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, 2025 and 2024

(Expressed in thousands of U.S. Dollars except for shares and per share amounts)

(Unaudited)

Lion Copper and Gold Corp.
Condensed Interim Consolidated Balance Sheets
As at March 31, 2025, and December 31, 2024
(Unaudited - In thousands of U.S. Dollars)

	Note		March 31, 2025		Audited December 31, 2024
ASSETS					
Current assets					
Cash and cash equivalents		$	6,333	$	7,999
Other receivables			17		31
Prepaid and deposit			79		57
			6,429		8,087
Mineral properties	4,12		7,902		7,902
Reclamation bonds			9		9
Investment in associate	5		901		1,102
Right of use asset			30		40
Total assets		**$**	**15,271**	**$**	**17,140**
LIABILITIES					
Current liabilities					
Accounts payable and accrued liabilities		$	702	$	510
Nuton LLC deposit	4		4,351		6,645
Derivative liabilities	7		1,063		289
Convertible debentures	7,8,11		476		257
Lease liabilities			30		40
Total liabilities			**6,622**		**7,741**
Stockholders' equity					
Share capital, no par value, unlimited common shares authorized; 411,011,264 issued and outstanding (2024 - 411,011,264)	9		110,459		110,459
Additional paid-in capital	10		25,925		25,877
Deficit			(132,152)		(130,597)
Non-controlling interest	6		4,417		3,660
Total stockholders' equity			8,649		9,399
Total liabilities and stockholders' equity		**$**	**15,271**	**$**	**17,140**

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

NATURE OF OPERATIONS AND GOING CONCERN (Note 1)
COMMITMENTS (Note 13)
SUBSEQUENT EVENT (Note 15)

Approved on behalf of the Board of Directors on May 15, 2025:

/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 months ended March 31, 2025 and 2024
(Unaudited - In thousands of U.S. Dollars, except for shares and per share amounts)

	Note	For the three months ended March 31, 2025	2024
Operating expenses			
Exploration & evaluation	**4**	$ 1,163	$ 2,660
General and administrative		108	217
Investor relations and corporate development		19	12
Professional fees	**4(a)**	704	482
Salaries and benefits	**4(a),11**	495	389
Share-based payments	**10,11**	1,086	660
Transfer agent and regulatory		37	38
Travel		43	23
Nuton LLC Deposit	**4**	(2,213)	(3,218)
Operating loss		(1,442)	(1,263)
Non-operating Income/(expenses)			
Fair value (loss) gain on derivative liabilities	**7**	(774)	680
Foreign exchange loss		(30)	(1)
Accretion expense	**8**	-	(111)
Share of loss in associate	**5**	(201)	(94)
Interest and other income		129	86
Loss on convertible debentures	**8**	-	(1,750)
		(876)	(1,190)
Net loss and comprehensive loss for the period		**$ (2,318)**	**$ (2,453)**
Net loss and comprehensive loss attributed to:			
Stockholders of the Company		**$ (1,555)**	**$ (2,257)**
Non-controlling interest	**6**	**$ (763)**	**$ (196)**
Loss per share, basic and diluted		**$ (0.004)**	**$ (0.007)**
Weighted average number of shares outstanding - basic and diluted		**411,011,264**	**329,761,311**

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, 2025 and 2024
(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, 2023		**309,667,975**	**$**	**105,396**	**$**	**24,168**	**$**	**(126,663)**	**$**	**3,117**	**$**	**6,018**
Private placement		23,809,522		654		-		-		-		654
Private placement - share issuance cost		-		(27)		-		-		-		(27)
Conversion of convertible debentures - original	8	3,500,000		234		-		-		-		234
Conversion of convertible debentures - induced	8	45,815,213		2,723		-		-		-		2,723
Share-based payments	10	-		-		660		-		-		660
Issuance of common shares of FCC	6	-		-		-		-		450		450
Net loss for the period		-		-		-		(2,257)		(196)		(2,453)
Balance at March 31, 2024		**382,792,710**	**$**	**108,980**	**$**	**24,828**	**$**	**(128,920)**	**$**	**3,371**	**$**	**8,259**
Balance at December 31, 2024		**411,011,264**	**$**	**110,459**	**$**	**25,877**	**$**	**(130,597)**	**$**	**3,660**	**$**	**9,399**
Share-based payments	6,10	-		-		48		-		1,038		1,086
Issuance of common shares of FCC	6	-		-		-		-		482		482
Net loss for the period		-		-		-		(1,555)		(763)		(2,318)
Balance at March 31, 2025		**411,011,264**	**$**	**110,459**	**$**	**25,925**	**$**	**(132,152)**	**$**	**4,417**	**$**	**8,649**

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, 2025, and 2024
(Unaudited - In thousands of U.S. Dollars)

	For the three months ended March 31, 2025	2024
Cash flows (used in) provided by operating activities		
Loss for the period	$ (2,318)	$ (2,453)
Non-cash transactions:		
Interest expense	5	94
Accretion expense	-	111
Fair value loss (gain) on derivative liabilities	774	(680)
Share of loss of investment in associate	201	94
Share-based payments	1,086	660
Loss on convertible debentures	-	1,750
Amortization of ROU asset	10	-
Changes in operating assets and liabilities:		
Other receivables	14	(4)
Accounts payable and accrued liabilities	192	501
Prepaid and deposit	(22)	(82)
Lease liability	(10)	-
Nuton LLC deposit	(2,294)	8,161
Net cash (used in) provided by operating activities	**(2,362)**	**8,152**
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	220	-
Proceeds for issuance of common shares of FCC	482	450
Proceeds from private placement	-	1,000
Share issuance costs	-	(27)
Repayment of convertible debentures	(6)	(831)
Net cash provided by financing activities	**696**	**592**
(Decrease) 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**
Supplemental cash flow information		
Shares issued for convertible debentures	**$ -**	**$ 2,957**

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

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 Rio Tinto America Inc., subsequently assigned to Nuton LLC, a Rio Tinto venture. The Company was incorporated in British Columbia, Canada on May 11, 1993. 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. with a new trading symbol "LEO". On September 19, 2024, the Company voluntarily delisted its common shares from the TSX Venture Exchange ("**TSXV**") and were subsequently listed on the Canadian Securities Exchange ("**CSE**") under the same symbol "LEO" and continues to trade on the OTCQB Market under the symbol "LCGMF".

The Company acquires its mineral properties through option or lease agreements and capitalizes 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 advance these properties.

These condensed interim consolidated financial statements ("**Interim 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 Interim Financial Statements from the Board of Directors. During the three months ended March 31, 2025, the Company incurred a loss of $2,318 (2024 - $2,453) and an accumulated deficit of $132,152 (December 31, 2024 - $130,597). As of March 31, 2025, the Company had cash and cash equivalents of $6,333 (December 31, 2024 - $7,999), working capital deficit of $193 (December 31, 2024 - surplus of $346).

The Company has no source of revenue and has specific requirements to maintain its mineral property interests and meet its obligations as they come due. Although the Company has raised funds in the past through debt, equity and strategic investors, there is no assurance that such financing will be available. During the three months ended March 31, 2025, the United States and Canadian governments announced new tariffs on imported goods. This caused uncertainty to raise financing for properties outside of Nuton LLC. 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 its rights under the existing option and acquisition agreements. The above factors represent 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 Interim Financial Statements, 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.

2. BASIS OF PRESENTATION

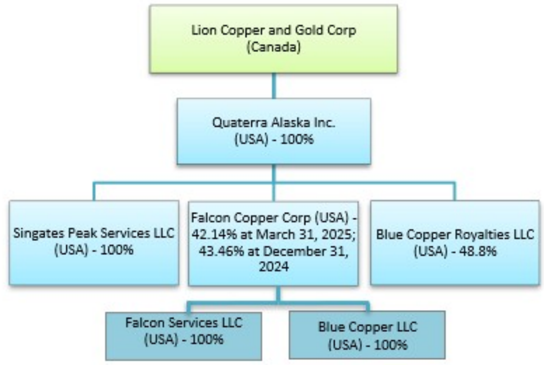
Statement of compliance

The Interim Financial Statements of the Company have been prepared in accordance with accounting principles generally accepted in the United States ("**U.S. GAAP**") including the accounts of the Company and its subsidiaries. All intercompany accounts and transactions were eliminated upon consolidation.

These Interim Financial Statements have been prepared on a historical cost and accrual basis except for certain financial instruments measured at fair value and the cash flow, respectively.

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.

These Interim Financial Statements include the Interim financial statements of Lion CG and its subsidiaries:



On October 4, 2021, Blue Copper LLC was incorporated in Montana, USA and acquired Blue Copper Prospect in Powell County and Lewis & Clark County in Montana.

On April 5, 2022, Quaterra Alaska Inc. ("Quaterra Alaska") sold its two options to acquire the Butte Valley property to Falcon Butte Minerals Corp. ("Falcon Butte"), formerly 1301666 B.C. Ltd., for $500 cash and 16,049,444 shares in Falcon Butte represented 25.54% of shares outstanding (Note 5).

On December 13, 2022, Quaterra Alaska transferred its 100% interest in Blue Copper LLC, a 90% interest in the Groundhog property in Alaska, a 5% net profit interest associated with the Nieves silver property in Mexico, and Butte Valley royalty to Falcon Copper Corp., ("FCC") formerly, Blue Copper Resources Corp. in exchange for 57,513,764 common shares of FCC, represented 79.3% of the FCC's then-issued and outstanding shares (Note 6).

On August 25, 2023, Blue Copper Royalties LLC was incorporated in Wyoming for the purpose of holding certain royalties and on September 6, 2023, FCC transferred the Butte Valley royalty and interest in Nieves to Blue Copper Royalties.

3. SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies applied in the preparation of these Interim 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, 2024.

In preparing these Interim Financial Statements, management has made judgements, estimates and assumptions that affect the applicability of the Company's accounting policies. In preparing these Interim 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, 2024.

During the year ended December 31, 2024, and the three months ended March 31, 2025, the Company's ownership in FCC dropped below 50% and management assessed control still exists and thus continues to consolidate 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.

(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 ("SPS")					Falcon Copper Corp. ("FCC")		
	MacArthur	**Yerington**	**Bear**	**Wassuk**	**Copper Canyon**	**Blue Copper**	**Muncy**	**Total**
	$	**$**	**$**	**$**	**$**	**$**	**$**	**$**
Balance December 31, 2023	**2,489**	**1,195**	**1,575**	**1,405**	**10**	**878**	**95**	**7,647**
Acquisition costs	-	-	231	-	-	150	105	486
Paid by Nuton LLC	-	-	(231)	-	-	-	-	(231)
Total additions (disposals) for the year	-	-	-	-	-	150	105	255
Balance December 31, 2024	**2,489**	**1,195**	**1,575**	**1,405**	**10**	**1,028**	**200**	**7,902**
Acquisition costs	-	-	81	-	-	-	-	81
Paid by Nuton LLC	-	-	(81)	-	-	-	-	(81)
Total additions for the period	-	-	-	-	-	-	-	-
Balance March 31, 2025	**2,489**	**1,195**	**1,575**	**1,405**	**10**	**1,028**	**200**	**7,902**

The Company owns a 100% interest in the MacArthur, Yerington and Wassuk properties and has an option to earn a 100% interest in the Bear property in Nevada.

(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:

Exploration expenditures incurred for the three months ended March 31, 2025

	Singatse Peak Services				Falcon Copper Corp			
	MacArthur	**Yerington**	**Bear**	**Wassuk**	**Blue Copper**	**Muncy**	**Other**	**Total**
	$	$	$	$	$	$	$	$
Property maintenance	-	-	-	1	31	-	22	54
Assay & Labs	-	9	-	-	-	-	-	9
Drilling	-	119	-	-	-	-	-	119
Environmental	1	150	-	-	-	-	-	151
Geological & mapping	-	-	-	-	-	-	-	-
Geophysical surveys	-	-	-	-	-	10	-	10
Technical study	32	763	5	-	-	-	-	800
Field support	-	8	-	-	12	-	-	20
Total expenses incurred	33	1,049	5	1	43	10	22	1,163
Total Expenditures funded by Nuton LLC	**(33)**	**(1,049)**	**(5)**	**(1)**	**-**	**-**	**-**	**(1,088)**
Total Expenditures funded by Lion CG	**-**	**-**	**-**	**-**	**43**	**10**	**22**	**75**

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

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

	Singatse Peak Services				Falcon Copper Corp				
	MacArthur	**Yerington**	**Bear**	**Wassuk**	**Muncy**	**Groundhog**	**Blue Copper**	**Other**	**Total**
	$	$	$	$	$	$	$	$	$
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	-	-	13	19	2	45
Total expenses incurred	**411**	**1,260**	**916**	**-**	**2**	**13**	**56**	**2**	**2,660**
Total Expenditures funded by Nuton LLC	**(411)**	**(1,260)**	**(916)**	**-**	**-**	**-**	**-**	**-**	**(2,587)**
Total Expenditures funded by Lion CG	**-**	**-**	**-**	**-**	**2**	**13**	**56**	**2**	**73**

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

a) Option Agreement with Nuton LLC

On March 18, 2022, the Company entered into an Option Agreement, as amended, with Nuton LLC whereby Nuton LLC has the exclusive option to earn an initial 65% interest in the assets comprising Yerington, MacArthur, Wassuk, Bear, and associated water rights (the "**Mining Assets**") by funding a three-stage program of work up to a completion of a feasibility study not to exceed an aggregate amount of $50,000 (the "**Option Agreement**").

Such initial interest may be further increased upon the terms and conditions set forth in the Option Agreement.

In addition, Nuton LLC will evaluate the potential commercial deployment of its Nuton™ technologies at the Company's project site.

The Option Agreement was effective on April 27, 2022, when TSXV approved it.

On May 16, 2022, the Stage 1 work program was approved, including metallurgical testing, engineering scoping studies, and a 6,500- foot drilling for the MacArthur project. Nuton LLC provided $4,000 in funding for Stage 1, which was completed on December 22, 2022.

On January 5, 2023, a 12-month Stage 2 work program was approved, which included Yerington Site engineering studies and a 17,000-foot drill program to evaluate high priority exploration targets. On January 13, 2023, Nuton LLC provided $5,000 in funding for Stage 2, along with an additional $2,500 in advanced funding from the Stage 3 earn-in amount.

On October 5, 2023, the Option Agreement was amended to modify Stage 2 work program. Under the amendment, Stage 2 was extended and divided into Stage 2 and Stage 2b. Stage 2 covered work completed by the original end date of January 12, 2024, while Stage 2b extended the term to September 12, 2024, allowing for continued testing and evaluation of the Nuton™ technologies. On January 4, 2024, Nuton LLC approved and advanced $11,500 of the Stage 3 earn-in amount for the Stage 2b work program.

On November 15, 2024, the Option Agreement was amended again to extend the term of Stage 2 until June 30, 2025. Stage 2b was mutually agreed to conclude on September 30, 2024, and a new Stage 2c was established to complete a pre-feasibility study from October 1, 2024, through June 30, 2025.

Nuton LLC advanced an additional $5,000 of the Stage 3 earn-in amount for Stage 2c and agreed to carry over the unspent Stage 2b funding of $3,160 to support the Stage 2c work program.

As of March 31, 2025, Nuton LLC had provided a total of $28,000 under the Option Agreement. Should Nuton LLC elect to proceed with Stage 3, which includes a feasibility study based on the results of the Stage 1 and Stage 2 work programs, Nuton LLC will fully fund the feasibility study, with the cost not exceeding $22,000.

A continuity of the Company's Nuton LLC deposit is as follows:

Balance December 31, 2023	**$**	**1,357**
Funds received		16,500
Funds applied to prepaids		(15)
Funds applied to capitalized acquisition costs		(231)
Funds applied to exploration expenditures		(7,797)
Funds applied to general operating expenditures		(3,169)

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

Balance December 31, 2024	**$**	**6,645**
Funds applied to capitalized acquisition costs		(81)
Funds applied to exploration expenditures		(1,088)
Funds applied to general operating expenditures		(1,125)
Balance March 31, 2025	**$**	**4,351**

General operating expenditures associated with exploration activities included salaries of $325 (2024 - $234), water rights related legal and other professional fees of $467 (2024 - $197), and general administration expenses of $333 (2024 - $200).

b) MacArthur and Yerington Properties, Nevada

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

The MacArthur Project consists of unpatented lode claims and placer claims and covers 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 is centered on the former Anaconda open pit copper mine. This includes fee simple parcels and patented mining claims as well as unpatented lode and placer claims 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 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.

c) Bear Deposit, Nevada

The Bear deposit consists 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 $6,318 in cash payments over 16 years ($5,765 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.

The outstanding payments required to keep the option agreements in good standing are as follows: $150 due in 2025, $201 due in 2026, and $101 due in each of 2027 and 2028, for a total of $553.

These five option agreements include purchase provisions for cash payments ranging from $250 to $22,770, with terms requiring varying written notices (from no notice to 12-month notice).

d) Wassuk, Nevada

The Wassuk property consists of unpatented lode claims on lands 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 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 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.

f) Blue Copper Project, Montana

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 April 18, 2023, FCC entered into a lease agreement for a Montana property and paid an initial cash payment of $200 which is capitalized in Blue Copper project.

During the year ended December 31, 2024, the Company paid an advance rental payment of $150 pursuant to the lease agreement.

A Plan of Operations for exploration of the Blue Copper Project is approved by the relevant agencies.

g) 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.

h) 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 $105 by December 1, 2024 (Paid);
- pay an additional payment commitment of $50 by December 1, 2025;
- pay an additional payment commitment of $60 by December 1, 2026;
- 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;

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

- 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.

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 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.

i) Recon, Nevada, Arizona, and other prospects

During the three months ended March 31, 2025, FCC incurred $22 (2024 - $15) in evaluation expenditures on reconnaissance on targets in Nevada, Arizona and Montana in order to determine whether they warranted further pursuit.

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. At the time of acquisition, the 16,049,444 shares represented 25.54% of shares outstanding and the initial balance of the investment was determined to be $1,906 ($2,374 CAD). As at December 31, 2024 and March 31, 2025, the Company's share ownership was 20.47%. The Company and Falcon Butte have one common director, 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.

Summarized financial information of Falcon Butte and a reconciliation of the carrying amount of the investment in the Interim Financial Statements are set out below:

Summarized balance sheet:

		March 31, 2025		December 31, 2024
Assets				
Cash	$	332	$	381
Receivables		6		16
Financial asset - Convertible loan receivable		100		100
Prepaids & deposits		15		9
Investment in associate		4,034		4,067
Total Assets	**$**	**4,487**	**$**	**4,573**
Liabilities				
Accounts payable & accrued liabilities	$	5	$	14
Derivative liabilities		1,678		881
Total Liabilities	**$**	**1,683**	**$**	**895**

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

Summarized statement of loss

	Three months ended March 31, 2025	Three months ended March 31, 2024
Operating expenses		
General and administrative expenses	$ 326	$ 1,052
Total operating expenses	326	1,052
Fair value (gain) loss on derivative liability	705	(251)
Other income	(54)	(250)
Foreign exchange loss (gain)	6	(93)
Net loss	**983**	**458**

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

Balance December 31, 2023	**$ 1,206**
Company's share of net loss	(104)
Balance December 31, 2024	**$ 1,102**
Company's share of net loss	**(201)**
Balance March 31, 2025	**$ 901**

6. 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, 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 private placement financing of $2,000 by issuing 23,809,524 units at a price of $0.084. 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 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 $0.15 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.

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

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.

From February to May 2024, FCC issued a total of 11,637,931 common shares at $0.116 per common share for gross proceeds of $1,350.

During the three months ended March 31, 2025, FCC issued a total of 4,150,000 at $0.116 per common share for gross proceeds of $482. FCC also granted 10,900,000 stock options exercisable into one common share of FCC at $0.10 for five years from the date of grant. The stock options were valued at $1,038 using the Black-Scholes model with the following estimates:

	January 5, 2025
Risk-free interest rate	2.96%
Expected life (years)	5.00
Annualized volatility	112.48%
Forfeiture rate	0%
Dividend yield	0%

As a result, the Company's ownership in FCC is reduced to 42.14% as of March 31, 2025 (December 31, 2024 - 43.46%), with the changes in NCI listed below:

Balance December 31, 2023	**$**	**3,117**
Issuance of common shares		1,350
Net loss and comprehensive loss attributable to NCI		(807)
Balance December 31, 2024	**$**	**3,660**
Issuance of common shares		**482**
Grant of options		**1,038**
Net loss and comprehensive loss attributable to NCI		**(763)**
Balance March 31, 2025		**4,417**

7. DERIVATIVE LIABILITIES

During the year ended December 31, 2024, the Company issued certain share purchase warrants and convertible debt that can be exercised and converted in USD or CAD (Note 8). The warrants and the conversion feature were classified as derivative liabilities, carried at fair value and revalued at each reporting date.

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

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

Balance December 31, 2023	**$**	**176**
Issuance of warrants for private placement (Note 10)		346
Issuance of warrants upon conversion of existing debentures (Note 8)		60
Issuance of contingent warrants upon conversion of existing debentures (Note 8)		649
Issuance of warrants and conversion feature for extinguishment of existing debentures (Note 8)		55
Modification of warrants upon restructuring of debentures (Note 8)		109
Modification of conversion feature upon restructuring of debentures (Note 8)		129
Issuance of warrants - equity (Note 8)		(359)
Fair value change on derivative liabilities		(876)
Balance December 31, 2024	**$**	**289**
Fair value change on derivative liabilities		774
Balance March 31, 2025	**$**	**1,063**

8. CONVERTIBLE DEBENTURES

On June 17, 2022, July 8, 2022, and March 2, 2023, the Company closed its non-brokered private placement of unsecured convertible debentures for total gross proceeds of $3,306. The debentures bear interest at a rate of 14% per annum and mature on February 17, 2024, March 8, 2024, and November 2, 2024, respectively. The debentures are convertible into shares of the Company at $0.078 ($0.10 CAD) per share for 2022 issued debentures and at $0.070 ($0.095 CAD) per share for 2023 issued debentures.

In conjunction with the three tranches of convertible debt financing, the Company issued 16,044,774, 13,805,964, and 18,461,015 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, at $0.067 ($0.085 CAD) per share and expire on March 8, 2024, and at $0.070 ($0.095 CAD) per share and expire on November 2, 2024, respectively.

On February 16, 2024, the Company issued 12-month convertible debentures of $941, bearing an interest rate of 20% per annum. These debentures replaced previously issued debentures that were due in February 2024.

These debentures are convertible into common shares of the Company at a price of $0.06 ($0.08 CAD) per share, or at the holder's option.

15,696,882 warrants are issued exercisable at $0.06 ($0.08 CAD) till February 16, 2025. These warrants were determined to be liability classified as the warrants can be exercised in a currency other than its functional currency (Notes 7, 10).

The Company repaid a total of $936 for the convertible debentures in December 2024 and the remaining $5 in February 2025, along with accrued interest. Additionally, on March 8, 2024, and February 14, 2025, the Company repaid convertible debentures totaling $831 and $6, in cash, respectively, with a loss of $5 and $Nil recognized.

Based on the terms of the newly issued debentures, the convertible debentures were determined to be a financial instrument comprising a host debt component, and the conversion feature and warrants denominated in Canadian dollars are 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 was 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 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 consolidated statements of operations and comprehensive loss.

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

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 consolidated statements of operations and comprehensive loss as a gain/loss on the revaluation of the derivative liabilities. The changes in 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 consolidated statements of operations and comprehensive loss as a loss on extinguishment of $55.

On March 8, 2024, the Company completed a private placement of $1,000 and issued 4,107,998 units and 41,707,215 common shares to settle $1,924 of debenture debt. The fair value of the shares and warrants is $2,723 and $59, respectively. These warrants were determined to be liability classified as the warrants have an exercise price in a currency other than its functional currency (Notes 7, 10).

In conjunction with the Company's CSE listing on September 19, 2024, 41,707,215 warrants were issued to certain directors and individual who converted their debts into common shares of the Company on March 8, 2024. These warrants were treated as a contingency with their fair value being recorded as a derivative liability on March 8, 2024. On September 19, 2024, these warrants were revalued at $359 and recorded as equity since all are exercisable in USD, the functional currency of the Company.

Under ASC 815, the conversion of debt with a bifurcated conversion option is 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 were 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 resulted in a loss on conversion of $1,690.

On November 14, 2024, February 3, 2025, and March 11, 2025, FCC entered into convertible loan agreements for $250, $200, and $20, 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 is accounted for as a single liability carried at book value plus accrued interest.

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 2024	September 19, 2024	December 31, 2024	March 31, 2025
Risk-free interest rate	4.07 - 4.41%	2.72%	2.92%	2.57%
Expected volatility	10%	16.15%	21.76%	22.75%
Dividend yield	0%	0%	0%	0%
Expected life	1 - 5.56 years	5.00 years	0.13 - 4.18 years	3.94 years

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

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

Balance as at December 31, 2023	**$**	**3,544**
Issued		461
Extinguished debt - fair value of conversion feature		(30)
Extinguished debt - fair value of warrants		(30)
Modified debt - fair value of warrants		(93)
Accretion		220
Interest		228
Extinguished		(150)
Converted		(1,976)
Repayment		(1,922)
Loss on repayment		5
Balance as at December 31, 2024	**$**	**257**
Issued		220
Interest		5
Repayment		(6)
Balance as at March 31, 2025	**$**	**476**

9. SHARE CAPITAL

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

There were no share transactions for the three months ended March 31, 2025

Share transactions for the year ended December 31, 2024

a) On February 16, 2024 and March 8, 2024, the Company issued 3,500,000 and 45,815,213 common shares to settle existing debentures at a price of $0.074 and $0.042 per common share (Note 8), respectively.

b) 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 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 7, 10).

c) In June 2024, the Company issued 3,063,000 common shares in connection with stock options exercised for total proceeds of $181.

d) On November 8, 2024, the Company closed a private placement consisting of 25,155,554 units at a price of $0.045 per unit for gross proceeds of $1,132. Each unit consisted of one common share and one 5-year common share purchase warrant exercisable at $0.06 (Note 10).

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

10. ADDITIONAL PAID-IN CAPITAL

a) Stock options

The Company has a stock option plan under which the Company is authorized to grant stock options up to 20% of the issued and outstanding common shares at the time of grant, subject to certain restrictions.

Under the stock option plan, all stock options are granted at the discretion of the Company's board of directors, including any vesting provisions if applicable. The term of any stock option grants may not exceed ten years, and the exercise price may not be lower than the closing price of the Company's share on the last trading day immediately preceding the date of grant. Typically, stock options granted have five-year terms and are vested either immediately or subject to certain milestone requirements.

During the three months ended March 31, 2025, the Company did not grant any stock options.

During the three months ended March 31, 2024, the Company granted the following stock options:

- 14,295,000 on March 1, 2024 with an exercise price of $0.07 CAD and expiring on March 1, 2029.
- 1,700,000 on July 10, 2024 with an exercise price of $0.08 CAD and expiring on October 24, 2024.
- 7,500,000 on July 26, 2024 with an exercise price of $0.08 CAD and expiring on July 26, 2029.
- 17,160,000 on December 10, 2024 with an exercise price of $0.085 CAD and expiring on December 10, 2029.

The continuity of the number of stock options issued and outstanding is as follows:

	March 31, 2025		December 31, 2024	
	Number of options	**Weighted average exercise price (CAD)**	**Number of options**	**Weighted average exercise price (CAD)**
Outstanding, beginning of period	**63,735,248**	0.09	**49,239,020**	0.10
Granted	-	-	40,655,000	0.08
Expired	-	-	(13,595,772)	0.09
Cancelled	-	-	(9,500,000)	0.11
Exercised	-	-	(3,063,000)	0.08
Outstanding, end of period	**63,735,248**	**0.09**	**63,735,248**	**0.09**

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

As of March 31, 2025, and December 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 20, 2025	0.08	2,450,000	0.22	2,450,000
August 18, 2025	0.072	1,744,283	0.38	1,744,283
June 18, 2026	0.25	2,550,000	1.22	2,550,000
October 21, 2026	0.09	900,000	1.56	900,000
May 25, 2027	0.085	2,000,000	2.15	2,000,000
March 2, 2028	0.095	350,000	2.92	350,000
July 21, 2028	0.08	16,215,965	3.31	16,215,965
March 1, 2029	0.07	12,865,000	3.92	12,865,000
July 26, 2029	0.08	7,500,000	4.32	1,500,000
December 10, 2029	0.085	17,160,000	4.70	17,160,000
Balance, March 31, 2025 and December 31, 2024		**63,735,248**		**57,735,248**

During the three months ended March 31, 2025, an amount of $1,086 (2024 - $660) 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 fair value of stock options granted during the three months ended March 31, 2025 and 2024.

	Three months ended March 31, 2025	Three months ended March 31, 2024
Risk-free interest rate	N/A	3.59%
Expected life (years)	N/A	5
Annualized volatility	N/A	141%
Forfeiture rate	N/A	0%
Dividend yield	N/A	0%

b) Share purchase warrants

During the three months ended March 31, 2024, the Company granted the following share purchase warrants:

- 15,696,882 on February 16, 2024 with an exercise price of $0.06 ($0.08 CAD) and expiring on February 16, 2025.
- 27,917,520 on March 8, 2024 with an exercise price of $0.056 and expiring on March 8, 2029.

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

The continuity of the number of share purchase warrants outstanding as of March 31, 2025 and December 31, 2024 is as follows:

	March 31, 2025		December 31, 2024		
	Number of warrants	**Weighted average exercise price**	**Number of warrants**		**Weighted average exercise price**
Outstanding, beginning of period	**110,477,171**	**0.06**	**119,626,027**	**$**	**0.09**
Issued	-	-	110,477,171		0.06
Expired	(15,696,882)	0.06	(87,356,006)		0.10
Cancelled	-	-	(32,270,021)		0.07
Outstanding, end of period	**94,780,289**	**0.06**	**110,477,171**		**0.06**

The following table summarizes warrants outstanding as of March 31, 2025 and December 31, 2024 :

Expiry date	**Currency**	**Exercise price**	**March 31, 2025**	**December 31, 2024**
February 16, 2025	USD	0.06	-	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
September 19, 2029	USD	0.056	41,707,215	41,707,215
November 8, 2029	USD	0.060	25,155,554	25,155,554
Outstanding at the end of the period			**94,780,289**	**110,477,171**

11. 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,			
		2025		**2024**
Salaries	$	215	$	113
Share-based payments		658		281
Interest on convertible debenture		-		106
	$	**873**	**$**	**500**

All related party transactions are in the normal course of business and have been measured at the exchange amount.

As at March 31, 2025, the Company had $5 (December 31, 2024 - $Nil) in accounts payable and accrued liabilities to certain directors and officers of the Company.

Other transactions for the three months ended March 31, 2024

a) On February 16, 2024, the former CEO, former CFO and directors of the Company restructured $407 of their existing convertible debentures into the new debentures (Note 8). The debentures bear interest at a rate of 20% per annum and mature on February 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 (Notes 8, 9).

b) On March 8, 2024, the former CFO and directors converted $1,541 of their outstanding convertible debentures into 36,675,478 common shares at a price of US$0.042 (Notes 8, 9).

c) On March 8, 2024, the Company recognized 41,707,215 contingent warrants for the current CEO, former CFO, and one director who converted their existing debentures into units. The value of these warrants upon recognition was $649 which was valued to be $359, on September 19, 2024 (Note 8).

d) On March 8, 2024, former CFO and directors subscribed for 12,202,380 common shares for total proceeds of $513 in relation of a private placement (Note 9). Additionally, the directors received 12,202,380 warrants with a value of $177 (Note 9).

12. SEGMENTED INFORMATION

The Company's operations constitute a single operating segment and therefore a single reportable segment, because the chief operating decision maker ("CODM"), the Company's board of directors, manages the business activities using information of the Company as a whole. The Company has determined that it operates as a single reportable segment, focused on the exploration of its mineral interest in the United States. 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.

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, accounts payable, accrued liabilities, lease liabilities, Nuton LLC deposit, 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 Nuton LLC 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.

The Company's derivative liabilities are 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 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.

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

15. SUBSEQUENT EVENT

On April 4, 2025, the Company granted 7,500,000 performance options to an officer exercisable into one common share of the Company at $0.08 until April 4, 2030, subject to vesting provisions.