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**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

**FORM 10-K/A**

(Amendment No. 1)

☒ ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended **December 31, 2025**

☐ TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from \_\_\_\_\_ to \_\_\_\_\_

**000-55139**

(Commission File Number)



**Lion Copper and Gold Corp.**

(Exact Name of Registrant as specified in its charter)

**British Columbia, Canada**

(State or Other Jurisdiction of Incorporation or  
Organization)

**98-1664106**

(I.R.S. Employer  
Identification No.)

**c/o #1200 - 750 West Pender Street**

**Vancouver, British Columbia**

(Address of Principal Executive Offices)

**V6C 2T8**

(Zip Code)

Registrant's Telephone Number, including area code: **(775) 463-9600**

Securities registered pursuant to Section 12(b) of the Act: **None**

Securities registered pursuant to Section 12(g) of the Act: **Common Shares without par value**

(Title of class)

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act.

Yes ☐ No ☒

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act.

Yes ☐ No ☒

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Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes [X] No [ ]

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit such files).

Yes [X] No [ ]

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer" "smaller reporting company" and "emerging growth company" in Rule 12b-2 of the Exchange Act:

Large Accelerated Filer ☐

Accelerated Filer ☐

Non-Accelerated Filer ☒

Smaller Reporting Company ☒

Emerging Growth Company ☒

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. [ ]

Indicate by check mark whether the registrant has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report. [ ]

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Yes [ ] No [X]

State the aggregate market value of the voting and non-voting common equity held by non-affiliates computed by reference to the price at which the common equity was sold, or the average bid and asked price of such common equity, as of the last business day of the registrant's most recently completed second fiscal quarter: **\$45,271,707.**

Indicate the number of shares outstanding of each of the registrant's classes of common equity, as of the latest practicable date: 421,997,186 common shares as at **March 31, 2026.**

## EXPLANATORY NOTE

Lion Copper and Gold Corp. (the “Company”) hereby files this Amendment No. 1 (the “Amended Report”) to its annual report on Form 10-K as originally filed with the SEC on March 31, 2026 (the “Original Report”) solely to correct the date of the independent registered public accounting firm’s report. No changes have been made to the Company’s audited consolidated financial statements for the fiscal years ended December 31, 2025 and 2024.

In addition, pursuant to Rule 12b-15 under the Securities Exchange Act of 1934, as amended, as a result of filing this Amended Report, the Company is refiling the certifications of the Company’s Chief Executive Officer and Chief Financial Officer required pursuant to Section 302 and Section 906 of the Sarbanes-Oxley Act of 2002.

### PART II

#### ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

Our consolidated Financial Statements for the years ended December 31 2025 and 2024 and the notes thereto are attached to this Amended Report following the signature page.

### PART IV

#### ITEM 15. EXHIBITS AND FINANCIAL STATEMENTS SCHEDULES

##### Exhibits

The following table sets out the exhibits filed herewith or incorporated herein by reference.

| Exhibit                                   | Description                                                                            |
|-------------------------------------------|----------------------------------------------------------------------------------------|
| <a href="#"><u>3.1<sup>(1)</sup></u></a>  | <a href="#"><u>Certificate of Incorporation and Certificates of Change of Name</u></a> |
| <a href="#"><u>3.2<sup>(2)</sup></u></a>  | <a href="#"><u>Notice of Articles dated July 29, 2025</u></a>                          |
| <a href="#"><u>3.3<sup>(3)</sup></u></a>  | <a href="#"><u>Articles dated June 21, 2018</u></a>                                    |
| <a href="#"><u>4.1<sup>(4)</sup></u></a>  | <a href="#"><u>Description of Capital Stock</u></a>                                    |
| <a href="#"><u>10.1<sup>(5)</sup></u></a> | <a href="#"><u>2024 20% Rolling Stock Option Plan</u></a>                              |

|                                           |                                                                                                                                                             |
|-------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <a href="#"><u>10.2<sup>(6)</sup></u></a> | <a href="#"><u>Management Contract with John Banning</u></a>                                                                                                |
| <a href="#"><u>10.3<sup>(5)</sup></u></a> | <a href="#"><u>Management Contract with Steven Dischler</u></a>                                                                                             |
| <a href="#"><u>14.1<sup>(5)</sup></u></a> | <a href="#"><u>Code of Business Conduct and Ethics</u></a>                                                                                                  |
| <a href="#"><u>19.1<sup>(1)</sup></u></a> | <a href="#"><u>Insider Trading Policy</u></a>                                                                                                               |
| <a href="#"><u>21.1<sup>(8)</sup></u></a> | <a href="#"><u>List of Subsidiaries</u></a>                                                                                                                 |
| <a href="#"><u>23.1*</u></a>              | <a href="#"><u>Consent of MNP LLP</u></a>                                                                                                                   |
| <a href="#"><u>23.2<sup>(8)</sup></u></a> | <a href="#"><u>Consent of AGP Mining Consultants, Inc.</u></a>                                                                                              |
| <a href="#"><u>23.3<sup>(8)</sup></u></a> | <a href="#"><u>Consent of Samuel Engineering Inc.</u></a>                                                                                                   |
| <a href="#"><u>23.4<sup>(8)</sup></u></a> | <a href="#"><u>Consent of Samuel Engineering Inc.</u></a>                                                                                                   |
| <a href="#"><u>23.5<sup>(8)</sup></u></a> | <a href="#"><u>Consent of NewFields Mining Design &amp; Technical Services, LLC</u></a>                                                                     |
| <a href="#"><u>23.6<sup>(8)</sup></u></a> | <a href="#"><u>Consent of T. Maunula &amp; Associates Consulting Inc.</u></a>                                                                               |
| <a href="#"><u>23.7<sup>(8)</sup></u></a> | <a href="#"><u>Consent of Independent Mining Consultants, Inc.</u></a>                                                                                      |
| <a href="#"><u>23.8<sup>(8)</sup></u></a> | <a href="#"><u>Consent of GSI Environmental Inc.</u></a>                                                                                                    |
| <a href="#"><u>31.1*</u></a>              | <a href="#"><u>Certification Pursuant to Rule 13a-14(a) or 15d-14(a) of the U.S. Securities Exchange Act of 1934 of the Principal Executive Officer</u></a> |
| <a href="#"><u>31.2*</u></a>              | <a href="#"><u>Certification Pursuant to Rule 13a-14(a) or 15d-14(a) of the U.S. Securities Exchange Act of 1934 of the Principal Financial Officer</u></a> |
| <a href="#"><u>32.1*</u></a>              | <a href="#"><u>Section 1350 Certification of the Principal Executive Officer</u></a>                                                                        |
| <a href="#"><u>32.2*</u></a>              | <a href="#"><u>Section 1350 Certification of the Principal Financial Officer</u></a>                                                                        |
| <a href="#"><u>96.1<sup>(7)</sup></u></a> | <a href="#"><u>Technical Report Summary - Yerington Project dated May 31, 2025</u></a>                                                                      |
| 101.INS*                                  | Inline XBRL Instance Document                                                                                                                               |
| <a href="#"><u>101.SCH*</u></a>           | <a href="#"><u>Inline XBRL Taxonomy Extension Schema Document.</u></a>                                                                                      |
| <a href="#"><u>101.CAL*</u></a>           | <a href="#"><u>Inline XBRL Taxonomy Extension Calculation Linkbase Document.</u></a>                                                                        |
| <a href="#"><u>101.DEF*</u></a>           | <a href="#"><u>Inline XBRL Taxonomy Extension Definition Linkbase Document.</u></a>                                                                         |
| <a href="#"><u>101.LAB*</u></a>           | <a href="#"><u>Inline XBRL Taxonomy Extension Label Linkbase Document.</u></a>                                                                              |
| <a href="#"><u>101.PRE*</u></a>           | <a href="#"><u>Inline XBRL Taxonomy Extension Presentation Linkbase Document.</u></a>                                                                       |
| 104*                                      | Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101).                                                                   |

**Notes:**

\* Filed herewith.

- (1) Previously filed as exhibit to the Form 10-K filed March 31, 2023 and incorporated herein by reference.
- (2) Previously filed as exhibit to the Form 10-Q filed August 14, 2025 and incorporated herein by reference.
- (3) Previously filed as exhibit to the Form 20-F filed April 30, 2020 and incorporated herein by reference.
- (4) Previously disclosed in Item 1 of the Form 8-A filed February 5, 2014 and incorporated herein by reference.
- (5) Previously filed as exhibit to the Form 10-K filed March 28, 2025 and incorporated herein by reference.
- (6) Previously filed as exhibit to the Form S-1 filed September 30, 2025 and incorporated herein by reference.
- (7) Previously filed as exhibit to Form 8-K filed February 18, 2026 and incorporated herein by reference.
- (8) Previously filed as exhibit to Form 10-K filed March 31, 2026 and incorporated herein by reference

## SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

### LION COPPER AND GOLD CORP.

By: /s/ John Banning  
John Banning  
Chief Executive Officer  
(Principal Executive Officer)

Date: April 1, 2026

By: /s/ Lei Wang  
Lei Wang  
Chief Financial Officer  
(Principal Financial Officer and Principal Accounting Officer)

Date: April 1, 2026



**Lion Copper and Gold Corp.**

**Consolidated Financial Statements**

**For the years ended December 31, 2025 and 2024**

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

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## REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and Shareholders of Lion Copper and Gold Corp.

### Opinion on the Consolidated Financial Statements

We have audited the accompanying consolidated balance sheets of Lion Copper and Gold Corp. (the "Company") as of December 31, 2025 and 2024, and the related consolidated statements of operations and comprehensive income (loss), changes in equity, and cash flows for each of the years in the two-year period ended December 31, 2025, and the related notes (collectively referred to as the "consolidated financial statements").

In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Company as of December 31, 2025 and 2024, and the results of its consolidated operations and its consolidated cash flows for each of the years in the two-year period ended December 31, 2025, in conformity with accounting principles generally accepted in the United States of America.

### Material Uncertainty Related to Going Concern

The accompanying consolidated financial statements have been prepared assuming that the Company will continue as a going concern. As discussed in Note 1 to the consolidated financial statements, the Company has not generated revenue and is required to repay its outstanding convertible debt obligations when due, maintain its mineral property interests, and fund ongoing administrative expenses which raises substantial doubt about its ability to continue as a going concern. The consolidated financial statements do not include any adjustments that might result from the outcome of this uncertainty.

### Basis for Opinion

These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's consolidated financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) ("PCAOB") and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audits, we are required to obtain an understanding of internal control over financial reporting, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion.

Our audits included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. We believe that our audits provide a reasonable basis for our opinion.

Signed: MNP LLP

Chartered Professional Accountants

We have served as the Company's auditor since 2021.

Vancouver, Canada

March 31, 2026

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

|                                                                                                                        | Notes | December 31,<br>2025 | December 31,<br>2024 |
|------------------------------------------------------------------------------------------------------------------------|-------|----------------------|----------------------|
| <b>ASSETS</b>                                                                                                          |       |                      |                      |
| <b>Current</b>                                                                                                         |       |                      |                      |
| Cash and cash equivalents                                                                                              |       | \$ 2,364             | \$ 7,999             |
| Other receivables                                                                                                      | 3     | 557                  | 31                   |
| Prepaid and deposit                                                                                                    |       | 4                    | 57                   |
|                                                                                                                        |       | 2,925                | 8,087                |
| <b>Non-Current</b>                                                                                                     |       |                      |                      |
| Mineral properties                                                                                                     | 4     | 7,986                | 7,902                |
| Reclamation bonds                                                                                                      |       | 9                    | 9                    |
| Investment in associate                                                                                                | 3     | 17,829               | 1,102                |
| Investment other                                                                                                       | 3     | 719                  | -                    |
| Other assets                                                                                                           |       | -                    | 40                   |
| <b>Total assets</b>                                                                                                    |       | <b>\$ 29,468</b>     | <b>\$ 17,140</b>     |
| <b>LIABILITIES</b>                                                                                                     |       |                      |                      |
| <b>Current</b>                                                                                                         |       |                      |                      |
| Accounts payable and accrued liabilities                                                                               |       | \$ 228               | \$ 510               |
| Nuton LLC deposit                                                                                                      | 4     | 204                  | 6,645                |
| Convertible debentures                                                                                                 | 7     | 2,086                | 257                  |
| Derivative liabilities                                                                                                 | 8     | 3,564                | 289                  |
| Lease liability                                                                                                        |       | -                    | 40                   |
| <b>Total current liabilities</b>                                                                                       |       | <b>6,082</b>         | <b>7,741</b>         |
| <b>Total liabilities</b>                                                                                               |       | <b>6,082</b>         | <b>7,741</b>         |
| <b>Shareholders' Equity</b>                                                                                            |       |                      |                      |
| Share capital, no par value, unlimited common shares authorized; 413,234,899 issued and outstanding (2024-411,011,264) | 9     | 110,702              | 110,459              |
| Additional paid-in capital                                                                                             | 10    | 28,500               | 25,877               |
| Commitment to issue shares                                                                                             |       | 10                   | -                    |
| Deficit                                                                                                                |       | (115,826)            | (130,597)            |
| Non-controlling interest                                                                                               | 6     | -                    | 3,660                |
| <b>Total shareholders' equity</b>                                                                                      |       | <b>23,386</b>        | <b>9,399</b>         |
| <b>Total liabilities and shareholders' equity</b>                                                                      |       | <b>\$ 29,468</b>     | <b>\$ 17,140</b>     |

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

On behalf of the Board of Directors on March 31, 2026

/s/ "Thomas Patton"  
Director

/s/ "Tony Alford"  
Director

**Lion Copper and Gold Corp.**

## Consolidated Statements of Operations and Comprehensive Income (Loss)

For the years ended December 31, 2025 and 2024

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

|                                                                         |       | For the years ended December |                   |
|-------------------------------------------------------------------------|-------|------------------------------|-------------------|
|                                                                         | Notes | 2025                         | 31,<br>2024       |
| <b>Operating expenses</b>                                               |       |                              |                   |
| Exploration and evaluation                                              | 4     | \$ 4,032                     | \$ 8,243          |
| General and administrative                                              | 5     | 10,066                       | 5,014             |
| Share-based compensation                                                | 9     | 8,772                        | 1,523             |
| Nuton LLC deposit                                                       | 4     | (6,210)                      | (10,966)          |
| <b>Operating loss</b>                                                   |       | (16,660)                     | (3,814)           |
| <b>Non-operating income (expenses)</b>                                  |       |                              |                   |
| Accretion expense                                                       | 7     | (2,125)                      | (220)             |
| Fair value (loss) gain on derivative liabilities                        | 8     | (3,372)                      | 731               |
| Foreign exchange loss                                                   |       | (34)                         | (40)              |
| Gain on deconsolidation of Falcon Copper Corp.                          | 3     | 26,381                       | -                 |
| Interest income and other                                               |       | 250                          | 456               |
| Loss on convertible debentures                                          |       | -                            | (1,750)           |
| Share of gain (loss) in associate                                       |       | 962                          | (104)             |
| Financing costs                                                         |       | (231)                        | -                 |
| Impairment                                                              | 3(a)  | (788)                        | -                 |
|                                                                         |       | 21,043                       | (927)             |
| <b>Net income (loss) and comprehensive income (loss) for the year</b>   |       | <b>\$ 4,383</b>              | <b>\$ (4,741)</b> |
| <b>Net income (loss) and comprehensive income (loss) attributed to:</b> |       |                              |                   |
| Shareholders of the Company                                             |       | \$ 14,771                    | \$ (3,934)        |
| Non-controlling interest                                                |       | \$ (10,388)                  | \$ (807)          |
|                                                                         |       | 4,383                        | (4,741)           |
| <b>Earnings (loss) per share, basic</b>                                 |       | <b>\$ 0.04</b>               | <b>\$ (0.01)</b>  |
| <b>Earnings (loss) per share, diluted</b>                               |       | <b>\$ 0.03</b>               | <b>\$ (0.01)</b>  |
| <b>Weighted average number of shares outstanding</b>                    |       |                              |                   |
| <b>basic</b>                                                            |       | 411,971,205                  | 375,049,165       |
| <b>Weighted average number of shares outstanding</b>                    |       |                              |                   |
| <b>diluted</b>                                                          |       | 484,301,125                  | 375,049,165       |

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

**Lion Copper and Gold Corp.**

## Consolidated Statements of Changes in Equity

For the years ended December 31, 2025 and 2024

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

|                                                  |       | Number of          | Share             | Additional       |                     | Commitment   | Non-            | Total            |
|--------------------------------------------------|-------|--------------------|-------------------|------------------|---------------------|--------------|-----------------|------------------|
|                                                  | Notes | Shares             | Capital           | Paid-in          | Deficit             | to Issue     | Controlling     | Equity           |
|                                                  |       |                    |                   | Capital          |                     | Shares       | Interest        |                  |
| <b>Balance, December 31, 2023</b>                |       | <b>309,667,975</b> | <b>\$ 105,396</b> | <b>\$ 24,168</b> | <b>\$ (126,663)</b> | <b>\$ -</b>  | <b>\$ 3,117</b> | <b>\$ 6,018</b>  |
| Shares issued for cash, net of share issue costs |       | 48,965,076         | 1,752             | -                | -                   | -            | -               | 1,752            |
| Shares issued for options exercised              |       | 3,063,000          | 354               | (173)            | -                   | -            | -               | 181              |
| Conversion of convertible debentures             |       | 49,315,213         | 2,957             | -                | -                   | -            | -               | 2,957            |
| Share-based compensation                         |       | -                  | -                 | 1,523            | -                   | -            | -               | 1,523            |
| Issuance of warrants                             |       | -                  | -                 | 359              | -                   | -            | -               | 359              |
| Shares issued by Falcon Copper Corp.             |       | -                  | -                 | -                | -                   | -            | 1,350           | 1,350            |
| Net loss and comprehensive loss for the year     |       | -                  | -                 | -                | (3,934)             | -            | (807)           | (4,741)          |
| <b>Balance, December 31, 2024</b>                |       | <b>411,011,264</b> | <b>110,459</b>    | <b>25,877</b>    | <b>(130,597)</b>    | <b>-</b>     | <b>3,660</b>    | <b>9,399</b>     |
| Shares issued for option and warrant exercises   |       | 2,223,635          | 243               | (116)            | -                   | -            | 2,881           | 3,008            |
| Issuance of warrants                             | 3     | -                  | -                 | 764              | -                   | -            | 137             | 901              |
| Commitment to issue shares for service           |       | -                  | -                 | -                | -                   | 10           | -               | 10               |
| Shares issued by Falcon Copper Corp.             |       | -                  | -                 | -                | -                   | -            | 4,094           | 4,094            |
| Share-based compensation                         | 6, 10 | -                  | -                 | 1,975            | -                   | -            | 6,797           | 8,772            |
| Derecognition of non-controlling interest        | 3     | -                  | -                 | -                | -                   | -            | (7,181)         | (7,181)          |
| Net income and comprehensive income for the year |       | -                  | -                 | -                | 14,771              | -            | (10,388)        | 4,383            |
| <b>Balance, December 31, 2025</b>                |       | <b>413,234,899</b> | <b>\$ 110,702</b> | <b>\$ 28,500</b> | <b>\$ (115,826)</b> | <b>\$ 10</b> | <b>\$ -</b>     | <b>\$ 23,386</b> |

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

**Lion Copper and Gold Corp.**

## Consolidated Statements of Cash Flow

For the years ended December 31, 2025 and 2024

( In thousands of U.S. Dollars)

|                                                             | Note | Year ended December 31, |                 |
|-------------------------------------------------------------|------|-------------------------|-----------------|
|                                                             |      | 2025                    | 2024            |
| <b>Operating activities</b>                                 |      |                         |                 |
| Net income (loss) for the year                              | \$   | 4,383                   | \$ (4,741)      |
| Non-cash transactions                                       |      |                         |                 |
| Accretion expense                                           |      | 2,125                   | 220             |
| Fair value gain on derivative liabilities                   |      | 3,372                   | (731)           |
| Loss on convertible debentures                              |      | -                       | 1,750           |
| Interest expenses                                           |      | 70                      | 228             |
| Share of (gain) loss in associate                           |      | (962)                   | 104             |
| Share-based compensation                                    |      | 8,772                   | 1,523           |
| Amortization of ROU asset                                   |      | 40                      | 32              |
| Financing                                                   |      | 231                     | -               |
| Impairment                                                  |      | 788                     | -               |
| Gain on deconsolidation of Falcon Copper Corp.              |      | (26,381)                | -               |
| Changes in non-cash operating assets and liabilities        |      |                         |                 |
| Other receivable                                            |      | 25                      | (7)             |
| Prepaid expenses and deposit                                |      | (116)                   | 5               |
| Accounts payable and accrued liabilities                    |      | 968                     | 303             |
| Lease liabilities                                           |      | (40)                    | (32)            |
| Nuton LLC deposit                                           |      | (6,441)                 | 5,288           |
| <b>Cash flow (used in) provided by operating activities</b> |      | <b>(13,166)</b>         | <b>3,942</b>    |
| <b>Investing activities</b>                                 |      |                         |                 |
| Mineral properties                                          | 4    | (1,634)                 | (210)           |
| Acquisition of Butte Valley                                 | 3(a) | (2,995)                 | -               |
| Cash lost upon deconsolidation                              | 3(b) | (24,090)                | -               |
| <b>Cash used by investing activities</b>                    |      | <b>(28,719)</b>         | <b>(210)</b>    |
| <b>Financing activities</b>                                 |      |                         |                 |
| Proceeds from private placements                            |      | -                       | 2,132           |
| Share issue costs                                           |      | -                       | (34)            |
| Convertible debentures                                      | 7    | 32,766                  | 250             |
| Repayment of convertible debentures                         |      | (6)                     | (1,922)         |
| Proceeds of share issuances Falcon Copper                   |      | 3,363                   | 1,350           |
| Proceeds from warrants and options exercised                |      | 127                     | 181             |
| <b>Cash provided by financing activities</b>                |      | <b>36,250</b>           | <b>1,957</b>    |
| (Decrease) increase in cash and cash equivalents            |      | (5,635)                 | 5,689           |
| Cash and cash equivalents, beginning of year                |      | 7,999                   | 2,310           |
| <b>Cash and cash equivalents, end of year</b>               | \$   | <b>2,364</b>            | <b>\$ 7,999</b> |
| <b>Supplemental cash flow information</b>                   |      |                         |                 |
| Shares issued for convertible debentures                    | \$   | -                       | \$ 2,957        |

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

## **Lion Copper and Gold Corp.**

Notes to the Consolidated Financial Statements

For the years ended December 31, 2025 and 2024

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

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### **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 executed in March 2022 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 mineral property interests is dependent on the discovery of mineral reserves, the Company's ability to secure the necessary financing to complete development, and the achievement of future profitable production or proceeds from the disposition of such properties.

These consolidated financial statements ("**Financial Statements**") have been prepared on a going concern basis, which contemplates the realization of assets and discharge of liabilities in the normal course of business for at least twelve months following the date of issuance of the Financial Statements.

As of December 31, 2025, the Company had an accumulated deficit of \$115,826 (December 31, 2024 -\$130,597), and working capital deficiency of \$3,157 (December 31, 2024 - working capital of \$346).

The Company has not generated revenue and is required to repay its outstanding convertible debt obligations when due, maintain its mineral property interests, and fund ongoing administrative expenses. 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 Financial Statements do not include any adjustments to the carrying amounts and classifications of assets and liabilities, or to reported expenses that might result from the outcome of this uncertainty. 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 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 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**") and MRE LLC, which was incorporated by its sole shareholder, QTA, on October 28, 2025, as well as its partially owned consolidated entity, Blue Copper Royalties LLC ("**BCR**"). Falcon Copper Corp. ("**FCC**") was previously consolidated but was deconsolidated effective December 31, 2025 (Note 3).

**Lion Copper and Gold Corp.**

Notes to the Consolidated Financial Statements

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The Company consolidates an entity when it has a controlling financial interest in that entity. A controlling financial interest exists when the Company has the power to direct the activities that most significantly affect the entity's economic performance, is exposed to variable returns from its involvement with that entity and can affect those returns through its power over that entity.

Upon the occurrence of certain significant events, the Company reassesses whether a subsidiary in which the Company has control over. The reassessment process considers whether the Company has acquired or divested the power to direct the activities of a subsidiary. The reassessment also considers whether the Company has acquired or disposed of a financial interest that could be significant to a subsidiary, or whether an interest in a subsidiary has become significant or is no longer significant. The consolidation status of the entities with which the Company is involved may change as a result of such reassessments. 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.

**b) Accounting estimates and judgments**

The preparation of these Financial Statements in accordance with U.S. GAAP requires management to make estimates and exercise judgments that affect the application of policies, reported amounts and disclosures. Actual results could differ from those estimates.

- **Deconsolidation of Falcon Copper Corp. ("FCC")**

The Company applied significant judgement in determining the appropriate accounting treatment for its investment in Falcon Copper Corp. as of December 31, 2025.

- **Loss of Control Assessment:** The Company evaluated whether it continued to have a controlling financial interest in FCC in accordance with **ASC 810, Consolidation**. This assessment requires evaluating governance rights, ownership interests, and the Company's ability to direct the activities that most significantly impact FCC's economic performance. Based on these factors, management concluded that the Company no longer controlled FCC effective December 31, 2025, and accordingly deconsolidated FCC from its consolidated financial statements.
- **Fair Value of Retained Investment:** The Company measured its retained investment in FCC at fair value at the deconsolidation date in accordance with **ASC 820, Fair Value Measurement**. As FCC is a private entity, the fair value measurement was based on Level 3 inputs. The key input is FCC's share price of \$0.31, which is determined using the price of FCC's most recent financing of \$0.116 on March 14, 2025 and bridging the price to December 31, 2025. This input required significant estimates, including the FCC's share price trending. Changes in assumptions will result in changes in FCC's share price, such as a \$0.01 change in FCC's share price, could have an impact of approximately \$575 on the fair value of the retained investment and the resulting gain on deconsolidation.

Given the significance of the deconsolidation and the use of Level 3 inputs in valuing the retained investment, this represents the most significant area of judgment for the year ended December 31, 2025.

Key sources of estimation uncertainty that have a significant risk of causing material adjustment to the amounts recognized in the consolidated financial statements exist as follows:

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- **Share-based payments:** The Company has a stock option plan pursuant to which the fair value of options issued is estimated by using the Black Scholes option pricing model on the date of the grant based on certain assumptions. Those assumptions are described in Note 10 and include expected volatility, expected life of the options, number of options expected to vest, estimation of vesting period, and vesting possibility for certain milestones.
- **Valuation of warrants:** the Company granted warrants pursuant to the closing of convertible debenture financings during 2025 and 2024. The Black Scholes option pricing model was used to determine fair value for the warrants and required significant assumptions to be made by management. FCC also granted warrants pursuant to the acquisition transaction described in Note 3(a) using the Monte Carlo simulation method which also required significant assumptions to be made by management.
- **Valuation of derivative liabilities:** During the year ended December 31, 2025 and 2024, the Company completed multiple tranches of convertible debenture financing and/or restructuring. The convertible debentures include certain conversion features which were valued using the option pricing model and required significant assumptions to be made by management to value.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the year in which the estimates are revised and in any future years affected.

Significant judgments used in the preparation of these Financial Statements include, but are not limited to:

- **Mineral properties:** Judgment is required in assessing whether certain factors would be considered an indicator of impairment. Both internal and external information is considered to determine whether there is an indicator of impairment present and, accordingly, whether impairment testing is required. Judgment is also required in assessing what is deemed an acquisition cost. Management has determined that only costs pursuant to option agreements constitute an acquisition cost.
- **Going concern:** In the determination of the Company's ability to meet its ongoing obligations and future contractual commitments, management relies on the Company's planning, budgeting and forecasting process to help determine the funds required to support the Company's normal operations on an ongoing basis and its expansionary plans. The key inputs used by the Company in this process include forecasted capital deployment, results from operations, results from the exploration and development of its properties and general industry conditions.
- **Control over Blue Copper Royalties LLC:** During the year ended December 31, 2025 and 2024, the Company's ownership in Blue Copper Royalties LLC did not change.
- **Falcon Butte acquisition:** the Company assessed whether the acquisition of Falcon Butte Minerals constitutes a business combination or an asset acquisition under ASC 805 – Business Combination. Management determined that the transaction is an asset acquisition, as substantially all the fair value is attributable to a single mineral property and the acquired entity did not include a substantive process. Specifically, Falcon Butte is an early-stage exploration entity with no production activities, no organized workforce, and limited operational processes capable of generating outputs.

c) **Business Combination / asset acquisition**

The Company applies the provisions of ASC 805, "Business Combination" and allocates the fair value of purchase consideration to the tangible assets acquired, liabilities assumed, and intangible assets acquired based on their estimated fair values. The excess of the fair value of purchase consideration over the fair values of these identifiable assets and liabilities is recorded as goodwill. When determining the fair values of assets acquired and liabilities assumed, management makes significant estimates and assumptions, especially with respect to intangible assets.

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Acquisition-related expenses are recognized separately from the business combination and are expensed as incurred.

The Company accounts for a transaction as an asset acquisition when substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar identifiable assets, or otherwise does not meet the definition of a business. Asset acquisition-related direct costs are capitalized as part of the asset or assets acquired.

d) Investment in associate

The Company accounts for investments in entities over which it has significant influence using the equity method of accounting. The investment is initially recorded at cost and subsequently adjusted for the Company's share of investee's net earnings or losses, which are recognized in the consolidated statements of operations.

The Company evaluates its investments for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable and records a write-down if any decline in value is other than temporary.

e) Translation of foreign currencies

The functional currency for the Company and each of the Company's subsidiaries is the currency of the primary economic environment in which the entity operates. Determination of functional currency may involve certain judgments to determine the primary economic environment, and the Company reconsiders the functional currency of its entities if there is a change in events and conditions that determined the primary economic environment. The Company's presentation currency is the U.S. dollar ("\$" or "USD"). The functional currency of the Company and its significant subsidiaries is the USD. In preparing the financial statements, transactions in currencies other than an entity's functional currency ("foreign currencies") are recorded at the rates of exchange prevailing at the dates of the transactions. At each balance sheet date, monetary assets and liabilities are translated using the year-end foreign exchange rate. Non-monetary assets and liabilities are translated using the historical rate on the date of the transaction. All gains and losses on translation of these foreign currency transactions are included in the consolidated statements of operations and comprehensive loss.

f) Mineral properties

Direct costs related to the acquisition of mineral properties held or controlled by the Company are capitalized on an individual property basis until the property transitions to the development stage, is sold, abandoned, or determined to be impaired. Exploration and evaluation costs are expensed as incurred. The Company classifies its mineral properties as exploration and evaluation assets until the technical feasibility and commercial viability of extracting a mineral resource are demonstrable. At this point, the mineral properties' carrying value is tested for impairment and subsequently transferred to property and equipment. The establishment of technical feasibility and commercial viability of a mineral property is assessed based on a combination of factors, such as the extent of established mineral reserves, the results of feasibility and technical evaluations, the status of mineral leases or permits, and additional regulatory approvals such as environmental and mineral access rights. Proceeds from the sale of properties are accounted for as reductions to the capitalized acquisition costs.

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Cash proceeds received from farm-out option agreements are recorded as a liability once received and reduced as the obligation to incur expenditures related to the agreement are met. Funds received for expenditures incurred are recorded as a recovery in the consolidated statements of operations or as a reduction to the capitalized acquisition costs, depending on the nature of the expenditure incurred.

## g) Impairment

The Company assesses the carrying costs of the capitalized mineral properties for impairment indicators under ASC 360-10, "Impairment of long-lived assets". If impairment indicators are identified, the Company evaluates its carrying value under ASC 930-360, "Extractive Activities - Mining". An impairment is recognized if the sum of the expected undiscounted future cash flows is less than the carrying amount of mineral properties. Impairment losses, if any, are measured as the excess of the carrying amount of mineral properties over its estimated fair value.

Based on the Company's assessment, no impairment indicators were identified on the mineral properties for 2025 and 2024.

## h) Share-based payments

The fair value of stock options granted to directors, officers, employees and consultants is calculated using the Black Scholes option pricing model and is expensed over the vesting periods. If and when stock options are exercised, the value attributable to the stock options is transferred to share capital.

## i) Cash and cash equivalents

Cash consists of cash on hand and short-term investments with a maturing term of less than 90 days. As of December 31, 2025, the Company held \$nil (\$2024 - \$4,000) in cash equivalents.

## j) Financial instruments

Financial instruments are recognized in the balance sheet when the Company becomes a party to a contractual obligation. At initial recognition, the Company classifies and measures its financial instruments as one of the following:

- held to maturity (amortized cost);
- Fair value through other comprehensive income (FVOCI);
- otherwise, they are classified as trading (fair value through Profit and loss).

Financial assets are classified and measured at fair value with subsequent changes in fair value recognized in either profit and loss as they arise unless restrictive criteria are met for classifying and measuring the asset at either amortized cost or FVOCI. Financial liabilities are measured at amortized costs unless they are elected to be or required to be measured at fair value through profit and loss.

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Financial assets are derecognized when the rights to receive cash flows from the assets have expired or have been transferred, and the Company has transferred all risks and rewards of ownership. Financial liabilities are derecognized when the obligations specified in the contract are discharged, cancelled, or expire.

The Company's cash, other receivable, accounts payable, accrued liabilities, convertible debentures, and Nuton LLC deposit approximate fair value due to their short-term nature.

The Company's derivative liabilities and investment other are measured at fair value through profit and loss.

**k) Provisions**

Provisions are recognized when a present legal or constructive obligation exists as a result of past events where it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and the amount of the obligation can be reliably estimated. The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date, considering the risks and uncertainties surrounding the obligation. The Company had no material provisions as of December 31, 2025 and 2024.

**l) Earnings (loss) per share**

Basic earnings (loss) per share is calculated using the weighted average number of common shares outstanding during the year. The Company uses the treasury stock method to compute the dilutive effect of options, warrants and similar instruments. Under this method, the dilutive effect on earnings per share is calculated, presuming the exercise of in-the-money outstanding options, warrants and similar instruments. It assumes that the proceeds of such exercise would be used to repurchase common shares at the average market price during the year. However, the calculation of diluted loss per share excludes the effects of various conversions and exercise of options and warrants that would be anti-dilutive.

**m) Income tax**

Income tax comprises current and deferred tax. Income tax is recognized in net loss, except to the extent it is related to items recognized directly in equity or other comprehensive loss. Deferred tax is recognized in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. Deferred tax is determined on a non-discounted basis using tax rates and laws that have been enacted by the reporting date and are expected to apply when the deferred tax asset or liability is settled. Deferred tax assets are recognized to the extent that their recovery is more likely than not.

**n) Asset retirement obligations**

Liabilities for asset retirement obligations are recognized at the time of environmental disturbance, in amounts equal to the discounted value of expected future mine reclamation and closure costs. The provision for asset retirement obligations represents management's best estimate of the present value of the future cash outflows required to settle the liability.

## **Lion Copper and Gold Corp.**

### Notes to the Consolidated Financial Statements

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To the extent a legal obligation exists, an asset retirement obligation is recorded at its estimated fair value and accretion expense is recognized over time as the discounted liability is accreted to its expected settlement value. Because asset retirement obligations represent financial obligations to be settled in the future, uncertainties exist in estimating timing and amount of the associated costs to be incurred. As at December 31, 2025 and 2024, the Company does not believe it has any significant asset retirement obligations.

#### **o) Unit Offerings**

Proceeds from unit placements are allocated between shares and warrants issued using the residual method. The residual method first allocates fair value to the component with the best evidence of fair value and then the residual value, if any, to the less easily measurable component. If the attached warrants do not meet the definition of a derivative liability, the fair value of the common shares, measured on date of issue, are determined to be the component with the best evidence of fair value. The balance, if any, is allocated to the attached warrants. If the attached warrants meet the definition of a derivative liability under ASC 470, the proceeds are first allocated to the fair value of the warrants and then the residual value, if any, is allocated to the common shares. Costs directly identifiable with share capital financings are charged against share capital.

#### **Recently Issued Accounting Pronouncements and Disclosures Not Yet Adopted**

*ASU 2024-03, Income Statement-Reporting Comprehensive Income-Expense Disaggregation Disclosures and ASU 2025-01, (Subtopic 220-40): Clarifying the Effective Date*

In November 2024, FASB issued an Accounting Standards Update ("ASU") which will require entities to provide disaggregated disclosure of specified categories of expenses that are included on the face of the income statement, including: purchases of inventory, employee compensation, depreciation, amortization and depletion. In January 2025, FASB clarified the effective dates of this ASU, which becomes effective January 1, 2027. The Company is assessing the impact of this ASU, and upon adoption, may be required to include certain additional disclosures in the notes to its consolidated financial statements.

### **3. INVESTMENTS**

#### **a) Falcon Butte Minerals Corp. ("Falcon Butte")**

Falcon Butte is a privately held company incorporated in British Columbia, Canada on April 22, 2021.

In April 2022, the Company assigned its two option agreements, originally entered in 2019 to acquire the Butte Valley project located in White Pine County, Nevada, to Falcon Butte. In consideration of the assignment, the Company received:

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- Total cash proceeds of \$1,000, including \$500 as reimbursement of previously incurred exploration expenditures and \$500 for 0.5% NSR buydown; and
- 16,049,444 common shares of Falcon Butte with a fair value of \$1,906.

The Company also retained net smelter return royalties (“NSRs”) on the property with a carrying value of \$Nil (December 31, 2024: \$Nil), subject to certain buy-down provisions. As at December 31, 2025, the Company held 18.81% (December 31, 2024 – 20.44%) ownership in Falcon Butte.

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:**

|                                               | December 31, 2025 | December 31, 2024 |
|-----------------------------------------------|-------------------|-------------------|
| <b>Assets</b>                                 |                   |                   |
| Cash                                          | \$ 2,533          | \$ 381            |
| Receivables                                   | -                 | 16                |
| Financial asset - Convertible loan receivable | -                 | 100               |
| Prepays & deposits                            | -                 | 9                 |
| Investment in associate                       | -                 | 4,067             |
| <b>Total Assets</b>                           | <b>\$ 2,533</b>   | <b>\$ 4,573</b>   |
| <b>Liabilities</b>                            |                   |                   |
| Accounts payable & accrued liabilities        | \$ 2,533          | \$ 14             |
| Derivative liabilities                        | -                 | 881               |
| <b>Total Liabilities</b>                      | <b>\$ 2,533</b>   | <b>\$ 895</b>     |

**Summarized statement of loss**

|                                                        | Year ended December 31, 2025 | Year ended December 31, 2024 |
|--------------------------------------------------------|------------------------------|------------------------------|
| <b>Operating expenses</b>                              |                              |                              |
| General and administrative expenses                    | \$ 1,444                     | \$ 2,937                     |
| Total operating expenses                               | 1,444                        | 2,937                        |
| Fair value gain on derivative liability                | (1,283)                      | (412)                        |
| Other income                                           | (104)                        | (244)                        |
| Gain on sale of subsidiary                             | (4,894)                      | -                            |
| Gain on initial recognition of investment in associate | -                            | (1,403)                      |
| Foreign exchange loss (gain)                           | 127                          | (372)                        |
| <b>Net (income) loss</b>                               | <b>(4,710)</b>               | <b>506</b>                   |

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

|                                  |                 |
|----------------------------------|-----------------|
| <b>Balance December 31, 2023</b> | <b>\$ 1,206</b> |
| Company's share of net loss      | (104)           |

**Lion Copper and Gold Corp.**

Notes to the Consolidated Financial Statements

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|                                  |           |                |
|----------------------------------|-----------|----------------|
| <b>Balance December 31, 2024</b> | <b>\$</b> | <b>1,102</b>   |
| Company's share of net income    |           | 962            |
| Dividend                         |           | <b>(1,276)</b> |
| Impairment                       |           | <b>(788)</b>   |
| <b>Balance December 31, 2025</b> | <b>\$</b> | <b>-</b>       |

On December 1, 2025, Falcon Butte entered into a Membership Interest Purchase Agreement with Falcon Copper Corp. to sell all its membership interests in Freeport Butte Valley, LLC, which holds the Butte Valley property, the sole asset of Falcon Butte. Falcon Butte's interest in Freeport Butte Valley, LLC, is held in its wholly-owned subsidiary, Falcon Butte America. The total consideration for the transaction consisted of \$3,000 in cash and 53,935,113 FCC share purchase warrants valued at \$5,913.

The fair value of the share purchase warrants were measured using a Monte Carlo simulation method and the following inputs:

|                                                 | <b>December 31, 2025</b> |
|-------------------------------------------------|--------------------------|
| Risk-free interest rate                         | 3.73%                    |
| Expected volatility                             | 100%                     |
| Dividend yield                                  | 0%                       |
| Valuation cap                                   | \$250M                   |
| Exercise price                                  | \$0.35                   |
| Probability of qualifying event/milestone event | 50%                      |
| Simulation Paths                                | 100,000                  |

The transaction closed on December 31, 2025.

The purchase price was determined to be \$8,913, the fair value of the consideration transferred (cash and warrants) and liabilities assumed.

|                                          |                     |
|------------------------------------------|---------------------|
| <b>Purchase price:</b>                   | <b>Amounts (\$)</b> |
| Cash                                     | <b>3,000</b>        |
| Warrants issued                          | <b>5,913</b>        |
|                                          | <b>8,913</b>        |
| <b>Net assets acquired:</b>              |                     |
| Cash                                     | <b>5</b>            |
| Mineral properties                       | <b>8,927</b>        |
| Accounts payable and accrued liabilities | <b>(19)</b>         |
| <b>Net asset acquired</b>                | <b>8,913</b>        |

## Lion Copper and Gold Corp.

### Notes to the Consolidated Financial Statements

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Following closing, Falcon Butte distributed the excess cash and FCC warrants to its security holders on a pro rata basis. Accordingly, the Company recorded \$557 in other receivables (received on January 12, 2026) and 6,564,180 FCC share purchase warrants valued at \$719.

The cash distribution and the fair value of the FCC warrants received were recorded as a reduction in the carrying value of the Company's investment in Falcon Butte. A further impairment on the investment of \$788 to reduce the carrying value of the investment to \$Nil was recognized, as the sole asset of Falcon Butte was transferred out of the company as a result of the above transaction.

The FCC warrants were initially recognized at a fair value of \$719 on December 31, 2025 and are classified as financial assets. Subsequent to December 31, 2025, the warrants will be revalued at fair value at each period end, with the change in fair value recognized in the Consolidated Statements of Operations and Comprehensive Income (Loss). Each warrant entitles the Company to acquire one common share of FCC for a period of five years, with acceleration provisions and at an exercise price to be determined as the lower of:

- a) the price per warrant share equal to the valuation cap of \$250,000 divided by the partially diluted capitalization outstanding on the determination date;
- b) the price per warrant share equal to a 20% discount to specified future equity financing; and
- c) A 20% discount to the 5-day volume-weighted average price (VWAP) of the common shares upon the closing of a corporate event.

b) Falcon Copper Corp. ("FCC")

Falcon Copper Corp., formerly Blue Copper Resources Corp, is a privately held company incorporated in Wyoming, United States.

In December 2022, QTA transferred to FCC its:

- 100% interest in the Blue Copper project.
- 90% interest in the Groundhog property in Alaska.
- 5% net profit interest in the Nieves silver property in Mexico, and
- Butte Valley royalty.

As consideration, the Company received 57,513,764 common shares of FCC, representing 79.3% of FCC's then-issued and outstanding shares. This transaction was accounted for as a transfer between entities under common control and thus was recorded at carrying value.

In August 2023, Blue Copper Royalties LLC, or BCR, was incorporated in Wyoming, United States. In September 2023, FCC transferred the Butte Valley royalty and its Nieves interest to BCR. Following this transfer, the Company has held a 48.76% ownership in BCR.

As at December 31, 2025 and 2024, the Company's ownership in FCC was reduced to 33.69% and 43.46% respectively, resulting from FCC's equity issuances.

On December 31, 2025, FCC restructured its board of directors such that LCG directors no longer constituted a majority. As a result, the Company reassessed its relationship with FCC in accordance with **ASC 810, Consolidation**, and determined that it no longer maintained a controlling financial interest due to changes in governance and decision-making authority. Accordingly, FCC was deconsolidated effective December 31, 2025.

Upon deconsolidation, the Company derecognized the assets, liabilities and non-controlling interests of FCC and recognized its retained investment in FCC at fair value. The Company recorded a gain on deconsolidation of \$26,381 in the consolidated statements of operations and comprehensive income (loss) for 2025.

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Summary of derecognized net assets of FCC as at December 31, 2025:

|                                          | <b>Amount (\$)</b> |
|------------------------------------------|--------------------|
| Cash and cash equivalents                | 24,090             |
| Mineral properties                       | 1,550              |
| Investment                               | 8,927              |
| Other assets                             | 175                |
| <b>Total assets of FCC</b>               | <b>34,742</b>      |
| Accounts payable and accrued liabilities | 1,259              |
| Convertible debentures                   | 24,364             |
| Derivative liability                     | 10,490             |
| <b>Total liabilities of FCC</b>          | <b>36,113</b>      |
| <b>Net assets of FCC</b>                 | <b>(1,371)</b>     |
| Noncontrolling interests                 | (7,181)            |
| Fair value retained                      | (17,829)           |
| Gain on deconsolidation of FCC           | (26,381)           |

The gain represents a non-cash accounting adjustment primarily arising from the remeasurement of the Company's retained interest in FCC to its fair value of \$17,829, based on FCC's share price of \$0.31, which was determined using the price of FCC's most recent financing of \$0.116 on March 14, 2025 and bridging the price to December 31, 2025 using a comparable company indexing approach. The gain does not impact the Company's cash position or liquidity.

Subsequent to deconsolidation, the Company accounts for its investment in FCC using the equity method as the Company holds 33.69% ownership as at December 31, 2025.

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**4. MINERAL PROPERTIES**

Total mineral property acquisition costs are listed in the table below:

| Singatse Peak Services LLC                |           |           |         |          |          |                  | Falcon Copper<br>Copr. |                 |           |          |
|-------------------------------------------|-----------|-----------|---------|----------|----------|------------------|------------------------|-----------------|-----------|----------|
|                                           | MacArthur | Yerignton | Bear    | Hunewill | Wassuk   | Copper<br>Canyon | Blue<br>Copper         | Schell<br>Creek | Groundhog | Total    |
| Balance, December 31, 2023                | \$ 2,489  | \$ 1,195  | \$1,575 | \$ -     | \$ 1,405 | \$ 10            | \$ 878                 | \$ 95           |           | \$ 7,647 |
| Option payments                           | -         | -         | 231     | -        | -        | -                | 150                    | 105             | -         | 486      |
| Funded by Nuton LLC                       | -         | -         | (231)   | -        | -        | -                | -                      | -               | -         | (231)    |
|                                           | -         | -         | -       | -        | -        | -                | 150                    | 105             | -         | 255      |
| Balance, December 31, 2024                | 2,489     | 1,195     | 1,575   | -        | 1,405    | 10               | 1,028                  | 200             | -         | 7,902    |
| Option payments                           | -         | -         | 231     | -        | -        | -                | 225                    | 50              | 47        | 553      |
| Acquisition                               | -         | -         | -       | 1,312    | -        | -                | -                      | -               | -         | 1,312    |
| Deconsolidation of Falcon<br>Copper Corp. | -         | -         | -       | -        | -        | -                | (1,253)                | (250)           | (47)      | (1,550)  |
| Funded by Nuton LLC                       | -         | -         | (231)   | -        | -        | -                | -                      | -               | -         | (231)    |
|                                           | -         | -         | -       | 1,312    | -        | -                | (1,028)                | (200)           | -         | 84       |
| Balance, December 31, 2025                | \$ 2,489  | \$ 1,195  | \$1,575 | \$ 1,312 | \$ 1,405 | \$ 10            | \$ -                   | \$ -            |           | \$ 7,986 |

**Lion Copper and Gold Corp.**

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

Total exploration expenditures recorded on the consolidated statements of operations and comprehensive income (loss) are listed in the tables below:

| Singatse Peak Services LLC |           |           |      |        | Falcon Copper Corp. |              |        |       |         |
|----------------------------|-----------|-----------|------|--------|---------------------|--------------|--------|-------|---------|
| Year 2025                  | MacArthur | Yerington | Bear | Wassuk | Blue Copper         | Schell Creek | Other  | Total |         |
| Property Maintenance \$    | 207       | \$ 73     | \$ - | \$ 81  | \$ 192              | \$ 160       | \$ 412 | \$    | 1,125   |
| Assay & Labs               | -         | 25        | 29   | -      | -                   | -            | -      |       | 54      |
| Drilling                   | -         | 119       | -    | -      | -                   | -            | -      |       | 119     |
| Environmental              | 1         | 364       | -    | -      | -                   | -            | -      |       | 365     |
| Geophysical                | -         | -         | -    | -      | 270                 | 30           | -      |       | 300     |
| Technical Study            | 54        | 1,828     | 7    | -      | -                   | -            | -      |       | 1,889   |
| Field Support              | -         | 15        | 2    | -      | 130                 | -            | 33     |       | 180     |
|                            | 262       | 2,424     | 38   | 81     | 592                 | 190          | 445    |       | 4,032   |
| Funded by Nuton LLC        | (262)     | (2,424)   | (38) | (81)   | -                   | -            | -      |       | (2,805) |
|                            | \$ -      | \$ -      | \$ - | \$ -   | \$ 592              | \$ 190       | \$ 445 | \$    | 1,227   |

  

|                         |         |         |         |       |        |        |        |    |         |
|-------------------------|---------|---------|---------|-------|--------|--------|--------|----|---------|
| <b>Year 2024</b>        |         |         |         |       |        |        |        |    |         |
| Property Maintenance \$ | 205     | \$ 84   | \$ -    | \$ 80 | \$ 207 | \$ 151 | \$ (6) | \$ | 721     |
| Assay & Labs            | 301     | 91      | 49      | -     | -      | -      | 1      |    | 442     |
| Drilling                | 689     | 1,467   | 1,516   | -     | -      | -      | -      |    | 3,672   |
| Environmental           | 43      | 637     | -       | -     | -      | -      | -      |    | 680     |
| Geological              | -       | -       | -       | -     | -      | 3      | -      |    | 3       |
| Geophysical             | -       | 45      | -       | -     | -      | 35     | -      |    | 80      |
| Technical Study         | -       | 2,569   | -       | -     | -      | -      | -      |    | 2,569   |
| Field Support           | 1       | 2       | 18      | -     | 48     | 5      | 2      |    | 76      |
|                         | 1,239   | 4,895   | 1,583   | 80    | 255    | 194    | (3)    |    | 8,243   |
| Funded by Nuton LLC     | (1,239) | (4,895) | (1,583) | (80)  | -      | -      | -      |    | (7,797) |
|                         | \$ -    | \$ -    | \$ -    | \$ -  | \$ 255 | \$ 194 | \$ (3) | \$ | 446     |

**Lion Copper and Gold Corp.**

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**a) Earn-In Agreement with Nuton LLC ("Nuton")**

On March 18, 2022, the Company entered into an earn-in agreement, as amended, with Nuton, a subsidiary of Rio Tinto, pursuant to which Nuton has the exclusive option to earn an initial 65% interest in the Company's Yerington, MacArthur, Wassuk, Bear projects and associated water rights (the "**Mining Assets**") by completing staged work programs and funding commitments totaling up to \$59,000 (the "**Earn-In Agreement**").

The staged work programs and funding commitments are as follows:

- Stage 1: \$4,000 initial technical evaluation
- Stage 2: \$5,000 a pre-feasibility study ("**PFS**") incorporating Nuton<sup>@</sup> technologies
- Stage 3: \$50,000 a feasibility study ("**FS**")
  - \$2,500 advanced in January 2023
  - \$11,500 advanced in January 2024
  - \$5,000 advanced in November 2024

Stage 1 was completed in December 2022. Stage 2 was subsequently extended and divided into three phases: Stage 2, Stage 2b, and Stage 2c, all of which have now been completed, including the delivery of the PFS and regulatory filing in September 2025.

As of December 31, 2025, the Company had received cumulative funding of \$28,000 under the Earn-In Agreement, including \$19,000 advanced from Stage 3.

In November 2025, Nuton elected to proceed to the feasibility study stage and project permitting for the Yerington Copper Project and is expected to provide the remaining Stage 3 funding of \$31,000.

Upon completion of the feasibility study, Nuton and the Company will decide whether to create an investment vehicle into which the Mining Assets will be transferred, with Nuton holding not less than 65% interest in the investment vehicle.

Funds received under the Earn-In 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 deposit is as follows:

|                                             |           |              |
|---------------------------------------------|-----------|--------------|
| <b>Balance December 31, 2023</b>            | <b>\$</b> | <b>1,357</b> |
| Funds received                              |           | 16,500       |
| Funds applied to prepaids                   |           | (15)         |
| Funds applied to capitalized acquisition    |           | (231)        |
| Funds applied to exploration and evaluation |           | (7,797)      |
| Funds applied to general and administrative |           | (3,169)      |
| <b>Balance December 31, 2024</b>            | <b>\$</b> | <b>6,645</b> |
| Funds applied to capitalized acquisition    |           | (231)        |
| Funds applied to exploration and evaluation |           | (2,805)      |
| Funds applied to general and administrative |           | (3,405)      |
| <b>Balance December 31, 2025</b>            | <b>\$</b> | <b>204</b>   |

**Lion Copper and Gold Corp.**

Notes to the Consolidated Financial Statements

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**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.

The Yerington 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 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.

**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 from March 2013 to May 2015, subsequently amended, to acquire a 100% interest in private lands covering the Bear deposit. Under the terms of these option agreements, the Company is required to make \$5,988 in cash payments over 15 years (\$5,915 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 in total.

The outstanding payments required to keep the option agreements in good standing are as follows:

\$201 due in 2026, and \$101 due in each of 2027 and 2028, for a total of \$403.

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).

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## d) Hunewill, Nevada

In November 2025, the Company acquired a parcel of land adjacent to its Yerington Copper Project 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.

The transaction was accounted for as an asset acquisition, and the entire purchase price was capitalized as mineral property costs and allocated to the Hunewill property.

## e) 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.

## f) 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.

## g) Blue Copper Project, Montana

The Blue Copper Project, located in Powell County and Lewis & Clark County in Montana, USA, was acquired in 2021 and is held through FCC.

## h) Schell Creek, Nevada

The Schell Creek project was formed pursuant to a joint venture agreement entered in November 2023 between Kennecott Exploration Company ("**Kennecott**"), a subsidiary of Rio Tinto, and FCC. The project includes the adjacent Cabin and Munchy properties. Under the terms of the agreement, FCC has work commitments totalling \$2,500 related to drill programs and exploration activities.

Following the deconsolidation of FCC as of December 31, 2025, the Blue Copper and Schell Creek projects were removed from the Company's mineral properties (note 3).

**5. GENERAL AND ADMINISTRATIVE EXPENSES**

Certain general and administrative expenses were funded by Nuton LLC. and included salaries of \$1,198 (2024 - \$1,089), legal and consulting fees related to water rights of \$1,107 (2024 - \$1,066), and other general administration expenses of \$1,100 (2024 - \$1,014).

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

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

|                                |    | Year ended December 31 |          |
|--------------------------------|----|------------------------|----------|
|                                |    | 2025                   | 2024     |
| Professional fees              | \$ | 5,073                  | \$ 2,095 |
| Salaries, bonuses and benefits |    | 3,687                  | 1,791    |
| Office expenses                |    | 723                    | 702      |
| Travel                         |    | 334                    | 181      |
| Investor relations             |    | 152                    | 123      |
| Transfer agent and regulatory  |    | 97                     | 122      |
|                                | \$ | 10,066                 | \$ 5,014 |
| Nuton LLC deposit applied      |    | (3,405)                | (3,169)  |

**6. NON-CONTROLLING INTEREST ("NCI")**

During the year ended December 31, 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 year ended December 31, 2025, FCC issued a total of 4,150,000 common shares at \$0.116 per common share for gross proceeds of \$481, 4,900,000 common shares pursuant to the exercise of 4,400,000 options at \$0.10 and 500,000 options at \$0.12 for proceeds of \$500, and 23,809,524 common shares pursuant to the exercise of 23,809,524 warrants at \$0.10 for proceeds of \$2,381. FCC also granted 13,330,000 stock options to certain officers, directors, employees and consultants, and 103,250,000 performance options and warrants to certain officers, directors, and employees, exercisable into one common share of FCC with exercise prices ranging from \$0.10 - \$0.76 and exercisable ranging from five to ten years from the dates of grant.

The 103,250,000 performance options and warrants granted are subject to certain vesting milestones:

- a. 18,000,000 upon engagement by FCC of a government relations and advisory firm (met);
- b. 1,500,000 upon completion of the Blue Copper Phase 1 drill program (met);
- c. 1,000,000 upon the early execution of the entirety of the warrants existing as of March 31, 2025 (met);
- d. 4,050,000 upon the completion of a specified future equity financing (not met); and
- e. 1,500,000 upon completion of Cabin and Muncy phase 1 drill programs (not met).
- f. 300,000 upon entering into a multi-year land access agreement with Kijik village for the Groundhog project (met);
- g. e.g. 300,000 upon completion of any acquisition transaction involving Falcon Minerals Corp.'s interest in the Butte Valley project (met);
- h. 250,000 upon grant;
- i. 50,000 upon submission of the Blue Copper Plan of operations (met);
- j. 250,000 upon completion of Groundhog Phase 1 drill program (not met);
- k. 250,000 upon completion of Schell Creek Phase 1 drill program (not met);
- l. 250,000 upon completion of a commercial agreement with Japanese industry (not met);
- m. 250,000 upon the anniversary of the completion of a commercial agreement with Japanese industry (not met);
- n. 300,000 upon the completion of the FB acquisition (met);
- o. 3,500,000 upon entering into a strategic alliance MOU with the US Government and a Japanese smelting company (not met);
- p. 3,500,000 upon smelter technology transfer pursuant to the MOU (not met);

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- q. 10,500,000 upon entering into a binding agreement pursuant to the above MOU (not met);
- r. 7,500,000 upon entering into a lease agreement with Chuchuna Minerals Company on the Groundhog project in Alaska (met);
- s. 7,500,000 upon reaching 12 months in good standing pursuant to the Chuchuna Minerals Company lease agreement (not met);
- t. 15,000,000 upon reaching 24 months in good standing pursuant to the Chuchuna Minerals Company lease agreement (not met);
- u. 2,500,000 upon receiving \$5,000,000 cumulative in federal funding (not met);
- v. 2,500,000 upon receiving \$10,000,000 cumulative in federal funding (not met);
- w. 22,500,000 upon receiving \$25,000,000 cumulative in federal funding (not met);

The stock options and performance options were valued at \$6,797 using the Black-Scholes model with the following estimates:

|                         | January 5, 2025 | April 14, 2025 | May 28, 2025 | July 15, 2025 |
|-------------------------|-----------------|----------------|--------------|---------------|
| Risk-free interest rate | 2.96%           | 2.74%          | 2.85%        | 3.13%         |
| Expected life (years)   | 5.00            | 5.00           | 5.00         | 5.00          |
| Annualized volatility   | 109.67%         | 104.29%        | 99.79%       | 101.34%       |
| Forfeiture rate         | 0%              | 0%             | 0%           | 0%            |
| Dividend yield          | 0%              | 0%             | 0%           | 0%            |

  

|                         | September 22, 2025 | October 30, 2025 | November 1, 2025 | December 22, 2025 | December 24, 2025 |
|-------------------------|--------------------|------------------|------------------|-------------------|-------------------|
| Risk-free interest rate | 3.71%              | 4.11%            | 3.71%            | 3.71%             | 4.15%             |
| Expected life (years)   | 5.00               | 10.00            | 5.00             | 5.00              | 9.85              |
| Annualized volatility   | 94.96%             | 114.22%          | 92.11%           | 93.01%            | 114.29%           |
| Forfeiture rate         | 0%                 | 0%               | 0%               | 0%                | 0%                |
| Dividend yield          | 0%                 | 0%               | 0%               | 0%                | 0%                |

As a result of the above, the Company's ownership in FCC is reduced to 33.69% as of December 31, 2025 (December 31, 2024 - 43.46%). Further, due to a change in governance in FCC, management determined that it no longer held control over FCC and as a result, FCC was deconsolidated, resulting in the NCI being removed from the consolidated balance sheet.

A continuity of the Company's NCI is as follows:

|                                                     |                 |
|-----------------------------------------------------|-----------------|
| <b>Balance December 31, 2023</b>                    | <b>\$ 3,117</b> |
| Issuance of common shares                           | 1,350           |
| Net loss and comprehensive loss attributable to NCI | (807)           |
| <b>Balance December 31, 2024</b>                    | <b>\$ 3,660</b> |
| Issuance of common shares                           | 3,949           |
| Issuance of preferred shares                        | 3,026           |
| Grant of options and warrants                       | 6,797           |
| Grant of finder's warrants                          | 137             |
| Net loss and comprehensive loss attributable to NCI | (10,388)        |
| Deconsolidation of FCC                              | (7,181)         |
| <b>Balance December 31, 2025</b>                    | <b>-</b>        |

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**7. CONVERTIBLE DEBENTURES**

For the year ended December 31, 2025, FCC entered into convertible loan agreements amounting to \$416 (2024 - \$250) bearing interest at 5% per annum each having a term of 12 months. 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; and
- \$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 amortized cost plus accrued interest. On October 3, 2025, \$586 of principal and accrued interest was converted at \$0.106 resulting in the issuance of 5,530,359 FCC common shares. For the year ended December 31, 2025, the accrued interest was \$21 (2024 - \$2).

On July 24, 2025 and August 20, 2025, FCC issued convertible notes with face amounts totaling \$5,628 (\$4,517 and \$1,111, respectively) and funding amounts totaling \$5,065 (\$4,065 and \$1,000, respectively), representing a 10% discount and issuance costs of \$389 (\$299 and \$90, respectively). The notes mature nine months from the respective issue dates and are convertible into common shares of FCC in accordance with their terms, subject to the occurrence of a specified future equity financing and a corporate event.

In connection with the issuance of the notes, each note holder received bonus preferred shares of FCC equal to 20% of the note proceeds. The bonus preferred shares are non-redeemable and are convertible into shares of FCC for a period of 24 months from the date of issuance.

Both the notes and bonus preferred shares are convertible into FCC common shares at the lowest of the following prices:

- a) The price per share equal to a 20% discount to the price of the specified future equity financing;
- b) The price per share equal to the valuation cap (\$60,000,000) divided by the total number of common and preferred shares outstanding; or
- c) A 20% discount to the 5-day volume-weighted average price (VWAP) of the common shares upon the closing of a corporate event.

Based on the terms of the July 24 and August 20 notes, the convertible notes were determined to be a financial instrument comprising a host debt component, with a conversion feature with a variable conversion price classified as a derivative liability, and preferred shares classified as equity.

In relation to the July tranche, 404,500 finder's warrants were granted and valued at \$57 using the Black-Scholes Option Pricing model and the following assumptions:

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|                         | <b>July 24, 2025</b> |
|-------------------------|----------------------|
| Risk-free interest rate | 3.98%                |
| Expected life (years)   | 5.00                 |
| Annualized volatility   | 101.19%              |
| Forfeiture rate         | 0.00%                |
| Dividend yield          | 0.00%                |

On November 14, 2025 and December 18, 2025, FCC issued convertible notes with face amounts totaling \$29,222 (\$12,500 and \$16,722 respectively) and funding amounts totaling \$26,300 (\$11,250 and \$15,050, respectively), representing a 10% discount and issuance costs of \$1,463 (\$737 and \$726, respectively). The notes mature nine months from the respective issue dates and are convertible into common shares of FCC in accordance with their terms, subject to the occurrence of a specified future equity financing and a corporate event.

In connection with the issuance of the notes, each note holder received bonus preferred shares of FCC equal to 20% of the note proceeds. The bonus preferred shares are non-redeemable and are convertible into shares of FCC for a period of 24 months from the date of issuance.

Both the notes and bonus preferred shares are convertible into FCC common shares at the lowest of the following prices:

- The price per share equal to a 20% discount to the price of the specified future equity financing;
- The price per share equal to the valuation cap (\$250,000,000) divided by the total number of common and preferred shares outstanding; or
- A 20% discount to the 5-day volume-weighted average price (VWAP) of the common shares upon the closing of a corporate event.

Based on the terms of the November 14, and December 18 notes, the convertible notes were determined to be a financial instrument comprising a host debt component, with a conversion feature with a variable conversion price classified as a derivative liability, and preferred shares classified as equity.

In relation to the two tranches, 858,655 finder's warrants were granted (447,468 and 411,187, respectively) and valued at \$80 (\$33 and \$47, respectively) using the Black-Scholes Option Pricing model and the following assumptions:

|                         | <b>November 14, 2025</b> | <b>December 18, 2025</b> |
|-------------------------|--------------------------|--------------------------|
| Risk-free interest rate | 3.74%                    | 3.66%                    |
| Stock price             | \$0.19                   | \$0.26                   |
| Expected life (years)   | 5.00                     | 5.00                     |
| Annualized volatility   | 93.28%                   | 92.98%                   |
| Forfeiture rate         | 0.00%                    | 0.00%                    |
| Dividend yield          | 0.00%                    | 0.00%                    |

Subsequent to initial recognition, the host debt component is carried at cost and is accreted up to its face value over the term of the note. The conversion feature derivative liability is revalued at each reporting period to its fair value with the change recognized in the Consolidated Statements of Loss. The preferred shares are carried at cost with no further remeasurement.

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The Company engaged a third-party valuation firm to value the components of the convertible note financings completed on July 24, 2025, August 20, 2025, November 14, 2025, and December 18, 2025.

The valuation firm determined the fair value of each component as follows:

**Host Debt:**

| <b>Instrument</b> | <b>Measurement Date</b> | <b>Principal Amount</b> | <b>Fair value</b> | <b>Allocated value</b> | <b>Effective Interest rate</b> | <b>Finder's fee allocation</b> |
|-------------------|-------------------------|-------------------------|-------------------|------------------------|--------------------------------|--------------------------------|
| July Tranche      | 24/07/2025              | \$ 4,517                | \$ 3,622          | \$ 2,917               | 74.23%                         | \$ 223                         |
| August Tranche    | 20/08/2025              | \$ 1,111                | \$ 893            | \$ 743                 | 71.63%                         | \$ 69                          |
| November Tranche  | 14/11/2025              | \$ 12,500               | \$ 10,057         | \$ 8,562               | 63.68%                         | \$ 573                         |
| December Tranche  | 18/12/2025              | \$ 16,722               | \$ 13,459         | \$ 11,442              | 61.19%                         | \$ 564                         |

**Derivative Liability:**

| <b>Instrument</b> | <b>Initial recognition</b> | <b>Principal Amount</b> | <b>Fair value</b> | <b>Allocated value</b> | <b>Finder's fee allocation</b> |
|-------------------|----------------------------|-------------------------|-------------------|------------------------|--------------------------------|
| July Tranche      | 24/07/2025                 | \$ 4,517                | \$ 751            | \$ 751                 | \$ 46                          |
| August Tranche    | 20/08/2025                 | \$ 1,111                | \$ 156            | \$ 156                 | \$ 12                          |
| November Tranche  | 14/11/2025                 | \$ 12,500               | \$ 1,523          | \$ 1,523               | \$ 87                          |
| December Tranche  | 18/12/2025                 | \$ 16,722               | \$ 2,049          | \$ 2,049               | \$ 86                          |

| <b>Instrument</b> | <b>Measurement date</b> | <b>Principal Amount</b> | <b>Fair value</b> |
|-------------------|-------------------------|-------------------------|-------------------|
| July Tranche      | 31/12/2025              | \$ 4,517                | \$ 787            |
| August Tranche    | 31/12/2025              | \$ 1,111                | \$ 205            |
| November Tranche  | 31/12/2025              | \$ 12,500               | \$ 1,533          |
| December Tranche  | 31/12/2025              | \$ 16,722               | \$ 2,052          |

**Preferred Share:**

| <b>Instrument</b> | <b>Measurement Date</b> | <b>Principal Amount</b> | <b>Fair value</b> | <b>Allocated value</b> | <b>Finder's fee allocation</b> |
|-------------------|-------------------------|-------------------------|-------------------|------------------------|--------------------------------|
| July Tranche      | 24/07/2025              | \$ 4,517                | \$ 493            | \$ 397                 | \$ 30                          |
| August Tranche    | 20/08/2025              | \$ 1,111                | \$ 121            | \$ 101                 | \$ 9                           |
| November Tranche  | 14/11/2025              | \$ 12,500               | \$ 1,368          | \$ 1,165               | \$ 78                          |
| December Tranche  | 18/12/2025              | \$ 16,722               | \$ 1,833          | \$ 1,558               | \$ 77                          |

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Finder's fees allocated to the host debt was accounted for as a direct reduction to the carrying amount of debt and amortized to accretion expense over the term of the debt, while finder's fees allocated to preferred shares were accounted for as a direct reduction to equity. The finder's fees allocated to the derivative liability were expensed immediately in financing costs in the Consolidated Statement of Operations.

On November 6, 2025, the Company completed a non-brokered private placement of convertible debentures (the "**Debentures**") with a principal amount of \$2,700. The Debentures mature on November 6, 2026 and bear interest at 12% per annum, payable at maturity. The Debentures are convertible, at the option of the holder, into common shares of the Company at \$0.0965 per share. Interest may be paid in common shares at the prevailing market price upon repayment or conversion, subject to regulatory approval.

In relation to the completed convertible debenture financing, the Company granted 27,979,274 common share purchase warrants, exercisable at \$0.0965 and expiring on November 6, 2030.

Under ASC 470-20, as amended by ASU 2020-06, 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 whereas the warrants were accounted for as equity. The liability component is recorded at amortized cost using the effective interest method, and the equity component is recorded in shareholders' equity at the date of issuance.

Accordingly, the proceeds were allocated between the liability and equity components using the relative fair value method, with \$1,936 assigned to debt and \$764 recorded in additional paid-in capital on November 6, 2025.

The warrants were valued using the Black-Scholes Option Pricing model and the following assumptions:

| <b>November 6, 2025</b> |        |
|-------------------------|--------|
| Risk-free interest rate | 3.72%  |
| Expected life (years)   | 5.00   |
| Annualized volatility   | 26.85% |
| Forfeiture rate         | 0.00%  |
| Dividend yield          | 0.00%  |

On February 16, 2024, the Company issued 12-month convertible debentures with a principal amount of \$941, bearing an interest rate of 20% per annum. These debentures replaced previously issued debentures that were due in February 2024. The debentures were convertible into common shares of the Company at a price of \$0.06 (\$0.08 CAD) per share.

In December 2024, the Company repaid \$936 of these debentures. The remaining balance of \$5 was repaid in February 2025, along with accrued interest of \$1.

The following table summarizes the continuity of the convertible debentures, including those issued by FCC:

**Lion Copper and Gold Corp.**

Notes to the Consolidated Financial Statements

For the years ended December 31, 2025 and 2024

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

|                                                      |           |              |
|------------------------------------------------------|-----------|--------------|
| <b>Balance as at December 31, 2023</b>               | <b>\$</b> | <b>3,544</b> |
| 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            |
| <b>Balance as at December 31, 2024</b>               | <b>\$</b> | <b>257</b>   |
| Issued                                               |           | 24,590       |
| Accretion                                            |           | 2,125        |
| Interest                                             |           | 70           |
| Converted                                            |           | (586)        |
| Repayment                                            |           | (6)          |
| Deconsolidation of FCC                               |           | (24,364)     |
| <b>Balance as at December 31, 2025</b>               | <b>\$</b> | <b>2,086</b> |

**8. 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. The warrants and the conversion feature were classified as derivative liabilities, carried at fair value and revalued at each reporting date.

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.

During the year ended December 31, 2025, FCC issued certain convertible debt with a variable conversion price (Note 7). Under ASC 815, the conversion feature was classified as a derivative liability, carried at fair value and revalued at each reporting date.

During the year ended December 31, 2025, the FCC issued certain share purchase warrants with a variable exercise price (Note 3). The warrants were classified as a derivative liability, carried at fair value and revalued at each reporting date.

The following table summarizes the continuity of the derivative liabilities, including those related to FCC:

|                                                                        |           |              |
|------------------------------------------------------------------------|-----------|--------------|
| <b>Balance December 31, 2023</b>                                       | <b>\$</b> | <b>176</b>   |
| Issuance of warrants for private placement                             |           | 346          |
| Issuance of warrants upon conversion of existing debentures            |           | 60           |
| Issuance of contingent warrants upon conversion of existing debentures |           | 649          |
| Issuance of warrants and conversion for extinguishment debentures      |           | 55           |
| Modification of warrants upon restructuring of debentures              |           | 109          |
| Modification of conversion feature upon restructuring of debentures    |           | 129          |
| Issuance of warrants - equity                                          |           | (359)        |
| Fair value change on derivative liabilities                            |           | (876)        |
| <b>Balance December 31, 2024</b>                                       | <b>\$</b> | <b>289</b>   |
| Issuance of convertible debentures with variable conversion price      |           | 10,393       |
| Deconsolidation of Falcon Copper                                       |           | (10,490)     |
| Fair value change on derivative liabilities                            |           | 3,372        |
| <b>Balance December 31, 2025</b>                                       | <b>\$</b> | <b>3,564</b> |

**Lion Copper and Gold Corp.**

Notes to the Consolidated Financial Statements

For the years ended December 31, 2025 and 2024

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

**9. SHARE CAPITAL**

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

In June and August 2025 During the year ended December 31, 2025, the Company issued a total of 2,223,635 (June 2024 – 3,063,000) common shares pursuant to the exercises of stock options for aggregate proceeds of \$127 (2024 - \$181).

In February and March 2024, the Company issued 3,500,000 and 45,815,213 common shares, respectively, at prices of \$0.074 and \$0.042 per share in connection with the convertible debentures (Note 8).

In March and November 2024, the Company completed private placements of 23,809,522 and 25,155,554 units, respectively, at \$0.042 and \$0.045 per unit for aggregate gross proceeds of \$2,132. Each unit consisted of one common share and one common share purchase warrant exercisable at \$0.056 and \$0.06 per share, respectively, for a period of five years from the date of issuances.

**10. ADDITIONAL PAID-IN CAPITAL**

a) Stock options

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.

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

**Lion Copper and Gold Corp.**

## Notes to the Consolidated Financial Statements

For the years ended December 31, 2025 and 2024

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

|                                | December 31, 2025 |                                             | December 31, 2024 |                                             |
|--------------------------------|-------------------|---------------------------------------------|-------------------|---------------------------------------------|
|                                | of options        | Weighted<br>average exercise<br>price (CAD) | of options        | Weighted<br>average exercise<br>price (CAD) |
| Outstanding, beginning of year | 63,735,248        | 0.09                                        | 49,239,020        | \$ 0.10                                     |
| Granted                        | 29,000,000        | 0.05                                        | 40,655,000        | 0.08                                        |
| Exercised                      | (2,223,635)       | (0.080)                                     | (3,063,000)       | (0.080)                                     |
| Expired                        | (1,970,648)       | (0.080)                                     | (13,595,772)      | (0.09)                                      |
| Cancelled                      | -                 | -                                           | (9,500,000)       | (0.11)                                      |
| Outstanding, ending of year    | 88,540,965        | 0.10                                        | 63,735,248        | 0.09                                        |
| Exercisable, ending of year    | 81,040,965        | 0.10                                        | 57,765,248        | 0.09                                        |

As of December 31, 2025, all stock options were fully vested except for 7,500,000 granted on April 5, 2025.

On April 4, 2025, the Company granted 7,500,000 performance options to a key member of management at an exercise price of \$0.08 per share. The options vest in two equal tranches upon the Company achieving market capitalization of \$100,000 and \$200,000, respectively.

The performance options were valued using a Monte Carlo simulation model with the following inputs: Volatility: 125%, risk-free interest rate 2.52%, dividend yield 0% and simulation paths 10,000.

On July 26, 2024, the Company granted 7,500,000 stock options to three members of senior management at an exercise price of CAD \$0.08 per share. The options vest in three equal tranches upon the achievement of specific milestones pursuant to the Option Agreement with Nuton LLC. All vesting conditions were met, and the options became fully vested as of December 31, 2025.

The following table summarizes the Company's stock options outstanding as of December 31, 2025 and 2024, the weighted-average remaining contractual life of the options outstanding was 3.6 and 2.7 years, respectively.

**Lion Copper and Gold Corp.**

Notes to the Consolidated Financial Statements

For the years ended December 31, 2025 and 2024

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

| Grant Date        | Exercise Price (CAD) | Expiry Date       | December 31, 2025 | December 31, 2024 |
|-------------------|----------------------|-------------------|-------------------|-------------------|
| June 30, 2020     | 0.08                 | June 30, 2025     | -                 | 2,450,000         |
| August 18, 2020   | 0.072                | August 18, 2025   | -                 | 1,744,283         |
| June 18, 2021     | 0.245                | June 18, 2026     | 2,550,000         | 2,550,000         |
| October 21, 2021  | 0.09                 | October 21, 2026  | 900,000           | 900,000           |
| May 25, 2022      | 0.085                | May 25, 2027      | 2,000,000         | 2,000,000         |
| March 3, 2023     | 0.095                | March 2, 2028     | 350,000           | 350,000           |
| July 22, 2023     | 0.08                 | July 21, 2028     | 16,215,965        | 16,215,965        |
| March 1, 2024     | 0.07                 | March 1, 2029     | 12,865,000        | 12,865,000        |
| July 26, 2024     | 0.08                 | July 26, 2029     | 7,500,000         | 7,500,000         |
| December 10, 2024 | 0.085                | December 10, 2029 | 17,160,000        | 17,160,000        |
| April 4, 2025     | USD 0.08             | April 4, 2030     | 7,500,000         | -                 |
| September 5, 2025 | 0.12                 | September 5, 2030 | 20,000,000        | -                 |
| September 8, 2025 | 0.135                | September 8, 2030 | 1,500,000         | -                 |
|                   |                      |                   | 88,540,965        | 63,735,248        |

For 2025, the Company recognized shared-based compensation expense of \$1,975 (2024 - \$1,523) related to the vesting of options. Share-based compensation expense is recorded over the vesting period of the respective awards. The fair value of stock options granted during 2025 and 2024 was estimated at the grant date using the Black-Scholes option pricing model with the following weighted-average assumptions:

|                           | December 31, 2025 | December 31, 2024 |
|---------------------------|-------------------|-------------------|
| Annualized volatility     | 140%              | 90-141%           |
| Expected life in years    | 5                 | 5                 |
| Estimated forfeiture rate | 0%                | 0%                |
| Risk free interest rate   | 2.77 - 2.82%      | 2.83 - 3.94%      |
| Dividend yield            | Nil               | Nil               |

**b) Share purchase warrants**

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

|                                | December 31, 2025  |                                 | December 31, 2024  |                                 |
|--------------------------------|--------------------|---------------------------------|--------------------|---------------------------------|
|                                | Number of warrants | Weighted average exercise price | Number of warrants | Weighted average exercise price |
| Outstanding, beginning of year | 110,477,171        | \$ 0.06                         | 119,626,027        | \$ 0.09                         |
| Warrants issued                | 27,979,275         | 0.0965                          | 110,477,171        | 0.06                            |
| Cancelled                      | -                  | -                               | (32,270,021)       | (0.07)                          |
| Warrants expired               | (15,696,882)       | (0.06)                          | (87,356,006)       | (0.10)                          |
| Outstanding, end of year       | 122,759,564        | \$ 0.066                        | 110,477,171        | \$ 0.06                         |

**Lion Copper and Gold Corp.**

## Notes to the Consolidated Financial Statements

For the years ended December 31, 2025 and 2024

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

On November 6, 2025, the Company issued 27,979,274 (November 8, 2024 - 25,155,554) common share purchase warrants in connection with the issuance of convertible debentures (Note 7), each exercisable for one common share at \$0.0965 (2024 - \$0.06) until November 6, 2030 (November 8, 2029).

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

| Grant Date         | Exercise Price (\$) | Expiry Date        | December 31, 2025 | December 31, 2024 |
|--------------------|---------------------|--------------------|-------------------|-------------------|
| February 16, 2024  | 0.06                | February 16, 2025  | -                 | 15,696,882        |
| March 8, 2024      | 0.056               | March 8, 2029      | 27,917,520        | 27,917,520        |
| September 19, 2024 | 0.056               | September 19, 2029 | 41,707,215        | 41,707,215        |
| November 8, 2024   | 0.06                | November 8, 2029   | 25,155,554        | 25,155,554        |
| November 6, 2025   | 0.0965              | November 6, 2030   | 27,979,275        | -                 |
|                    |                     |                    | 122,759,564       | 110,477,171       |

**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:

|                          | Years ended December 31 |          |
|--------------------------|-------------------------|----------|
|                          | 2025                    | 2024     |
| Salaries and bonuses     | \$ 2,278                | \$ 553   |
| Directors' fees          | 90                      | -        |
| Share-based compensation | 6,402                   | 850      |
|                          | \$ 8,770                | \$ 1,403 |

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.

In 2025, members of the Board were granted stock options of FCC with a fair value of \$2,103. One of the Company's Co-Chairmen, who also serves as a Chairman of FCC, received a cash bonus of \$500 from FCC.

During the year ended December 31, 2025, an immediate family member of an executive officer was employed by the Company as a temporary employee and received salary. In addition, a firm affiliated with this individual provided services to the Company and related parties. Total compensation and service fees for the year were \$120.

In connection with the Falcon Butte acquisition (Note 3(a)), Falcon Butte declared and paid dividends directly to its shareholders, including two directors of the Company. The Company did not fund these payments and the amounts received by the two directors were not material.

**Lion Copper and Gold Corp.**

## Notes to the Consolidated Financial Statements

For the years ended December 31, 2025 and 2024

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

The Chief Executive Officer and Chief Financial Officer of FCC received salaries of \$149 and \$49, respectively, and were granted FCC stock options with fair values of \$1,505 and \$19, respectively. The Chief Executive Officer also received a bonus of \$500. These amounts are included in the table above.

During 2025 and 2024, certain directors and officers participated in financing transactions with the Company.

During 2025, \$Nil interest was accrued and remained unpaid related to convertible debentures held by directors and officers (2024 - \$160 accrued and paid). The debentures bear interest at 12% per annum (2024 - 20%) and mature on November 8, 2026 (2024 - February 16, 2025).

On February 16, 2024, certain directors and officers of the Company restructured \$407 of previously issued convertible debentures into new debentures bearing interest at 20% per annum, maturing on February 16, 2025, and convertible into common shares at \$0.06 per share. In addition, a director converted \$259 of convertible debentures into 3,500,000 common shares at \$0.074 per share (note 9).

On March 8, 2024, certain directors and a former officer converted \$1,541 of convertible debentures into 36,675,478 common shares at a price of \$0.042 per share. In connection with these conversions, the Company issued 41,707,215 contingent warrants to certain directors and officers with an initial fair value of \$649, which was subsequently remeasured to \$359 as of September 19, 2024.

On March 8, 2024, certain directors and a former officer subscribed for 12,202,380 common shares for total proceeds of \$513 in a private placement and received 12,202,380 warrants with a value of \$177.

**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.

**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.

**Lion Copper and Gold Corp.**

## Notes to the Consolidated Financial Statements

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

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 based on the use of observable indirect market data like government bond yields to estimate risk-free rates and dividend yields based on historical dividend patterns. The Company's investment in associate and other are categorized as Level 3 in the fair value hierarchy (Note 3(b) and Note 3(a), respectively).

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.

**Lion Copper and Gold Corp.**

Notes to the Consolidated Financial Statements

For the years ended December 31, 2025 and 2024

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

## 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. DEFERRED INCOME TAX**

A Reconciliation of income tax provision computed at Canadian statutory rates to the reported income tax provision is provided as follows:

|                                                         | 2025     | Percent<br>% | 2024       | Percent<br>% |
|---------------------------------------------------------|----------|--------------|------------|--------------|
| Net income (loss) for the year                          | \$ 4,383 |              | \$ (4,741) |              |
| Canadian Federal statutory rate                         | 663      | 15           | (711)      | 15           |
| Local income taxes, net of federal benefit              | 526      | 12           | (569)      | 12           |
| Foreign tax effects                                     |          |              |            |              |
| USA                                                     |          |              |            |              |
| Statutory tax rate difference between<br>USA and Canada | \$ (420) | (10)         | \$ (124)   | 3            |
| Change in valuation allowance                           | (1,914)  | (44)         | (330)      | 7            |
| Non-deductible (taxable) items                          | (1,578)  | (36)         | 23         | 0            |
| Other adjustments                                       | 342      | 8            | 764        | (16)         |
| Provision to return adjustments and other               | 213      | 5            | 39         | (1)          |
| Foreign exchange gains and losses                       | (434)    | (10)         | 817        | (17)         |
| Permanent difference                                    | 533      | 12           | 667        | (14)         |
| Change in valuation allowance                           | 1,231    | 28           | (576)      | 12           |
| Loss of subsidiary                                      | 838      | 19           | -          |              |
| Income tax expense (recovery)                           | \$ -     |              | \$ -       |              |

The tax effect of temporary differences that give rise to significant portions of deferred tax assets and deferred tax liabilities as at December 31, 2025 and 2024 respectively are presented below.:

**Lion Copper and Gold Corp.**

Notes to the Consolidated Financial Statements

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

|                                                      | 2025     | 2024     |
|------------------------------------------------------|----------|----------|
| Deferred tax assets:                                 |          |          |
| Non-capital loss and net operating loss carryforward | \$ 7,071 | \$ 7,434 |
| Mineral properties                                   | 9,397    | 10,442   |
| Capital losses                                       | 2,153    | 2,052    |
| Financing and other                                  | 968      | 104      |
| Lease liabilities                                    | -        | 8        |
| Total gross deferred tax assets                      | 19,589   | 20,040   |
| Less: valuation allowance                            | (16,139) | (20,016) |
| Net deferred tax assets                              | 3,450    | 24       |
| Deferred tax liabilities:                            |          |          |
| Convertible debentures                               | (179)    | (16)     |
| Investments                                          | (3,271)  | -        |
| ROU asset                                            | -        | (8)      |
| Total deferred tax liabilities                       | (3,450)  | (24)     |
| Deferred tax assets and liabilities                  | -        | -        |

The Company's unused tax losses expire as follows:

|             | Canada    | US     |
|-------------|-----------|--------|
| 2026        | \$ 510    | \$ -   |
| 2027 - 2044 | 23,381    | -      |
| 2034 - 2037 | -         | 79     |
| Indefinite  | -         | 904    |
|             | \$ 23,891 | \$ 983 |

The Company's unused capital losses of \$nil are available to carry forward indefinitely.

**16. SUBSEQUENT EVENTS**

- a) On January 21, 2026, the Company received \$30,500 from Nuton in connection with this Stage 3 funding commitment under the Earn-In Agreement.
- b) Subsequent to year end, the Company issued 258,225 shares for financial advisory services valued at \$30, and 8,504,062 common shares upon exercises of warrants and options for gross proceeds of \$497.



## CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We consent to the incorporation by reference, in the Registration Statements on Form S-8 dated January 16, 2025 and August 10, 2023, Form S-1 dated September 29, 2025 and subsequent amendments to Form S-1, of our auditor's report dated March 31, 2026 with respect to the consolidated financial statements of Lion Copper and Gold Corp. and its subsidiaries as at December 31, 2025 and for each of the years in the two-year period ended December 31, 2025, as included in the Annual Report on Form 10-K/A of Lion Copper and Gold Corp. for the year ended December 31, 2025, as filed with the SEC.

We also consent to the reference to our firm under the heading "Interests of Experts" in the Registration Statement on Form S-1.

Signed: MNP LLP

Chartered Professional Accountants

April 1, 2026  
Vancouver, Canada

**MNP LLP**

Suite 2400 - 609 Granville Street, PO Box 10203 LCD Pacific Centre, Vancouver B.C., V7Y 1E7

1.877.688.8408 T: 604.685.8408 F: 604.685.8594



**MNP.ca**

Exhibit 31.1

**CERTIFICATION  
PURSUANT TO RULE 13a-14(a) OR 15d-14(a)  
OF THE U.S. SECURITIES EXCHANGE ACT OF 1934**

I, John Banning, certify that:

1. I have reviewed this annual report on Form 10-K/A for the year ended December 31, 2025 of Lion Copper and Gold Corp.

Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary  
2. in order to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all  
3. material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as  
4. defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rule 13a-15(f) and 15d-15(f)) for the registrant and have:

a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this annual report is being prepared;

b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about  
c) the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect the registrant's internal control over financial reporting; and

The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial  
5. reporting, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent function):

a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: April 1, 2026

By: /s/ John Banning  
John Banning  
Principal Executive Officer

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Exhibit 31.2

**CERTIFICATION  
PURSUANT TO RULE 13a-14(a) OR 15d-14(a)  
OF THE U.S. SECURITIES EXCHANGE ACT OF 1934**

I, Lei Wang, certify that:

1. I have reviewed this annual report on Form 10-K/A for the year ended December 31, 2025 of Lion Copper and Gold Corp.
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rule 13a-15(f) and 15d-15(f)) for the registrant and have:
  - a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this annual report is being prepared;
  - b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;  
  
evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about
  - c) the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent function):
  - a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: April 1, 2026

By: /s/ Lei Wang  
Lei Wang  
Principal Financial Officer

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EXHIBIT 32.1

**CERTIFICATION  
PURSUANT TO 18 U.S.C. SECTION 1350  
AND RULE 13a-14(b) OR RULE 15d-14(b)  
OF THE U.S. SECURITIES EXCHANGE ACT OF 1934**

In connection with the Annual Report of Lion Copper and Gold Corp. (the "Company") on Form 10-K/A for the year ended December 31, 2025 (the "Amended Report"), the undersigned, in the capacity and on the date indicated below, hereby certifies pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to his knowledge:

1. The Amended Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
2. The information contained in the Amended Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated: April 1, 2026

/s/ John Banning

John Banning

Principal Executive Officer

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EXHIBIT 32.2

**CERTIFICATION  
PURSUANT TO 18 U.S.C. SECTION 1350  
AND RULE 13a-14(b) OR RULE 15d-14(b)  
OF THE U.S. SECURITIES EXCHANGE ACT OF 1934**

In connection with the Annual Report of Lion Copper and Gold Corp. (the "Company") on Form 10-K/A for the year ended December 31, 2025 (the "Amended Report"), the undersigned, in the capacity and on the date indicated below, hereby certifies pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to her knowledge:

1. The Amended Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
2. The information contained in the Amended Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated: April 1, 2026

/s/ Lei Wang

Lei Wang

Principal Financial Officer

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