (1,122)          | (1,373)          |
|                                                  | (4,942)          | (1,813)          | (5,223)        | (3,920)          | (2,386)          | (2,569)          | (2,725)          | (2,964)          |
| Fair value (loss) gain on derivative liabilities | -                | (2,677)          | (1,851)        | 261              | (1,008)          | (774)            | 39               | 439              |
| Foreign exchange gain (loss)                     | 116              | 3                | (2)            | (21)             | 19               | (30)             | (28)             | (4)              |
| Interest and other                               | (4,175)          | (3,664)          | (1,254)        | (530)            | (76)             | (72)             | 387              | (41)             |
| Gain on deconsolidation                          | -                | -                | 26,381         | -                | -                | -                | -                | -                |
| Share-based compensation                         | (81)             | (7)              | (3,932)        | (3,583)          | (171)            | (1,086)          | (734)            | (129)            |
|                                                  | (9,082)          | (8,158)          | 14,119         | (7,793)          | (3,622)          | (4,531)          | (3,061)          | (2,699)          |
| Nuton LLC funded                                 | 4,997            | 1,765            | 583            | 1,474            | 1,940            | 2,213            | 2,310            | 2,336            |
| <b>Net loss for period</b>                       | <b>(4,085)</b>   | <b>(6,393)</b>   | <b>14,702</b>  | <b>(6,319)</b>   | <b>(1,682)</b>   | <b>(2,318)</b>   | <b>(751)</b>     | <b>(363)</b>     |
| <b>Loss per share</b>                            | <b>\$ (0.01)</b> | <b>\$ (0.02)</b> | <b>\$ 0.05</b> | <b>\$ (0.01)</b> | <b>\$ (0.00)</b> | <b>\$ (0.00)</b> | <b>\$ (0.00)</b> | <b>\$ (0.00)</b> |

## LIQUIDITY AND CAPITAL RESOURCES

The Company 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.

In January 2026, the Company received \$30,500 from Nuton in connection with Stage 3 funding, with aggregate total of \$58,500 as of this MD&A date under the Nuton agreement.

Nuton funding is intended to support costs associated with the Yerington Copper Project, including technical studies, engineering, permitting and certain allocable project overhead expenses. While a portion of general and administrative costs is covered by this funding, the Company remains responsible for the balance of its corporate general and administrative expenses.

In January 2026, the Company also received \$557 cash dividend from Falcon Butte Minerals Corp. in connection with giving up the Company's economic interest in Falcon Butte Minerals in December 2025.

Cash on hand is approximately \$23,162 as of August 7, 2026.

The following table summarizes the Company's cash flow for the six months ended June 30, 2026, and 2025:

|                                                    | 2026             | 2025         |
|----------------------------------------------------|------------------|--------------|
| Cash provided (used) by operating activities \$    | 20,985 \$        | (5,149)      |
| Cash used in investing activities                  | (39)             | (225)        |
| 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        |
| <b>Cash and cash equivalents, end of period \$</b> | <b>24,523 \$</b> | <b>3,561</b> |

Year to date the Company has received aggregate proceeds of \$1,213 from the exercise of stock options and warrants.

Management believes that cash, including the Stage 3 funding for project expenditure, is sufficient to support planned FS activities. The Company may require additional financing to repay its outstanding debentures due in November 2026 and to advance corporate initiatives.

| (in thousands)                      | June 30, 2026    | December 31, 2025 |
|-------------------------------------|------------------|-------------------|
| <b>Financial Position</b>           |                  |                   |
| Cash                                | \$ 24,523        | \$ 2,364          |
| Investments                         | 11,057           | 18,548            |
| Mineral properties                  | 7,986            | 7,986             |
| Other assets                        | 61               | 570               |
| <b>Total assets</b>                 | <b>\$ 43,627</b> | <b>\$ 29,468</b>  |
| <b>Total Liabilities</b>            | <b>\$ 23,107</b> | <b>\$ 6,082</b>   |
| <b>Total equity</b>                 | <b>\$ 20,520</b> | <b>\$ 23,386</b>  |
| <b>Working capital (deficiency)</b> | <b>\$ 1,431</b>  | <b>\$ (3,157)</b> |

## 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:

|                          | 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 |

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:

- 431,278,822 common shares;
- 74,340,965 stock options, exercisable at prices ranging from CAD 0.07 to CAD 0.245, with expiration dates between June 18, 2026 and September 8, 2030; and
- 7,500,000 performance options, exercisable at \$0.08, with an expiration date of April 5, 2030; and
- 119,205,501 warrants exercisable ranging from \$0.056 - \$0.0965 expiring from March 8, 2029 through November 6, 2030.

## OFF - BALANCE SHEET ARRANGEMENTS

The Company does not have any off-balance sheet arrangements as of this MD&A date.

## PROPOSED TRANSACTIONS

The Company is exploring potential strategic initiatives to support growth and operations. These initiatives are at an early stage, and no decisions have been made.

## FORWARD-LOOKING STATEMENTS

This MD&A contains forward-looking statements within the meaning of applicable United States and Canadian securities laws, including the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. Forward-looking statements are often identified by words such as “believe”, “anticipate”, “expect”, “estimate”, “may”, “plan”, “potential”, “will”, “should” or similar expressions.

These forward-looking statements include, but are not limited to, statements regarding the economic projections, development potential, and anticipated outcomes described in our 2025 pre-feasibility study for the Yerington Copper Project, as well as statements regarding our future operations, objectives, expectations, and financial performance. These statements reflect management's current expectations, estimates, assumptions, and beliefs as of the date of this MD&A regarding future events and results.

Forward-looking statements are subject to several known and unknown risks, uncertainties and other factors that could cause actual results to differ materially from those expressed or implied by such statements. These risks include, among others, uncertainties related to mineral resource and mineral reserve estimates;

assumptions underlying our pre-feasibility study; the availability of financing; reliance on third-party partners; permitting and regulatory approvals; environmental, technical and operational risks; and general economic and market conditions. For a more detailed discussion of these risks, see *Item 1A – Risk Factors* in our most recent Annual Report on Form 10-K.

Forward-looking statements concerning mineral resources, mineral reserves, and project economics are based on technical reports prepared in accordance with applicable disclosure standards. Such technical information is inherently uncertain and subject to significant assumptions regarding geological interpretation, engineering and metallurgical performance, capital and operating costs, copper prices, and other factors, many of which are beyond our control and difficult to predict accurately.

Readers are cautioned not to place undue reliance on forward-looking statements. Except as required by applicable law, we undertake no obligation to update or revise any forward-looking statements to reflect new information, future events, or otherwise.