Lion Copper and Gold Corp.

Consolidated Financial Statements

For the years ended December 31, 2024 and 2023

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

MNP

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. and its subsidiaries (the "Company") as of December 31, 2024 and 2023, and the related consolidated statements of operations and comprehensive loss, changes in equity, and cash flow for each of the years in the two-year period ended December 31, 2024, 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, 2024 and 2023, and the results of its consolidated operations and its consolidated cash flow for each of the years in the two-year period ended December 31, 2024, 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 no source of revenue and has significant requirements to maintain its mineral property interests and meet its obligations as they come due that 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.

MNP LLP

Chartered Professional Accountants

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

Vancouver, Canada

March 28, 2025

Lion Copper and Gold Corp.
Consolidated Balance Sheets
As at December 31, 2024, and 2023
(In thousands of U.S. Dollars)

	Note		December 31, 2024		December 31, 2023
ASSETS					
Current assets					
Cash and cash equivalents	3(f)	$	7,999	$	2,310
Other receivables			31		14
Prepaid and deposit			57		62
			8,087		2,386
Other receivables – long term			-		10
Mineral properties	4,12		7,902		7,647
Reclamation bonds			9		9
Investment in associate	5		1,102		1,206
Right of use asset			40		-
Total assets		**$**	**17,140**	**$**	**11,258**
LIABILITIES					
Current liabilities					
Accounts payable and accrued liabilities		$	510	$	163
Nuton LLC deposit	4		6,645		1,357
Derivative liabilities	7		289		176
Convertible debentures	7,8,11		257		3,544
Lease liabilities			40		-
Total liabilities			**7,741**		**5,240**
Stockholders' equity					
Share capital, no par value, unlimited common shares authorized; 411,011,264 issued and outstanding (2023 – 309,667,975)	9		110,459		105,396
Additional paid-in capital	10		25,877		24,168
Deficit			(130,597)		(126,663)
Non-controlling interest	6		3,660		3,117
Total stockholders' equity			9,399		**6,018**
Total liabilities and stockholders' equity		**$**	**17,140**	**$**	**11,258**

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

NATURE OF OPERATIONS AND GOING CONCERN (Note 1)
COMMITMENTS (Note 13)
SUBSEQUENT EVENTS (Note 16)

Approved on behalf of the Board of Directors on March 28, 2025:

/s/ "Thomas Patton"
Director

/s/ "Tony Alford"
Director

Lion Copper and Gold Corp.

Consolidated Statements of Operations and Comprehensive Loss
For the years ended December 31, 2024, and 2023
(In thousands of U.S. Dollars, except for shares and per share amounts)

	Note	For the years ended December 31, 2024	2023
Operating expenses			
Exploration & evaluation	**4**	$ 8,243	$ 6,350
General and administrative		702	715
Investor relations and corporate development		123	21
Professional fees	**4(a)**	2,095	1,525
Salaries and benefits	**4(a),11**	1,791	1,368
Share-based payments	**10,11**	1,523	1,133
Transfer agent and regulatory		122	85
Travel		181	62
Nuton LLC Deposit	**4**	(10,966)	(6,516)
Operating loss		(3,814)	(4,743)
Non-operating Income/(expenses)			
Fair value gain on derivative liabilities	**7**	731	356
Foreign exchange loss		(40)	(2)
Accretion expense	**8**	(220)	(460)
Gain on transfer of shares	**5**	-	22
Loss on revaluation of SAFE notes		-	(305)
Share of loss in associate	**5**	(104)	(288)
Interest and other income		466	111
Impairment of mineral properties	**4**	-	(602)
Forgiveness of promissory note		(10)	-
Loss on convertible debentures	**8**	(1,750)	-
		(927)	(1,168)
Net loss and comprehensive loss for the year		**$ (4,741)**	**$ (5,911)**
Net loss and comprehensive loss attributed to:			
Stockholders of the Company		**$ (3,934)**	**$ (4,829)**
Non-controlling interest	**6**	**$ (807)**	**$ (1,082)**
Loss per share, basic and diluted		**$ (0.01)**	**$ (0.02)**
Weighted average number of shares outstanding – basic and diluted		**375,049,165**	**309,601,948**

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, 2024 and 2023
(In thousands of U.S. Dollars, except for shares)

	Notes	Common shares		Share capital		Additional paid-in capital		Deficit		Non-controlling interest		Total stockholders' equity
Balance at December 31, 2022		**309,567,975**	**$**	**105,384**	**$**	**23,043**	**$**	**(121,834)**	**$**	**388**	**$**	**6,981**
Share-based payments	10	-		-		1,133		-		-		1,133
Exercise of options		100,000		12		(8)		-		-		4
FCC SAFE notes conversion	6	-		-		-		-		1,536		1,536
FCC share issuance	6	-		-		-		-		2,275		2,275
Net loss for the year		-		-		-		(4,829)		(1,082)		(5,911)
Balance at December 31, 2023		**309,667,975**	**$**	**105,396**	**$**	**24,168**	**$**	**(126,663)**	**$**	**3,117**	**$**	**6,018**
Balance at December 31, 2023		**309,667,975**	**$**	**105,396**	**$**	**24,168**	**$**	**(126,663)**	**$**	**3,117**	**$**	**6,018**
Private placement		48,965,076		1,786		-		-		-		1,786
Private placement - share issuance cost		-		(34)		-		-		-		(34)
Conversion of convertible debentures - original	8	3,500,000		234		-		-		-		234
Conversion of convertible debentures - induced	8	45,815,213		2,723		-		-		-		2,723
Issuance of warrants	8	-		-		359		-		-		359
Exercise of options	10	3,063,000		354		(173)		-		-		181
Share-based payments	10	-		-		1,523		-		-		1,523
Issuance of common shares of FCC	6	-		-		-		-		1,350		1,350
Net loss for the year		-		-		-		(3,934)		(807)		(4,741)
Balance at December 31, 2024		**411,011,264**	**$**	**110,459**	**$**	**25,877**	**$**	**(130,597)**	**$**	**3,660**	**$**	**9,399**

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, 2024, and 2023
(In thousands of U.S. Dollars)

	For the years ended December 31,			
		2024		2023
Cash flows provided (used) by operating activities				
Loss for the year	$	(4,741)	$	(5,911)
Non-cash transactions:				
Interest expense		228		432
Accretion expense		220		460
Fair value gain on derivative liabilities		(731)		(356)
Gain on transfer of investment shares		-		(22)
Share of loss of investment in associate		104		288
Wages settled through transfer of investment shares		-		32
Share-based payments		1,523		1,133
Loss on revaluation of SAFE notes		-		305
Impairment of mineral properties		-		602
Loss on convertible debentures		1,750		-
Amortization of ROU asset		32		-
Changes in operating assets and liabilities:				
Other receivables		(7)		(17)
Accounts payable and accrued liabilities		303		(306)
Prepaid and deposit		5		(6)
Nuton LLC deposit		5,288		977
Lease liabilities		(32)		-
Net cash provided (used) by operating activities		**3,942**		**(2,389)**
Cash flows used in investing activities				
Capitalized expenditures on mineral properties		(210)		(365)
Reclamation bond		-		14
Net cash used in investing activities		**(210)**		**(351)**
Cash flows provided by financing activities				
Proceeds from convertible debentures		250		1,306
Proceeds from FCC SAFE notes		-		100
Proceeds for issuance of common shares of FCC		1,350		2,275
Proceeds from private placement		2,132		-
Share issuance costs		(34)		-
Repayment of convertible debentures		(1,922)		-
Exercise of options		181		4
Net cash provided by financing activities		**1,957**		**3,685**
Increase in cash and cash equivalents		5,689		945
Cash and cash equivalents, beginning of year		2,310		1,365
Cash and cash equivalents, end of year	**$**	**7,999**	**$**	**2,310**
Supplemental cash flow information				
Shares issued for conversion of SAFE notes	**$**	**-**	**$**	**1,536**
Shares issued for convertible debentures	**$**	**2,957**	**$**	**-**

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

1. NATURE OF OPERATIONS AND GOING CONCERN

Lion Copper and Gold Corp. (together with its subsidiaries, "**Lion CG**" or the "**Company**") is a Canadian-based Company advancing its flagship copper assets at Yerington, Nevada through an option to earn-in agreement with Rio Tinto America Inc., subsequently assigned to Nuton LLC, a Rio Tinto venture. The Company was incorporated in British Columbia, Canada on May 11, 1993. Its registered and records offices are located at 1200 – 750 West Pender Street, Vancouver, British Columbia, Canada, V6C 2T8. On November 22, 2021, the Company changed its name from Quaterra Resources Inc. with a new trading symbol "LEO". On September 19, 2024, the Company voluntarily delisted its common shares from the TSX Venture Exchange ("**TSXV**") and were subsequently listed on the Canadian Securities Exchange ("**CSE**") under the same symbol "LEO" and continues to be quoted for trading on the OTCQB Market under the symbol "LCGMF".

The Company acquires its mineral properties through option or lease agreements and capitalizes acquisition costs related to the properties. The underlying value of the amounts recorded as mineral properties does not reflect current or future values. The Company's continued existence depends on discovering economically recoverable mineral reserves and obtaining the necessary funding to advance these properties.

These consolidated financial statements ("**Financial Statements**") are prepared on a going concern basis, which contemplates that the Company will be able to meet its commitments, continue operations and realize its assets and discharge its liabilities in the normal course of business for at least twelve months from the date of approval of these Financial Statements from the Board of Directors. During the year ended December 31, 2024, the Company incurred a loss of $4,741 (2023 - $5,911) and an accumulated deficit of $130,597 (December 31, 2023 - $126,663). As of December 31, 2024, the Company had cash and cash equivalents of $7,999 (December 31, 2023 - $2,310), working capital of $346 (December 31, 2023 – deficit of $2,854).

The Company has no source of revenue and has specific requirements to maintain its mineral property interests and meet its obligations as they come due. Although the Company has raised funds in the past through debt, equity and strategic investors, there is no assurance that such financing will be available. If adequate financing is not available or cannot be obtained on a timely basis, the Company may be required to delay, reduce the scope of, or eliminate one or more of its exploration programs, or relinquish its rights under the existing option and acquisition agreements. The above factors represent material uncertainties that cast substantial doubt on the Company's ability to continue as a going concern.

If the going concern assumptions were not appropriate for these Financial Statements, adjustments would be necessary to the carrying values of assets, liabilities, the reported expenses, and the consolidated balance sheet classifications used. Such adjustments could be material.

2. BASIS OF PRESENTATION

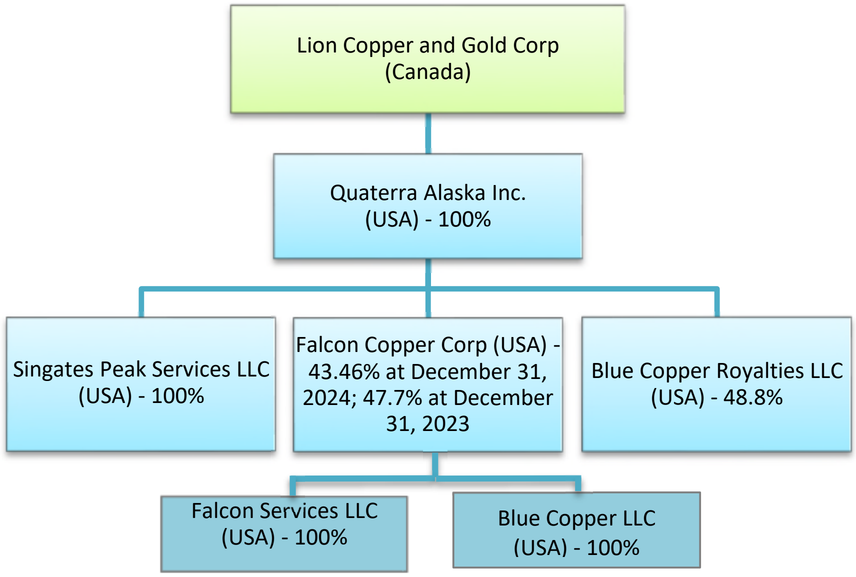
Statement of compliance

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

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

The Company consolidates an entity when it has power over that entity, is exposed, or has rights, to variable returns from its involvement with that entity and can affect those returns through its control over that entity.

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



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

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

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

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

3. SIGNIFICANT ACCOUNTING POLICIES

Accounting estimates and judgments

The preparation of these Financial Statements in conformity with U.S. GAAP requires management to make estimates and judgments that affect the application of policies, reported amounts and disclosures. By their nature, these estimates and judgments are subject to uncertainty and the effect on these Financial Statements of changes in such estimates in future years could be significant. Actual results could differ from those estimates.

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

- **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 and number of options expected to vest.

- **Valuation of warrants:** During the year ended December 31, 2023, the Company granted freestanding warrants pursuant to the closing of convertible debenture financings while during the year ended December 31, 2024, the Company granted freestanding warrants pursuant to the restructuring of existing convertible debentures. The Black Scholes option pricing model was used to determine fair value for the warrants and required significant assumptions to be made by management.

- **Valuation of derivative liabilities:** During the year ended December 31, 2024 and 2023, 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 FCC and Blue Copper Royalties LLC**: During the year ended December 31, 2024 and 2023, the Company's ownership in FCC decreased below 50% while the Company's ownership in Blue Copper Royalties LLC did not change. Management has concluded that the Company still retains control over FCC and Blue Copper Royalties LLC as the Company has majority representation on the board of directors, and will therefore consolidate FCC and Blue Copper Royalties LLC.

a) Investment in associate

Investment in associate is comprised of the Company's investment in Falcon Butte Minerals Corp. ("**Falcon Butte**"), a private corporation. An associate is an entity over which the Company has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not in control or joint control over those policies. The Company's investment in Falcon Butte is accounted for using the equity method. Under the equity method, the investment in an associate or a joint venture is initially recognized at cost. The carrying amount of the investment is adjusted to recognize changes in the Company's share of net assets of the associate since the acquisition date.

After application of the equity method, the Company determines whether a loss in the fair value of an investment below its carrying value is a temporary decline. If it is other than temporary, the investor calculates an impairment as the excess of the investment's carrying amount over the fair value. Reversals of impairments on equity method investments are prohibited.

Upon loss of significant influence over the associate, the Company measures and recognizes any retained investment at its fair value. Any difference between the carrying amount of the associate upon loss of significant influence and the fair value of the retained investment and proceeds from disposal is recognized in profit or loss.

b) 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.

c) 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.

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.

d) 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 the mineral properties. Impairment losses, if any, are measured as the excess of the carrying amount of the mineral properties over its estimated fair value.

Based on the Company's assessment, no impairment indicators were identified on the mineral properties for the years ended December 31, 2024 and 2023.

e) 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.

f) Cash and cash equivalents

Cash consists of cash on hand and short-term investments with a maturing term of less than 90 days. As at December 31, 2024, the Company held $4,000 ($2023 - $Nil) in cash equivalents. .

g) 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);
- available for sale (fair value through other comprehensive income);
- 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.

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, accounts payable, accrued liabilities, convertible debentures issued in FCC, and Nuton LLC deposit approximate fair value due to their short-term nature.

The convertible debentures issued by LCG are classified as a liability at amortized cost, with the conversion feature and related warrants classified as liabilities to be measured at fair value at each reporting period. The debt liability was initially recorded at the residual value after deducting the fair value of the conversion feature and warrants and is subsequently measured at amortized cost using the effective interest rate method and will be accreted to the face value over the term of the convertible debenture.

h) 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, 2024 and 2023.

i) SAFE Notes

The Company issued Simple Agreements for Future Equity notes ("**SAFE Notes"**) to investors during the year ended December 31, 2022 and determined that the SAFE notes are not a legal form of debt (i.e., no creditors' rights). The Company allowed for redemption based upon certain events that are outside of the control of the Company. Therefore, the SAFE Instruments were classified as liabilities pursuant to ASC 480 and were measured at fair value at each reporting period, with changes in fair value recorded within the Consolidated Statements of Operations. The safe notes were converted during the year ended December 31, 2023 due to a triggering event caused by a private placement from FCC and the SAFE notes were converted into common shares of FCC (Note 6).

j) 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.

k) 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.

l) Non-controlling interest

For partially owned subsidiaries, the interest attributable to non-controlling shareholders is reflected in non-controlling interest. During the year ended December 31, 2024, FCC completed multiple financings throughout the year and at December 31, 2024, the Company held 43.46% (2023 – 47.7%) of shares in FCC. In the absence of majority holdings, the Company continues to consolidate FCC as it still has control through its majority representation on the board of directors (Note 6).

m) 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.

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, 2024 and 2023, the Company does not believe it has any significant asset retirement obligations.

n) 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.

Standards, Amendments and Interpretations Issued and Adopted

In November 2023, the Financial Accounting Standards Board ("**FASB**") issued ASU 2023-07, Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosures. The ASU expands public entities' segment disclosures by requiring disclosure of significant segment expenses that are regularly provided to the chief operating decision maker and included within each reported measure of segment profit or loss, an amount and description of its composition for other segment items, and interim disclosures of are portable segment's profit or loss and assets. All disclosure requirements under ASU 2023-07 are also required for public entities with a single reportable segment. The ASU is effective for the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2024. Under ASU 2023-07, management has concluded that the Company operates in only a single segment (Note 12).

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

4. MINERAL PROPERTIES

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

	Singatse Peak Services ("SPS")					Lion CG ("LCG")	Falcon Copper Corp. ("FCC")		
	MacArthur	**Yerington**	**Bear**	**Wassuk**	**Copper Canyon**	**Chaco Bear & Ashton**	**Blue Copper**	**Muncy**	**Total**
	$	**$**	**$**	**$**	**$**	**$**	**$**	**$**	**$**
Balance December 31, 2022	**2,489**	**1,195**	**1,575**	**1,405**	**-**	**602**	**618**	**-**	**7,884**
Acquisition costs	-	-	231	-	10	-	260	95	596
Impairment	-	-	-	-	-	(602)	-	-	(602)
Paid by Nuton LLC	-	-	(231)	-	-	-	-	-	(231)
Total additions (disposals) for the year	-	-	-	-	10	(602)	260	95	(237)
Balance December 31, 2023	**2,489**	**1,195**	**1,575**	**1,405**	**10**	**-**	**878**	**95**	**7,647**
Acquisition costs	-	-	231	-	-	-	150	105	486
Paid by Nuton LLC	-	-	(231)	-	-	-	-	-	(231)
Total additions for the period	-	-	-	-	-	-	150	105	255
Balance December 31, 2024	**2,489**	**1,195**	**1,575**	**1,405**	**10**	**-**	**1,028**	**200**	**7,902**

The Company owns a 100% interest in the MacArthur, Yerington and Wassuk properties and has an option to earn a 100% interest in the Bear property in Nevada. During the year ended December 31, 2023, the Company terminated its option to earn a 100% interest in the Chaco Bear and Ashton properties in British Columbia.

(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 loss are listed in the tables below:

Exploration expenditures incurred for the year ended December 31, 2024

	Singatse Peak Services				Falcon Copper Corp			
	MacArthur	**Yerington**	**Bear**	**Wassuk**	**Blue Copper**	**Muncy**	**Other**	**Total**
	$	$	$	$	$	$	$	$
Property maintenance	205	84	-	80	207	62	83	721
Assay & Labs	301	91	49	-	-	-	1	442
Drilling	689	1,467	1,516	-	-	-	-	3,672
Environmental	43	637	-	-	-	-	-	680
Geological & mapping	-	-	-	-	-	3	-	3
Geophysical surveys	-	45	-	-	-	35	-	80
Technical study	-	2,569	-	-	-	-	-	2,569
Field support	1	2	18	-	48	-	7	76
Total expenses incurred	1,239	4,895	1,583	80	255	100	91	8,243
Total Expenditures funded by Nuton LLC	**(1,239)**	**(4,895)**	**(1,583)**	**(80)**	**-**	**-**	**-**	**(7,797)**
Total Expenditures funded by Lion CG	**-**	**-**	**-**	**-**	**255**	**100**	**91**	**446**

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

Exploration expenditures incurred for the year ended December 31, 2023

	Singatse Peak Services					Falcon Copper Corp					
	MacArthur	**Yerington**	**Bear**	**Wassuk**	**Prospects**	**Copper Canyon**	**Muncy**	**Ground hog**	**Blue Copper**	**Other**	**Total**
	$	$	$	$	$	$	$	$	$	$	$
Property maintenance	165	101	-	57	1	-	-	-	235	-	559
Assay & Labs	101	21	53	-	61	-	-	-	1	-	237
Drilling	192	60	1,400	-	304	-	-	-	-	-	1,956
Environmental	5	578	-	-	-	-	-	-	-	-	583
Geological & mapping	-	-	-	-	-	-	-	-	41	24	65
Geophysical surveys	29	20	74	-	-	-	117	-	149	191	580
Technical study	-	1,440	-	-	-	1	-	-	2	-	1,443
Field support	1	1	75	-	-	-	-	72	601	177	9,27
Total expenses incurred	**493**	**2,221**	**1,602**	57	**366**	**1**	**117**	**72**	**1,029**	**392**	**6,350**
Total Expenditures funded by Nuton LLC	**(493)**	**(2,221)**	**(1,602)**	**(57)**	**(366)**	**-**	**-**	**-**	**-**	**-**	**(4,739)**
Total Expenditures funded by Lion CG	**-**	**-**	**-**	**-**	**-**	**1**	**117**	**72**	**1,029**	**392**	**1,611**

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

a) Option Agreement with Nuton LLC

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

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

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

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

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

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

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

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

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

As of December 31, 2024, Nuton LLC had provided a total of $28,000 under the Option Agreement. Should Nuton LLC elect to proceed with Stage 3, which includes a feasibility study based on the results of the Stage 1 and Stage 2 work programs, Nuton LLC will fully fund the feasibility study, with the cost not exceeding $22,000.

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

Funds received	$	4,000
Funds applied to capitalized acquisition costs		(150)
Funds applied to exploration expenditures		(3,086)
Funds applied to general operating expenditures		(151)
Balance December 31, 2022	**$**	**613**

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

Funds received		7,500
Funds applied to reclamation deposit		(9)
Funds applied to capitalized acquisition costs		(231)
Funds applied to exploration expenditures		(4,739)
Funds applied to general operating expenditures		(1,777)
Balance December 31, 2023	**$**	**1,357**
Funds received		16,500
Funds applied to prepaids		(15)
Funds applied to capitalized acquisition costs		(231)
Funds applied to exploration expenditures		(7,797)
Funds applied to general operating expenditures		(3,169)
Balance December 31, 2024	**$**	**6,645**

General operating expenditures associated with exploration activities included salaries of $1,089 (2023 - $877), water rights related legal and other professional fees of $1,066 (2023 - $771), and general administration expenses of $1,014 (2023 - $129).

a) MacArthur and Yerington Properties, Nevada

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

The MacArthur Project consists of unpatented lode claims and placer claims and covers lands administered by the U.S. Department of Interior - Bureau of Land Management ("**BLM**").

The MacArthur Project is subject to a 2% net smelter return royalty ("**NSR**") upon commencing commercial production, which can be reduced to a 1% NSR in consideration of $1,000.

The Yerington Mine Property is centered on the former Anaconda open pit copper mine. This includes fee simple parcels and patented mining claims as well as unpatented lode and placer claims on lands administered by the BLM.

The Yerington Mine Property is subject to a 2% NSR upon commencing commercial production. The total lifetime royalty is capped at $7,500.

c) Bear Deposit, Nevada

The Bear deposit consists of private land located to the northeast of the Yerington Mine Property, plus several hundred acres beneath the Yerington Mine property.

The Company has five option agreements, entered from March 2013 to May 2015, to acquire a 100% interest in private lands covering the Bear deposit. Under the terms of these option agreements, as amended, the Company is required to make $5,988 in cash payments over 15 years ($5,584 paid) to maintain the exclusive right to purchase the land, mineral rights, and certain water rights and to conduct mineral exploration on these properties. Two of the properties are subject to a 2% NSR upon commencing commercial production, which can be reduced to a 1% NSR in consideration of $1,250 total.

The outstanding payments required to keep the option agreements in good standing are as follows: $231 due in 2025, $201 due in 2026, and $101 due in each of 2027 and 2028, for a total of $634.

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

d) Wassuk, Nevada

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

The property is subject to a 3% NSR upon commencing commercial production, which can be reduced to a 2% NSR royalty in consideration of $1,500.

e) Copper Canyon, Nevada

On August 21, 2023, the Company entered into a Purchase and Sale Agreement with Convergent Mining, LLC, whereby the Company purchased the title to the Copper Canyon claims from Convergent Mining, LLC upon closing of agreement. As consideration, the Company paid $10 in necessary claim fees. Further, the Company is required to pay an exploration fee to Convergent Mining, LLC calculated as the 5% of the first $2,000 of qualifying exploration costs, not exceeding $100.

f) Chaco Bear and Ashton Properties, British Columbia

On August 25, 2021, the Company entered into a non-binding letter of intent with Houston Minerals Ltd. ("**Houston**") setting forth the terms of an option whereby the Company may acquire a 100% interest in the Chaco Bear and Ashton properties in British Columbia.

On June 1, 2023, Lion CG and Houston terminated the option agreement surrounding the Chaco Bear and Ashton properties. As at December 31, 2023, Lion CG impaired the full balance of property and recognized $602 in impairment expense during the year ended December 31, 2023.

g) Blue Copper Project, Montana

On May 12, 2023, FCC made a payment of $60 for the Freedom and Cyclone claims in Montana which is capitalized in Blue Copper Project.

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

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

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

h) Cabin Property, Nevada

In 2023, FCC staked approximately 9,000 acres of federal mining claims in White Pine County, Nevada, the area of interest which is termed Cabin. The Cabin Property represents a potential major copper-moly porphyry discovery concealed beneath the Spring Valley pediment within a district-scale BLM land package, located immediately north of the Muncy Property.

i) Muncy Property, Nevada

On November 22, 2023, FCC entered into an Option to Joint Venture Agreement with Kennecott Exploration Company ("Kennecott"), a Rio Tinto subsidiary.

Pursuant to the agreement, Kennecott grants FCC the sole and exclusive right and option to acquire 100% interest in the Muncy Property. To exercise this option, FCC must satisfy the following:

- pay the payment commitment of $95 to Kennecott on or before the effective date of November 22, 2023 (Paid);
- pay an additional payment commitment of $105 by December 1, 2024 (Paid);
- pay an additional payment commitment of $50 by December 1, 2025;
- pay an additional payment commitment of $60 by December 1, 2026;
- incur expenditures of $1,500 with respect to the Muncy Property and $1,000 with respect to the Cabin Property on or before the expenditure commitment date of November 22, 2025;
- ensure that no less than 70% of the expenditure commitment for the Muncy Property consists of drilling expenses for the Muncy Property;
- ensure that no less than 70% of the expenditure commitment for the Cabin Property consists of drilling expenses for the Cabin Property.

If FCC decides to terminate the option at any time, they will grant Kennecott a 2.0% net smelter royalty in the Cabin Property. After this is done, the agreement, except for specified sections, will terminate.

If Kennecott elects not to form a joint venture, Kennecott must transfer all their rights in the Muncy Property to the FCC. In return, FCC will grant the optionor a 2.0% net smelter royalty (NSR) in the Properties. Before FCC decides to develop a commercial mining operation on any portion of the Properties, FCC has the right to reduce the net smelter royalty from 2.0% to 1.0% by paying the optionor $10,000 in cash.

A Plan of Operations for exploration of the Muncy Property is currently under review for approval by the relevant agencies.

k) Recon, Nevada, Arizona, and other prospects

During the year ended December 31, 2024, FCC incurred $91 (2023 – $392) in evaluation expenditures on reconnaissance on targets in Nevada, Arizona and Montana in order to determine whether they warranted further pursuit.

5. INVESTMENT IN ASSOCIATE

On April 5, 2022, the Company received 16,049,444 shares in Falcon Butte, in connection with a property acquisition agreement to assign the Company's options to acquire the Butte Valley property. At the time of acquisition, the 16,049,444 shares represented 25.54% of shares outstanding and the initial balance of the investment was determined to be $1,906 ($2,374 CAD). As at December 31, 2024, the Company's share ownership was 20.47% while as at December 31, 2023, the Company's share ownership was 20.48%. The Company and Falcon Butte have one common director, as such, management has assessed that the Company has significant influence over Falcon Butte and that the investment should be accounted for using the equity method of accounting.

On January 10, 2024 a new entity, Freeport Butte Valley LLC ("**FBV**"), was created by Falcon Butte and Freeport-McMoRan Exploration Corporation ("**FMEC**") pursuant to an Exploration and Earn-In Agreement executed by the parties on May 20, 2022. Upon creation of this joint venture, Falcon Butte's Butte Valley property was transferred to FBV and the joint venture was recorded at a fair value of $4,308. A gain of $1,403 was recognized on this transaction.

Upon incorporation and as at December 31, 2024, Falcon Butte owns 35% of the interest in FBV, while FMEC owns the other 65%. Falcon Butte determined that it held significant influence over the joint venture and accounted for it using the equity method

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

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

Summarized balance sheet:

	December 31, 2024		December 31, 2023	
Assets				
Cash	$	381	$	1,375
Receivables		16		10
Financial asset - Convertible loan receivable		100		-
Prepaids & deposits		9		54
Exploration and evaluation assets		-		2,904
Investment in associate		4,067		-
Total Assets	**$**	**4,573**	**$**	**4,343**
Liabilities				
Accounts payable & accrued liabilities	$	14	$	70
Freeport deposit		-		397
Derivative liabilities		881		490
Total Liabilities	**$**	**895**	**$**	**957**

Summarized statement of loss

	Year ended December 31, 2024		Year ended December 31, 2023	
Operating expenses				
General and administrative expenses	**$**	2,937	**$**	7,623
Total operating expenses		2,937		7,623
Fair value (gain) loss on derivative liability		(412)		(122)
Other income		(244)		(6,366)
Impairment		-		56
Gain on investment in associate		(1,403)		-
Foreign exchange loss (gain)		(371)		220
Net loss		**507**		**1,411**

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

Balance December 31, 2022	**$**	**1,504**
Transfer of shares to the former CEO		(10)
Company's share of net loss		(288)
Balance December 31, 2023	**$**	**1,206**
Company's share of net loss		(104)
Balance December 31, 2024	**$**	**1,102**

6. NON-CONTROLLING INTEREST

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

On December 13, 2022, Quaterra Alaska assigned and transferred all right, title and interest in the Groundhog property, Butte Valley Royalty, 100% of the outstanding membership interest held in Blue Copper LLC, and the interest in the Nieves project to FCC.

As consideration, Quaterra Alaska was issued 57,513,764 common shares of FCC which represented 79.3% of all issued and outstanding shares at December 13, 2022. This transaction was considered a transaction between entities under common control, and thus was recorded at carrying value.

On March 2, 2023, FCC completed a private placement financing of $2,000 by issuing 23,809,524 units at a price of $0.084. Each unit consists of one common share, and one common share purchase warrant exercisable at $0.15 for a period of 1 year.

In addition, the private placement was considered a “triggering event” for SAFE Notes. FCC had previously raised $868 in SAFE Notes and were converted into equity of FCC, resulting in FCC issuing an additional 21,629,382 common shares.

On September 6, 2023, FCC carried out a re-organization of its assets and capital structure (the transaction described herein is referred to as the “Reorganization”). On August 25, 2023, a new entity, BCR LLC was organized in Wyoming. BCR LLC subsequently adopted an Operating Agreement that provided for issuance of LLC Interests to its Members in the same amounts as shares issued to Shareholders of FCC. On September 6, 2023, two of the mining assets, referred to as the Butte Valley Royalty and the Nieves Royalty, that had been held by FCC were assigned to BCR LLC in exchange for 100% of the issued and outstanding LLC Interests of BCR LLC. The Nieves Royalty may only be transferred with the written consent of a third party which was received October 23, 2023, resulting in the Nieves property transferring immediately. The same LLC interests were immediately distributed pro rata to the shareholders of FCC. Furthermore, FCC had previously issued Warrants to purchase 7,936,508 (total of 23,809,524 common share purchase warrants) shares of Common Stock of FCC at a Warrant Price of $0.15 per Share. As part of the Reorganization, these Warrants were exchanged by the Warrant Holders for two new Warrants; one issued by FCC to purchase 7,936,508 Shares of FCC at a Warrant Price of $0.1332 per Share, and the other issued by BCR LLC to purchase 7,936,508 LLC Units of BCR LLC at a Warrant Price of $0.0168 per LLC Unit. The exchange transaction was accounted for under ASC 815 whereby the effect of the exchange was measured as the excess of the fair value of the exchanged warrant over the fair value of the warrant immediately before it is exchanged. Using this method, the effect of the exchange was calculated to be $Nil. As a result of the Reorganization and the issuance and distribution of these LLC Interests, each shareholder of FCC holds the same percentage interest in FCC as the shareholders holds in BCR LLC. Additionally, the Warrant Holders now holds two Warrants, one issued by each of FCC and BCR LLC, with the aggregate value of the two warrants equal to the aggregate value of the Warrant that they held prior to the exchange. The net effect is that the capital structure of BCR LLC matches the capital structure of FCC, including the issuance of new Warrants, and the Butte Valley Royalty and Nieves Royalty are now held by BCR LLC rather than FCC.

On October 17, 2023, FCC issued 2,750,000 common shares at a price of $0.10 per common share for total proceeds of $275.

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

As a result, the Company’s ownership in FCC is reduced to 43.46% as of December 31, 2024, with the changes in NCI listed below:

Balance December 31, 2022	**$**	**388**
Issuance of common shares for conversion of SAFE notes		1,536
Issuance of common shares equity financing		2,000
Issuance of common shares		275
Net loss and comprehensive loss attributable to NCI		(1,082)

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

Balance December 31, 2023	**$**	**3,117**
Issuance of common shares		1,350
Net loss and comprehensive loss attributable to NCI		(807)
Balance December 31, 2024	**$**	**3,660**

7. DERIVATIVE LIABILITIES

During the year ended December 31, 2024, and year ended December 31, 2023, the Company issued certain share purchase warrants and convertible debt that can be exercised and converted in USD or CAD (Note 8). The warrants and the conversion feature were classified as derivative liabilities, carried at fair value and revalued at each reporting date.

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

Balance December 31, 2022		**4**
Issuance of Warrants (Note 8)		280
Issuance of convertible debentures with conversion feature (Note 8)		248
Fair value change on derivative liabilities		(356)
Balance December 31, 2023	**$**	**176**
Issuance of warrants for private placement (Note 10)		346
Issuance of warrants upon conversion of existing debentures (Note 8)		60
Issuance of contingent warrants upon conversion of existing debentures (Note 8)		649
Issuance of warrants and conversion feature for extinguishment of existing debentures (Note 8)		55
Modification of warrants upon restructuring of debentures (Note 8)		109
Modification of conversion feature upon restructuring of debentures (Note 8)		129
Issuance of warrants – equity (Note 8)		(359)
Fair value change on derivative liabilities		(876)
Balance December 31, 2024	**$**	**289**

8. CONVERTIBLE DEBENTURES

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

In conjunction with the three tranches of convertible debt financing, the Company issued 16,044,774, 13,805,964, and 18,461,015 warrants. The warrants are exercisable into one common share of the Company at $0.067 ($0.085 CAD) per share and expire on February 17, 2024, at $0.067 ($0.085 CAD) per share and expire on March 8, 2024, and at $0.070 ($0.095 CAD) per share and expire on November 2, 2024, respectively.

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

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

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

The Company repaid a total of $936 for the convertible debentures in December 2024 and the remaining $5 in February 2025, along with accrued interest.

Based on the terms of the newly issued debentures, the convertible debentures were determined to be a financial instrument comprising a host debt component, and the conversion feature and warrants denominated in Canadian dollars are classified as a derivative liability. In this case, as the conversion option on the instrument is bifurcated both before and after the modification or exchange, the Company used the 10% cash flow test. As a result, the change in cash flows was considered not substantial for the convertible debentures issued on June 17, 2022, and July 8, 2022, and extinguishment accounting was not applied. A new effective interest rate was determined and there was no gain or loss recorded on the consolidated statements of operations and comprehensive loss. However, the convertible debentures issued on March 2, 2023, surpassed the 10% cash flow test and as a result, the debentures were considered extinguished. A new effective interest was determined and there was a loss on extinguishment recorded on the consolidated statements of operations and comprehensive loss.

Under ASC 815, for the convertible debentures that did not meet the 10% cash flow test, the amended conversion feature and the replacement warrants were valued using the Black Scholes model and the difference between the fair value of the original conversion feature and amended conversion feature were reflected on the consolidated statements of operations and comprehensive loss as a gain/loss on the revaluation of the derivative liabilities. The changes in fair value of the warrants associated with the prior debentures was recognized as a gain/loss and the fair value of the replacement warrants were deducted from the face value of the replacement debentures. For the convertible debentures that surpassed the 10% cash flow test, the fair value of the debentures at maturity were present valued using the new effective interest rate of 44.01% and the conversion feature and replacement warrants were valued using the Black Scholes model. The difference between the present value of the new debentures, conversion feature, replacement warrants and the carrying value of the prior debentures, fair value of the original conversion feature and warrants were recorded on the consolidated statements of operations and comprehensive loss as a loss on extinguishment of $55.

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

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

Under ASC 815, the conversion of debt with a bifurcated conversion option is accounted for under the debt extinguishment accounting model. Therefore, both the debt and the conversion option that is accounted for as a derivative was derecognized at their carrying amounts and the consideration transferred were measured at its then-current fair value, with any difference recorded as a gain or loss on the extinguishment of the two separate liabilities. The existing debenture settlement resulted in a loss on conversion of $1,690.

Additionally, on March 8, 2024, the Company repaid convertible debentures of a total of $831 in cash with a loss of $5.

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

On November 14, 2024, Falcon Copper Corp (FCC) entered into a convertible loan agreement for $250. The loan bears interest at 5% per annum and has a 12 months term. The principal and accrued interest is convertible into common shares of FCC at the lower of the price per share in the lowest equity financing undertaken by FCC during the term of the loan or $0.106.

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

The fair value of the warrants and conversion features were determined using the Black-Scholes Option Pricing Model using the assumptions set out as follows:

	Initial recognition in 2023	Fair value at December 31, 2023	Initial recognition in 2024	Fair value at December 31, 2024	Fair value at September 19, 2024
Risk-free interest rate	4.27%	3.91%	4.07 - 4.41%	2.92%	2.72%
Expected volatility	10%	10%	10%	21.76%	16.15%
Dividend yield	0%	0%	0%	0%	0%
Expected life	1.67 years	0.13 – 0.84 years	1 – 5.56 years	0.13 – 4.18 years	5.00 years

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

Balance as at December 31, 2022	**$**	**1,874**
Issued		1,306
Fair value of conversion feature		(280)
Fair value of warrants		(248)
Accretion		460
Interest		432
Balance as at December 31, 2023	**$**	**3,544**
Issued		461
Extinguished debt - fair value of conversion feature		(30)
Extinguished debt - fair value of warrants		(30)
Modified debt - fair value of warrants		(93)
Accretion		220
Interest		228
Extinguished		(150)
Converted		(1,976)
Repayment		(1,922)
Loss on repayment		5
Balance as at December 31, 2024	**$**	**257**

9. SHARE CAPITAL

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

Share transactions for the year ended December 31, 2024

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

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

b) On March 8, 2024, the Company closed a private placement consisting of an aggregate of 23,809,522 units at a price of $0.042 per unit for aggregate gross proceeds to the Company of $1,000. Each unit consists of one common share and one common share purchase warrant of the Company (Note 7, 10).

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

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

Share transactions for the year ended December 31, 2023

e) On August 30, 2023, the Company issued 100,000 common shares in connection with stock options exercised for $4.

10. ADDITIONAL PAID-IN CAPITAL

a) Stock options

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

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

During the year ended December 31, 2024, the Company granted the following stock options:

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

During the year ended December 31, 2023, the Company granted the following stock options:

- 350,000 on March 2, 2023 with an exercise price of $0.095 CAD and expiring on March 2, 2028.
- 23,194,737 on July 21, 2023 with an exercise price of $0.08 CAD and expiring on July 21, 2028.

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

	December 31, 2024		December 31, 2023	
	Number of options	**Weighted average**	**Number of options**	**Weighted average**

		exercise price (CAD)		exercise price (CAD)
Outstanding, beginning of period	**49,239,020**	0.10	29,614,283	0.11
Granted	40,655,000	0.08	23,544,737	0.08
Expired	(13,595,772)	0.09	(1,370,000)	0.06
Cancelled	(9,500,000)	0.11	(2,450,000)	0.10
Exercised	(3,063,000)	0.08	(100,000)	0.06
Outstanding, end of period	**63,735,248**	**0.09**	**49,239,020**	**0.10**

As of December 31, 2024, and 2023, the number of stock options outstanding and exercisable were:

Expiry date	Exercise price (CAD)	Number of options outstanding	Remaining contractual life in years	Number of options exercisable
June 20, 2025	0.08	2,450,000	0.47	2,450,000
August 18, 2025	0.072	1,744,283	0.63	1,744,283
June 18, 2026	0.25	2,550,000	1.46	2,550,000
October 21, 2026	0.09	900,000	1.81	900,000
May 25, 2027	0.085	2,000,000	2.40	2,000,000
March 2, 2028	0.095	350,000	3.17	350,000
July 21, 2028	0.08	16,215,965	3.56	16,215,965
March 1, 2029	0.07	12,865,000	4.17	12,865,000
July 26, 2029	0.08	7,500,000	4.57	1,500,000
December 10, 2029	0.085	17,160,000	4.95	17,160,000
Balance, December 31, 2024		**63,735,248**		**57,735,248**

Expiry date	Exercise price (CAD)	Number of options outstanding	Remaining contractual life in years	Number of options exercisable
June 21, 2024	0.07	1,900,000	0.47	1,900,000
August 8, 2024	0.06	500,000	0.61	500,000
June 20, 2025	0.08	2,450,000	1.47	2,450,000
August 18, 2025	0.072	2,394,283	1.63	2,394,283
June 18, 2026	0.25	3,950,000	2.47	3,950,000
September 17, 2026	0.11	4,500,000	2.72	4,500,000
October 21, 2026	0.09	2,700,000	2.81	2,700,000
May 25, 2027	0.085	8,300,000	3.40	8,300,000
March 2, 2028	0.095	350,000	4.17	350,000
July 21, 2028	0.080	22,194,737	4.56	22,194,737
Outstanding, December 31, 2023		**49,239,020**		**49,239,020**

During the year ended December 31, 2024, an amount of $1,523 (2023 - $1,133) was expensed as share-based payments related to the vesting of options. The portion of share-based payments recorded is based on the vesting schedule of the options. The following weighted average assumptions were applied using the Black-Scholes Option Pricing model used to estimate the fair value of stock options granted during the years ended December 31, 2024 and 2023.

	Year ended December 31, 2024	Year ended December 31, 2023

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

Risk-free interest rate	2.83 – 3.94%	3.66 – 3.81%
Expected life (years)	0.29 – 5.00	5.00
Annualized volatility	90 – 141%	145%
Forfeiture rate	0%	0%
Dividend yield	0%	0%

b) Share purchase warrants

During the year ended December 31, 2024, the Company granted the following share purchase warrants:

- 15,696,882 on February 16, 2024 with an exercise price of $0.06 ($0.08 CAD) and expiring on February 16, 2025.
- 27,917,520 on March 8, 2024 with an exercise price of $0.056 and expiring on March 8, 2029.
- 41,707,215 on September 19, 2024 with an exercise price of $0.056 and expiring on September 19, 2029.
- 25,155,554 on November 8, 2024 with an exercise price of $0.06 and expiring on November 8, 2029.

During the year ended December 31, 2023, the Company granted the following share purchase warrants:

- 18,461,015 on March 2, 2023 with an exercise price of $0.07 ($0.095 CAD) and expiring on November 2, 2024.

The continuity of the number of share purchase warrants outstanding as of December 31, 2024 and 2023 is as follows:

	December 31, 2024		December 31, 2023	
	Number of warrants	**Weighted average exercise price**	**Number of warrants**	**Weighted average exercise price**
Outstanding, beginning of period	**119,626,027**	**$ 0.09**	**101,165,012**	**$ 0.09**
Issued	110,477,171	0.06	18,461,015	0.07
Expired	(87,356,006)	0.10	-	-
Cancelled	(32,270,021)	0.07	-	-
Outstanding, end of year	**110,477,171**	**0.06**	**119,626,027**	**$ 0.09**

The following table summarizes warrants outstanding as of December 31, 2024 and 2023:

Expiry date	**Currency**	**Exercise price**	**December 31, 2024**	**December 31, 2023**
September 13, 2024	USD	0.10	-	26,488,733
September 27, 2024	USD	0.10	-	13,152,909
October 21, 2024	USD	0.10	-	31,672,632
February 17, 2024	USD	0.067	-	16,044,774
March 8, 2024	USD	0.067	-	13,805,964
November 2, 2024	USD	0.070	-	18,461,015
February 16, 2025*	USD	0.06	15,696,882	-
March 8, 2029	USD	0.056	23,809,522	-
March 8, 2029	USD	0.056	4,107,998	-
September 19, 2029	USD	0.056	41,707,215	-
November 8, 2029	USD	0.060	25,155,554	-
Outstanding at the end of the year			**110,477,171**	**119,626,027**

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

*Subsequent to December 31, 2024, 15,696,882 warrants expired unexercised.

11. RELATED PARTY TRANSACTIONS

The Company's related parties include its directors and officers whose remuneration was as follows, subject to change of control provisions for officers:

	Year ended December 31,	
	2024	**2023**
Salaries	$ 553	$ 450
Directors' fees	-	21
Share-based payments	850	796
Interest on convertible debenture	162	237
	$ 1,565	**$ 1,504**

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

Other transactions for the year ended December 31, 2024

a) On February 16, 2024, the former CEO, former CFO and directors of the Company restructured $407 of their existing convertible debentures into the new debentures (Note 8). The debentures bear interest at a rate of 20% per annum and mature on February 16, 2025, and are convertible into shares of the Company at $0.06 (C$0.08) per share. Additionally, certain directors converted $259 of their existing convertible into 3,500,000 common shares at a price of $0.074 (Notes 8, 9).

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

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

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

e) As at December 31, 2024, the Company had $Nil (December 31, 2023 - $290) in interest accrued relating to outstanding convertible debentures with directors and officers of the Company.

f) As at December 31, 2024, there was $Nil (December 31, 2023 - $11) in prepaid expenses to the former CEO of the Company.

Other transactions for the year ended December 31, 2023

g) During the year ended December 31, 2023, certain directors of the Company subscribed for $1,135 of unsecured convertible debt in the third tranche (Note 9). The debentures bear interest at a rate of 14% per annum and mature on November 2, 2024, and are convertible into shares of the Company at $0.070 ($0.095 CAD) per share until January 2, 2024, and thereafter at $0.074 ($0.10 CAD) per share.

12. SEGMENTED INFORMATION

The Company's operations constitute a single operating segment and therefore a single reportable segment, because the chief operating decision maker ("CODM"), the Company's board of directors, manages the business activities using information of the Company as a whole. The Company has determined that it operates as a single reportable segment, focused on the exploration of its mineral interest in the United States. The accounting policies used to measure the profit and loss of the segment are the same as those described in the summary of significant accounting policies. The measure of segment assets is reported on the consolidated balance sheet as total assets.

13. COMMITMENTS

To acquire certain mineral property interests as per Note 4, the Company must make optional acquisition expenditures to satisfy the terms of existing option agreements, failing which the rights to such mineral properties will revert to the property vendors.

14. FINANCIAL INSTRUMENT RISKS

The board of directors has overall responsibility for establishing and oversight of the Company's risk management framework. The Company examines the various financial instrument risks to which it is exposed and assesses the impact and likelihood of those risks. Financial instruments consist of cash and cash equivalents, accounts payable, accrued liabilities, lease liabilities, Nuton LLC deposit, SAFE notes, convertible debentures, derivative liabilities.

Financial instruments recorded at fair value on the consolidated statements of financial position are classified using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The three levels of the fair value hierarchy are:

- Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities.
- Level 2 – Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and
- Level 3 – Inputs that are not based on observable market data.

The Company's activities expose it to financial risks of varying degrees of significance, which could affect its ability to achieve its strategic objectives for growth and stockholder returns. The principal financial risks to which the Company is exposed are liquidity risk, currency risk, interest rate risk, credit risk and commodity price risk. The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework and reviews the Company's policies on an ongoing basis.

The carrying values of cash, accounts payable, accrued liabilities and Nuton LLC deposit approximate their fair values because of their immediate or short term to maturity and the Company's convertible debentures and lease liabilities are recorded at amortized cost.

The Company's derivative liabilities are measured at its fair value at the end of each reporting period and is categorized as Level 2 in the fair value hierarchy.

a) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company manages liquidity risk through the management of its capital structure. To mitigate this risk, the Company has a planning and budgeting process in place to determine the funds required to support its ongoing operations and capital expenditures. The Company ensures that sufficient funds are raised from equity offerings or debt financing to meet its operating requirements, after considering existing cash and expected exercise of stock options and share purchase warrants. See Note 1 for further discussion.

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

b) Currency risk

Foreign exchange risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company operates in the United States and Canada; and is exposed to currency risk from transactions denominated in CAD. Currently, the Company does not have any foreign exchange hedge programs and manages its operational CAD requirements through spot purchases in the foreign exchange markets. Based on CAD financial assets and liabilities' magnitude, the Company does not have material sensitivity to CAD to USD exchange rates.

c) Interest rate risk

Interest rate risk is the risk that the fair value or future cash 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:

		2024		2023
Tax loss for the year		(4,741)		(5,911)
Canadian statutory rate		27%		27%
Income tax benefit computed at statutory rates	$	(1,280)	$	(1,596)
Adjustment for foreign tax rates		(124)		152
Provision to return adjustments and other		802		(1,134)
Share issuance costs		-		-
Foreign exchange gains and losses		819		(202)
Permanent difference		690		503
Change in valuation allowance		(907)		2,277
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, 2024 and 2023 respectively are presented below.:

		2024		2023
Deferred tax assets:				
Non-capital loss and net operating loss carryforward	$	7,434	$	9,652

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

Mineral properties	10,442	9,043
Capital losses	2,052	2,232
Financing and other	104	87
Lease liabilities	8	-
Total gross deferred tax assets	20,040	21,014
Less: valuation allowance	(20,016)	(20,923)
Net deferred tax assets	24	91
Deferred tax liabilities:		
Convertible debentures	(16)	(91)
ROU asset	(8)	-
Total deferred tax liabilities	(24)	(91)
Deferred tax assets and liabilities	-	-

The Company's unused tax losses expire as follows:

	Canada	US
2026	$ 486	$ -
2027 - 2044	21,921	-
2034 - 2037	-	1,726
Indefinite	-	4,634
	$ 22,407	$ 6,360

The Company's unused capital losses of $15,198 are available to carry forward indefinitely.

16. SUBSEQUENT EVENTS

a) The Company has been actively defending against the forfeiture of its water rights in Nevea since August 2021.

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.

b) Subsequent to year end, FCC issued 4,150,000 common shares at $0.116 for gross proceeds of $481. In addition, FCC granted 10,900,000 stock options exercisable at $0.10 until January 6, 2030.

c) Subsequent to year end, FCC entered into a convertible loan agreements for $220 bearing interest at 5% per annum and have 12 months terms. The principal and accrued interest are convertible into common shares of FCC at the lower of the price per share in the lowest equity financing undertaken by FCC during the term of the loans or $0.106.