



Lion Copper and Gold Corp.

Management's Discussion and Analysis For the year ended December 31, 2023

Dated: March 22, 2024

(In U.S. dollars)

General

This Management's Discussion and Analysis ("MD&A") of Lion Copper and Gold Corp. and its wholly owned subsidiaries (collectively, "Lion CG" or the "Company"), dated March 22, 2024, should be read in conjunction with the audited consolidated financial statements for the years ended December 31, 2023 and 2022, and related notes thereto which have been prepared in accordance with accounting principles generally accepted in the United States ("U.S. GAAP"). All dollar amounts in this MD&A are United States dollars unless otherwise noted.

Additional information about the Company, including the Company's press releases, quarterly and annual reports, and Form 10-K, is available through the Company's filings with the securities regulatory authorities in Canada at www.sedarplus.com or the United States Securities Exchange Commission at www.sec.gov/edgar. Information about mineral resources, as well as risks associated with investing in the Company's securities is contained in the Company's most recently filed 10-K.

Under U.S. federal securities laws, issuers must assess their foreign private issuer status as of the last business day of their second fiscal quarter. It was announced that more than 50% of the Company's common shares are held by U.S. shareholders, and the Company no longer meets the definition of a foreign private issuer under the United States securities laws. As a result, commencing in 2023, the Company is required to use forms and rules prescribed for U.S. domestic companies, including the requirement that financial statements be presented in accordance with U.S. GAAP instead of International Financial Reporting Standards ("IFRS"). The Company's common shares will continue to be listed on the TSX Venture Exchange and quoted on the OTCQB.

Charles Travis Naugle, CEO of the Company, is a Qualified Person under National Instrument 43-101 - Standards of Disclosure for Mineral Projects ("NI 43-101"), and has approved the scientific and technical information in this MD&A.

Company Profile

Lion Copper and Gold Corp. is a Canadian-based Company advancing its 100% owned flagship copper projects at Yerington, Nevada subject to an Option to Earn-in Agreement with Rio Tinto.

The Company also looks for opportunities to acquire projects on reasonable terms that have the potential to host large mineral deposits attractive to major mining companies. The Company is incorporated in British Columbia, Canada. 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. to Lion Copper and Gold Corp. The shares of the Company commenced trading under the new name at the open of trading on November 23, 2021. The Company's common shares are listed on the TSX Venture Exchange ("TSXV") under the symbol "LEO" and traded on the OTCQB Market under the symbol "LCGMF".

The Company prepares its consolidated financial statements 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 this report. The Company has incurred ongoing losses and expects to incur further losses in the advancement of its business activities. For the year ended December 31, 2023 and 2022, the Company incurred a net loss of \$5,911,000 (2022 – \$1,928,000). As at December 31, 2023, the Company had cash of \$2,310,000 (2022 - \$1,365,000), working capital deficit of \$2,854,000 (2022 – \$556,000) and an accumulated deficit of \$126,663,000 (2022 - \$121,834,000).

The Company continues to incur losses, has limited financial resources, and has no current source of revenue or cash flow generated from operating activities. To address its financing requirements, the Company plans to seek financing through, but not limited to, debt financing, equity financing and strategic alliances. However, 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 some or all of its rights under the existing option and acquisition agreements. The above factors give rise to 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 consolidated financial statements, then 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.

Mineral Properties

The following table summarizes the balance of exploration and evaluation assets as at December 31, 2023 and December 31, 2022 and the changes in exploration and evaluation assets for the years then ended.

(In thousands of U.S. dollars)	Singatse Peak Services ("SPS")				Lion CG ("LCG")	Quaterra Alaska ("QTA")		Falcon Copper Corp (formerly Blue Copper Resources Corp) ("FCC")			Total	
	MacArthur	Yerington	Bear	Wassuk	Copper Canyon	Chaco Bear & Ashton	Butte Valley	Blue Copper	Blue Copper	Muncy		Ground hog
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Balance December 31, 2021	2,489	1,195	1,532	1,405	-	-	200	-	-	-	-	6,821
Acquisition costs	-	-	193	-	-	602	-	118	500	-	-	1,413
Assignment of Butte Valley	-	-	-	-	-	-	(200)	-	-	-	-	(200)
Transfer to FCC	-	-	-	-	-	-	-	(118)	118	-	-	-
Paid by Rio Tinto	-	-	(150)	-	-	-	-	-	-	-	-	(150)
Total additions (disposals) for the year	-	-	43	-	-	602	(200)	-	618	-	-	1,063
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 Rio Tinto	-	-	(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

On June 1, 2023, Lion CG and Houston Minerals Ltd. 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 \$602,000 in impairment expense.

Total exploration expenditures recorded on the consolidated statement of operations are listed in the tables below:

Exploration expenditures incurred for the year ended December 31, 2023

	Singatse Peak Services					Falcon Copper Corp							
(In thousands of U.S. dollars)	MacArthur	Yerington	Bear	Wassuk	Prospects	Copper Canyon	Muncy	Groundhog	Blue Copper	Recon	Nevada	Arizona	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	10	64	117	580
Technical study	-	1,440	-	-	-	1	-	-	2	-	-	-	1,443
Field support	1	1	75	-	-	-	-	72	601	11	151	15	927
Total expenses incurred	493	2,221	1,602	57	366	1	117	72	1,029	45	215	132	6,350
Total Expenditures funded by Rio Tinto	(493)	(2,221)	(1,602)	(57)	(366)	-	-	-	-	-	-	-	(4,739)
Total Expenditures funded by Lion CG	-	-	-	-	-	1	117	72	1,029	45	215	132	1,611

Exploration expenditures incurred for the year ended December 31, 2022

	Singatse Peak Services				Lion CG		Quaterra Alaska	Falcon Copper Corp			
(In thousands of U.S. dollars)	MacArthur	Yerington	Bear	Wassuk	Chaco Bear & Ashton	Groundhog	Butte Valley	Blue Copper	Groundhog	Blue Copper	Total
Property maintenance	\$ 167	\$ 64	\$ -	\$ 55	\$ -	\$ -	\$ 2	\$ 161	\$ 107	\$ 41	\$ 597
Assay & Labs	86	33	-	-	-	-	-	-	-	-	119
Drilling	478	437	-	-	-	-	-	-	-	-	915
Environmental	292	489	-	-	-	-	-	11	-	-	792
Geological & mapping	1	-	-	-	18	-	-	25	-	-	44
Geophysical surveys	61	1	5	-	-	-	11	59	-	35	172
Technical study	341	411	-	-	-	-	-	-	-	-	752
Field support	635	16	-	-	-	44	10	56	-	150	911
Total expenses incurred	2,061	1,451	5	55	18	44	23	312	107	226	4,302
Total Expenditures funded by Rio Tinto	(1,637)	(1,394)	-	(55)	-	-	-	-	-	-	(3,086)
Total Expenditures funded by Lion CG	424	57	5	-	18	44	23	312	107	226	1,216

Option to Earn-in Agreement with Rio Tinto

On March 18, 2022, the Company entered into an Option to Earn-in Agreement with Rio Tinto to advance studies and exploration at Lion CG's copper assets in Mason Valley, Nevada (the "Rio Tinto Agreement"). Under the agreement, Rio Tinto has the exclusive option to earn a 65% interest in the assets comprising Yerington, MacArthur, Wassuk, Bear and associated water rights (the "Mining Assets").

In addition, Rio Tinto will evaluate the potential commercial deployment of its Nuton technologies for the Yerington Copper Project. The Nuton technologies are proprietary Rio Tinto-developed copper heap leach related processing and modelling technologies, capability and intellectual property.

On April 27, 2022, the Company TSX Venture Exchange approved the Rio Tinto Agreement.

The status of the Rio Tinto Agreement is set out below.

Stage 1

Rio Tinto paid four million U.S. dollars (\$4,000,000) for the agreed-upon Program of Work on the Mining Assets. Stage 1 was deemed completed on December 22, 2022.

Stage 2

Within forty-five (45) days of the completion of Stage 1, Rio Tinto was to provide notice to the Company whether Rio Tinto elected to proceed with Stage 2 (notice was provided), upon which Rio Tinto was to pay up to \$5,000,000 for agreed-upon Mason Valley study and evaluation works to be completed by the Company within 12 months from the date that the parties agree upon the scope of Stage 2 work (\$7,500 paid January 13, 2023, representing \$5,000 for Stage 2 and \$2,500 for Stage 3 in which some of the work has started for Stage 3 and a portion of the deposit has been used).

Stage 3 - Feasibility Study

Within sixty (60) days of the completion of Stage 2, Rio Tinto shall provide notice to the Company whether Rio Tinto will exercise its Option and fund a Feasibility Study based on the results of the Stage 1 and Stage 2 work programs. Rio Tinto will fully-fund the Feasibility Study and ancillary work completed by the Company in an amount composed of the aggregate of Stage 1 through 3 not to exceed \$50,000,000.

Investment Decision

Upon completion of the Feasibility Study, Rio Tinto and the Company will decide whether to create an investment vehicle into which the Mining Assets will be transferred, with Rio Tinto holding not less than a 65% interest in the investment vehicle.

- If Rio Tinto elects to not to create the investment vehicle, then the Company shall grant to Rio Tinto a 1.5% NSR on the Mining Assets.
- If Rio Tinto elects to create the investment vehicle but the Company elects not to create the investment vehicle, then, at Rio Tinto's option, Lion CG shall create the investment vehicle and Rio Tinto will purchase the Company's interest in the investment vehicle for fair market value.

Project Financing

- Following the formation of the investment vehicle, any project financing costs incurred will be funded by Rio Tinto and the Company in proportion to their respective ownership interest in the investment vehicle.
- Rio Tinto may elect to fund up to \$60,000,000 of the Company's project financing costs in exchange for a 10% increase in Rio Tinto's ownership percentage. In addition, upon mutual agreement of Rio Tinto and the Company, Rio Tinto may fund an additional \$40,000,000 of the Company's project financing costs in exchange for an additional 5% increase in Rio Tinto's ownership percentage.
- If the Company's ownership percentage in the investment vehicle is diluted to 10% or less, then the Company's ownership interest will be converted into a 1% uncapped NSR.

On May 15, 2022, Rio Tinto approved the Stage 1 Work Program and provided \$4,000,000 to the Company for the development of the Mason Valley projects, which has been completed as of December 31, 2022. The remaining funds of the \$4,000,000 will be spent per agreement with Rio Tinto in 2023 for Stage 2.

On March 20, 2023, the Company and Rio Tinto formally agreed to proceed with the Stage 2 Program of Work and an advance on the Stage 3 Program of Work.

As at December 31, 2023, the Company was almost complete the stage 2a program of work (completed January 12, 2024). On January 4, 2024, \$11,500,000 was received from Rio Tinto relating to Stage2b and Stage 3 programs of work.

The funds incurred in connection with this work program were offset against additions to mineral properties and general expenditures as follows:

(In thousands of U.S. dollars)	
Balance December 31, 2021	-
Proceeds received	4,000
Funds applied to capitalized mineral property expenditures	(150)
Funds applied to exploration expenditures:	
Property maintenance	(287)
Assay & labs	(66)
Drilling	(915)
Environmental	(692)
Geological & mapping	(1)
Technical study	(495)
Field support & other	(630)
Funds applied to general operating expenditures	(151)
Balance December 31, 2022	613
Proceeds received	7,500
Funds applied to capitalized mineral property expenditures	(231)
Funds applied to reclamation deposits	(9)
Funds applied to exploration expenditures:	
Property maintenance	(323)
Assay & labs	(236)
Drilling	(1,957)
Environmental	(583)
Geophysical surveys	(123)
Technical study	(1,440)
Field support & other	(77)
Funds applied to general operating expenditures	(1,777)
Balance December 31, 2023	1,357

Yerington Copper Project, Nevada

The Yerington Copper Project ("Project") is located near the geographic center of Lyon County, Nevada, U.S.A., along the eastern flank of the Singatse Range. The Project is approximately 70 miles by road from Reno Nevada, 50 miles south of Tahoe-Reno Industrial Center, and 10 miles from the nearest rail spur of Wabuska.

The Project includes both the historical Yerington Property and the historic MacArthur Deposit located approximately 4.5 miles to the northwest. The Project is bordered on the east by the town of Yerington, Nevada which provides access via a network of paved and gravel roads that were used during previous mining operations. The Project consists of 5 fee simple parcels and 82 patented mining claims totaling 2,768 acres, and 1,113 unpatented lode and placer claims totaling 22,996 acres. The unpatented claims are located on lands administered by the U.S. Department of Interior, Bureau of Land Management (BLM).

Please refer to the Company's Preliminary Economic Assessment technical report, details of which were released on January 30, 2024, and further described under Subsequent Events.

Yerington Property, Nevada

The Yerington pit area has a rich history of exploration, with extensive drilling conducted by Anaconda, ultimately leading to the extraction of over 1.7 billion pounds of copper.

The Company has primarily focused its exploration efforts at the Yerington Property on drilling activities conducted along the accessible pit ramps and access roads surrounding the Yerington pit.

The Yerington Property produced approximately 162 million tons of ore grading 0.54% Cu, of which oxide copper ores amenable to leaching accounted for approximately 104 million tons. A 1971 snapshot of head grades shows oxide mill head grade averaging 0.53% Cu and sulfide grades ranging from 0.45% to 0.75% Cu.

The general geometry of copper mineralization below the Yerington pit is an elongate body extending 6,600 feet along a strike of S62°E. The modeled mineralization has an average width of 2,000 feet and has been defined by drilling to an average depth of 400-500 feet below the pit bottom at the 3,500-foot elevation.

Oxide copper occurred throughout the extent of the Yerington pit, attracting the early prospectors who sank the Nevada-Empire shaft on copper showings located over the present-day south-central portion of the pit. To extract the copper oxides, Anaconda produced sulfuric acid on site, utilizing native sulfur mined and trucked from Anaconda's Leviathan Mine located approximately 70 miles west of Yerington.

MacArthur Deposit, Nevada

The MacArthur Deposit is a large copper mineralized system containing near-surface acid soluble copper and the potential for a significant primary sulfide resource that remains underexplored (IMC, 2022). The MacArthur Deposit is one of several copper deposits and prospects located near the town of Yerington that collectively comprise the Yerington Mining District. The MacArthur Deposit is underlain by Middle Jurassic granodiorite and quartz monzonite intruded by west-northwesterly-trending, moderate to steeply north-dipping quartz porphyry dike swarms.

The MacArthur Deposit consists of a 50 to 150-ft thick, tabular zone of secondary copper (in the form of oxides and/or chalcocite) covering an area of approximately two square miles. This mineralized zone has yet-to-be fully delineated. Limited drilling has also intersected underlying primary copper mineralization open to the north, but only partially tested to the west and east.

Oxide copper mineralization is most abundant and particularly well exposed in the walls of the legacy MacArthur pit. The most common copper mineral is chrysocolla; also present is black copper wad (neotocite) and trace cuprite and tenorite. The flat-lying zones of oxide copper mirror topography, exhibit strong fracture control and range in thickness from 50 to 100 feet. Secondary chalcocite mineralization forms a blanket up to 50 feet or more in thickness that is mixed with and underlies the oxide copper. Primary chalcopyrite mineralization has been intersected in several locations mixed with and below the chalcocite. The extent of the primary copper is unknown as many of the holes bottomed at 400 feet or less.

Bear Deposit, Nevada

The Bear Deposit consists of approximately 2,300 acres of private land located to the northeast of the Yerington Property, plus several hundred acres beneath the Yerington 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 \$5,988,290 in cash payments over 15 years (\$5,453,290 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 \$1,250,000 total.

Outstanding payments to keep the option agreements current are as follows, by year:

- \$131,000 due in 2024
- \$404,000 due in years 2025 to 2028

Outstanding consideration payments under the five option agreements are as follows:

- \$1,250,000 for Taylor, purchase option expiring April 4, 2025
- \$250,000 for Chisum, purchase option has no expiration date, \$50,000 per year payment required for continuation
- \$5,000,000 for Yerington Mining, purchase option expiring in Q4 2024
- Circle Bar N purchase option:
 - On or before June 15, 2025: \$12,000,000
 - June 16, 2025 – June 15, 2026: \$13,000,000
 - June 16, 2026 – June 15, 2027: \$14,000,000
 - June 16, 2027 – June 15, 2028: \$15,000,000
 - June 16, 2028 – June 15, 2029: \$16,000,000
- \$22,770,000 for Desert Pearl Farms, purchase option expiring in 2029

Wassuk, Nevada

The Wassuk Property consists of 310 unpatented lode claims totaling approximately 6,400 acres on lands administered by the BLM.

The Company fulfilled the Wassuk purchase option on January 14, 2023.

The property is subject to a 3% NSR royalty upon commencing commercial production, which can be reduced to a 2% NSR in consideration of \$1,500,000.

Copper Canyon Property, 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 \$10,000 in necessary claim fees. Further, the Company will be required to pay an Exploration fee to Convergent Mining, LLC calculated as:

- 5% of the first \$2,000,000 of qualifying exploration costs, not exceeding \$100,000

The Copper Canyon Property does not constitute a Mining Asset applicable to the Company's Rio Tinto Agreement.

Reconnaissance

During the year ended December 31, 2023, the Company, through Singatse Peak Services, incurred \$366,000 in evaluation expenditures, which was covered by Rio Tinto, on other prospects located within the Mining Assets, subject to the Rio Tinto Agreement, in order to determine whether they warranted further pursuit.

Chaco Bear and Ashton Properties, British Columbia

On June 1, 2023, Lion CG and Houston terminated the option agreement which resulted in Lion CG defaulting on the Chaco Bear and Ashton properties. As at December 31, 2023, Lion CG impaired the full balance of properties and recognized \$602,000 in impairment expense.

FALCON COPPER CORP.

Blue Copper Project, Montana

A Butte-style copper-gold system in Powell County and Lewis & Clark County in Montana, located 45 miles north of the world famous Butte, Montana copper mines. District-scale consolidation sitting on top of a prolific placer gold system with extensive copper showings.

Schell Creek Project, Nevada

The Schell Creek Project is composed of the Cabin and Muncy Properties in White Pine County, Nevada, which represent two copper immediately adjacent targets composed of approximately 15,000 acres of mineral claims.

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.

Muncy Option to Joint Venture Agreement

On November 22, 2023, Falcon Copper Corp. 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 \$95,059 to Kennecott on or before the Effective Date of November 22, 2023 (Paid);
- incur exploration expenditures of \$1,500,000 with respect to the Muncy Property and \$1,000,000 with respect to the Cabin Property on or before November 22, 2025.

Upon FCC satisfying the exploration expenditures, Kennecott has the option to opt in for 40% of an asset-level joint venture for the Schell Creek Project; if Kennecott chooses to not opt in, FCC takes 100% ownership of the Muncy Property, along with the Cabin Property, with a Muncy Property royalty granted to Rio Tinto.

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 (NSR) from 2.0% to 1.0% by paying the optionor \$10,000,000 in cash

Pioneer, Arizona

An approximate 1,300 acre covered target area prospective for high grade primary or enriched porphyry copper mineralization located within Arizona's prolific Copper Triangle - within 10 miles of the Resolution & Ray mines.

Groundhog, Alaska

On April 20, 2017, the Company signed an agreement with Chuchuna Minerals Company, an Alaska corporation, giving it an option to purchase a 90% interest in the Groundhog copper prospect, a property located on an established copper porphyry belt, two hundred miles southwest of Anchorage, Alaska. The Groundhog claims cover the northern extension of a structural zone that hosts a number of porphyry copper-gold prospects.

On December 13, 2022, the Groundhog property was transferred from Quaterra Alaska to Falcon Copper Corp.

To earn the 90% interest, FCC must fund a total of \$5,000,000 (approximately \$3,000,000 funded) of exploration expenditures and make a lump sum payment to Chuchuna of \$3,000,000 by the end of April 20, 2024. FCC can terminate the agreement at its discretion.

The property is subject to a 1.75% NSR upon commencing commercial production, which can be reduced to a 0.875% NSR royalty in consideration of \$25,000,000.

Reconnaissance

FCC incurred evaluation expenditures on reconnaissance in Nevada, Montana and Arizona properties in order to determine whether they warranted further pursuit.

BLUE COPPER ROYALTIES, LLC

Blue Copper Royalties, LLC holds the Butte Valley Royalty and the Nieves interest.

The Butte Valley Royalty is represented by a 1.0% NSR, subject to a buy-down to a 0.5% NSR in exchange for an aggregate payment of \$15,000,000.

The Nieves Interest is represented by a 5% net profits interest associated with the Nieves Silver property in Mexico.

Performance Highlights

On January 13, 2023, the Company reached an agreement with Rio Tinto on the scope of the Stage 2 Program of Work. As a result, the Company received \$7,500,000, comprising of \$5,000,000 for Stage 2 work and \$2,500,000 as an immediate advance on part of the Stage 3 financing.

On March 20, 2023, the Company and Rio Tinto agreed on the detailed scope for the Stage 2 and Stage 3 Programs of Work as described as follows.

Yerington Copper Project

No loss-time accidents were incurred by the Company or its contractors during the year ending December 31, 2023.

The following Stage 2a and Stage 3 Programs of Work were performed by the Company.

Permitting and Stakeholder Engagement

The strategy for permitting and stakeholder engagement was developed. Initial baseline studies to support engineering, while minimizing impacts to resources and one-one-one outreach was completed with a diverse range of stakeholders. The following activities have been completed and/or are underway.

- MacArthur Exploration Plan of Operations Update
- Water Resources studies (surface and groundwater)
- Wildlife Baseline
- Stakeholder Engagement Plan / strategy development
- Permitting Plan / strategy development

Engineering Studies

The following were completed and provide the project with the basis for the Stage 2b Pre-Feasibility Study.

- Yerington Copper Project Preliminary Economic Assessment (see Subsequent Events)
- Yerington Pit Dewatering Studies
- Pyrite Studies
- Mining Studies
- Sulfuric Acid Studies
- Front End Engineering Design

Exploration

The exploration program met and exceeded the original objectives set out in the Stage 3 Advance for exploration. Notable outcomes include the following.

- Identification of an ~1,800 ft northwest extension of known mineralization of the Bear Deposit
- Identification of 10 to 20 ft zones of chalcocite enrichment at MacArthur
- Drill testing of the Reno Prospect, where two drill holes remain cased for future core drilling to test for deeper geophysical induced polarization ("IP) highs
- Drill testing of the Singatse Target, which identified strong sodic-calcic alteration
- Completion of a surface geochemical grid over the Reno Prospect area
- Completion of a surface geochemical grid over the MacArthur-Mason Pass area
- Identification of an IP target over the Thanksgiving mine area that correlates with a previously identified magnetic high
- Identification of an IP target on the southwest portion of the Bear Deposit

Water Rights

On July 23, 2021, the Company received a notice from the State of Nevada that three water rights permits had been forfeited. Further, the application for an extension of time to prevent forfeiture of a fourth certificate was denied. On August 20, 2021, the Company filed a Petition for Judicial Review of the Forfeiture Notice and has retained legal counsel to undertake the appeal process. SPS subsequently filed and was granted a Stay of the Forfeiture Notice on September 15, 2021. SPS filed its Opening Brief on March 28, 2022. The State Engineer filed its Answering Brief on July 8, 2022. SPS filed its Reply Brief on August 25, 2022. A hearing regarding the status of the forfeiture appeal was held in the Third Judicial Court District in Lyon County on November 4, 2022. On December 6, 2022, the Judge remanded the case back to the State for further written findings based on issues raised at the hearing.

On August 30, 2023, SPS received written notice from the Nevada State Engineer in response to the Remand Order that the three water rights applications for Extensions of Time were denied and declared forfeited. The fourth certificate was not forfeited although the Extension of Time has not yet been approved. On September 28, 2023 SPS simultaneously timely filed an Amended Petition for Review and a Complaint for Equitable Relief with the Third Judicial District Court in

Lyon County, Nevada seeking judicial relief from the August 30 Forfeiture Notice. On October 10, 2023, the Judge signed an order granting a Stipulated Stay of the August 30, 2023 Forfeiture Notice while the appeal process is ongoing. Just as SPS did with the initial forfeiture decision that was remanded by the Court, SPS will diligently defend against the wrongful forfeiture of its water rights with clear evidence of the need for those water rights in mine remediation, production and reclamation.

On January 16, 2024, the Company filed its Opening Brief with the Lyon County Circuit Court requesting the Court reverse the State Engineer's 2021 and 2023 forfeiture decisions. The Company is awaiting a response from the Court. The Opening Brief was filed with the court as a continuation of its efforts to appeal the State's wrongful decision to forfeit three primary ground water rights permits. The legal approach is currently following two paths: First, the Company appealed the State Engineer's forfeiture decision asking the court to overturn the decision as unlawful. Second, the Company also filed a complaint requesting equitable relief from the court requesting the judge reinstate the water rights. At the Company's request, the Court stayed the decisions of the State Engineer related to the Company's water rights. In parallel with the legal appeal process, the Company also continues to evaluate opportunities for non-judicial settlement discussions with the State.

The Company will continue to diligently defend against the wrongful forfeiture of its water rights with clear evidence of the need for those water rights in mine remediation, production and reclamation.

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 as at December 31, 2023, the Company's share ownership was reduced to 20.48%. The Company and Falcon Butte have one common director and managerial personnel, 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.

The initial balance of the investment was determined to be \$1,906,000 (\$2,374,000 CAD) which represents the fair value of the shares received. The value of the shares was determined based on Falcon Butte's financing that closed concurrently with the property acquisition. The Company's share of net loss for the period from acquisition on April 5, 2022 to December 31, 2022 and for the year ended December 31, 2023, was \$389,000 and \$288,000, respectively. The portion of net loss attributable to the Company was determined using the weighted average percentage of voting rights held by the Company throughout the period.

On December 8, 2022, the Company transferred 116,071 shares of Falcon Butte to the CEO of the Company, pursuant to amended terms of the CEO's employment agreement. The cost value of the shares associated with the transfer was determined to be \$13,000 and a gain of \$19,000 was recorded on the transaction.

On February 24, 2023, the Company transferred 116,071 shares of Falcon Butte to the CEO of the Company, pursuant to amended terms of the CEO's employment agreement. The cost value of the shares associated with the transfer was determined to be \$11,000 and a gain of \$22,000 was recorded on the transaction.

Non-Controlling Interest

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

As consideration, on the date of transfer of assets to Falcon Copper Corp, Quaterra Alaska was issued 57,513,764 common shares of Falcon Copper Corp which represented 79.3% of all issued and outstanding shares at December 13, 2022 and December 31, 2022.

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

In addition, the private placement was considered a “triggering event” for Simple Agreements for Future Equity (“SAFE Notes”). FCC had previously raised \$867,500 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, Falcon Copper Corp., a Wyoming corporation, 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, Blue Copper Royalties, LLC (“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, commonly 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 \$0.1500 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.

After the events described above, the Company held 57,513,764 common shares out of 117,952,674 shares issued and outstanding, representing 47.7% ownership on a Non-Diluted Basis. Management has determined that control over FCC and BCR LLC exists as at December 31, 2023.

Simple Agreement for Future Equity

During the year ended December 31, 2022, Falcon Copper Corp. raised \$197,500 with a valuation cap of \$1,450,000 and \$569,000 with a valuation cap of \$4,120,000, respectively, by entering into Simple Agreement for Future Equity Notes with several parties.

During the year ended December 31, 2023, FCC raised an additional \$100,000 with a valuation cap of \$4,120,000 by entering into SAFE notes with several parties. The private placement was considered a triggering event, and the face value of SAFE Notes of \$868,000 were converted into common shares of FCC resulting in 21,629,382 common shares being issued.

The valuation cap provides the basis for the price at which the SAFE notes are converted into common stock of FCC. The SAFE Notes resulted in cash proceeds to the Company in exchange for the right to stock of the Company, or cash at a future date in the occurrence of certain events, as follows:

If there is an equity financing before the expiration or termination of the instrument, the Company will automatically issue to the investor, a number of shares of common stock equal to the purchase amount divided by the conversion price. The conversion price is equal to the price per share equal to the Valuation Cap divided by the Company capitalization immediately prior to the transaction.

If there is a liquidity event before the expiration or termination of the instrument, the investor will, at its option, either (i) receive a cash payment equal to the purchase amount, or (ii) automatically receive from the Company a number of shares of common stock equal to the purchase amount divided by the liquidity price, if the investor fails to select the cash option.

If there is a dissolution event before the instrument expires or terminates, the Company will pay an amount equal to the purchase amount, due and payable to the investor immediately prior to, or concurrent with, the consummation of the dissolution event.

The SAFE notes were classified as liabilities pursuant to ASC 480 as certain redemptions are based upon the occurrence of certain events that are outside of the control of the Company and were measured at fair value at each reporting period, with changes in fair value recorded within the Consolidated Statements of Operations.

On March 2, 2023, as a result of the closing of an equity financing, the SAFE notes were converted into 21,629,382 common shares valued at \$1,536,000.

Proposed Transactions

The Company has no proposed transactions other than as disclosed in this MD&A.

Results of Operations

The following table summarizes the Company's financial results for the years ended December 31, 2023, and 2022.

Years ended December 31, (In thousands of U.S. dollars)	2023 \$	2022 \$	Change \$	Change %
Operating expenses				
Exploration expenditures	6,350	4,302	2,048	32%
Rio Tinto Deposit	(6,516)	(3,237)	(3,279)	50%
General Office	194	140	54	28%
Interest	432	144	288	67%
Insurance	74	61	13	18%
Investor Relations	21	52	(31)	(148%)
Professional fees	1,525	715	810	53%
Rent	15	14	1	7%
Salaries and benefits	1,368	733	635	46%
Share-based payments	1,133	1,173	(40)	(4%)
Transfer agent and regulatory	85	104	(19)	(22%)
Travel	62	54	8	13%
Operating loss	(4,743)	(4,255)	(488)	10%
Fair value gain on derivative liabilities	356	429	(73)	(21%)
Foreign exchange gain (loss)	(2)	13	(15)	750%
Gain on settlement of debt	-	20	(20)	(100%)
Gain on sale of Butte Valley	-	2,207	(2,207)	(100%)
Gain on transfer of share	22	19	3	14%
Accretion expense	(460)	(108)	(352)	77%
NSR buy-down	-	500	(500)	(100%)
Share of loss in associate	(288)	(389)	101	(35%)
Interest and other income	111	-	111	100%
Impairment of mineral properties	(602)	-	(602)	100%
Loss on revaluation of SAFE notes	(305)	(364)	59	(19%)
Net and comprehensive loss	(5,911)	(1,928)	(3,983)	67%

For the year ended December 31, 2023, the Company incurred a net loss of \$5,911,000 compared to a net loss of \$1,928,000 in the prior year. The increase in net loss of \$3,983,000 is primarily due to a gain of \$2,207,000 resulting from the sale of the Company's Butte Valley property that was recognized during the comparative year. Also, during the year ended December 31, 2023, the Company terminated its option agreement on the Chaco Bear & Ashton property, resulting in an impairment expense of \$602,000, exclusive to this year.

Additionally, professional fees experienced an increase of \$810,000 primarily stemming from escalated legal expenses associated with addressing the water rights matter concerning the MacArthur and Yerington Properties, accounting fees related to financial reporting across all entities, and consulting fees disbursed to several mining consultants.

Furthermore, the Company recorded income of \$500,000 during the year ended December 31, 2022 relating to the buy-down of certain NSR which was exclusive to 2022. The Company also recognized \$460,000 in accretion expense for the year ended December 31, 2023 for the accretion of convertible debt which only began during the latter half of the year ended December 31, 2022.

The increase in net loss is partially offset by the following:

- During the year ended December 31, 2023, the Company recognized \$305,000 in losses relating to the revaluation of SAFE notes that matured during 2023. During the year ended December 31, 2022, the Company recognized a loss of \$364,000.
- During the year ended December 31, 2023, the Company recognized \$288,000 relating to the Company's share of losses in the Company's investment in Falcon Butte whereas during the year ended December 31, 2022, the Company recognized a loss of \$389,000.

Summary of Quarterly Financial Information

For the three months ended December 31 2023 the Company incurred a net loss of \$1,616,000 compared to a net loss of \$2,318,000 during the three months ended September 30, 2023. The decrease in net loss is primarily because during the three months ended September 30, 2023, the Company granted 23,194,737 stock options which all completely vested during the period, resulting in \$1,269,000 in share-based payments being recognized. There were no stock options granted during the three months ended December 31, 2023, resulting in \$Nil in share-based payments being recognized during the period. This is partially offset by the loss recognized on the change in fair value of the derivative liabilities of \$131,000 for the three months ended December 31, 2023, compared to the gain of \$6,000 recognized for the three months ended September 30, 2023.

The following table sets out the quarterly financial information for each of the last eight quarters:

(In thousands of U.S. dollars except for per share amount)	Q4'23	Q3'23	Q2'23	Q1'23	Q4'22	Q3'22	Q2'22	Q1'22
General administration	(1,161)	(2,148)	(723)	(877)	(515)	(795)	(1,002)	(878)
Fair value (loss) gain on derivative liabilities	(131)	6	1,421	(940)	377	17	(2)	37
Foreign exchange gain (loss)	(2)	-	-	-	(11)	12	3	9
Other Income	16	32	51	12	-	-	-	-
Loss on settlement of convertible notes	-	-	-	-	-	-	-	-
Gain on transfer of shares	-	-	-	22	19	-	-	-
Gain on settlement of debt	-	-	-	-	-	14	6	-
Accretion	(136)	(129)	(121)	(74)	(57)	(47)	(4)	-
Gain on sale of Butte Valley	-	-	-	-	-	-	2,207	-
Loss on revaluation of SAFE notes	-	-	-	(305)	(364)	-	-	-
NSR buy-down	-	-	-	-	-	250	250	-
Share of loss of investment in associate	(287)	3	22	(26)	(316)	(42)	(31)	-
Exploration Expenditures	(1,597)	(1,344)	(2,159)	(1,250)	(1,370)	(1,020)	(1,339)	(573)
Rio Tinto Deposit	1,682	1,262	2,250	1,322	1,104	464	1,669	-
Impairment of mineral properties	-	-	(602)	-	-	-	-	-
Gain (loss) on marketable securities	-	-	-	-	-	-	-	-
Net loss	(1,616)	(2,318)	139	(2,116)	(1,133)	(1,147)	1,757	(1,405)
Basic income (loss) per share	(0.01)	(0.01)	0.00	(0.01)	(0.00)	(0.00)	0.00	(0.01)

Liquidity and Capital Resources

The Company is an exploration stage company that has not earned any production revenue. Its operations have been dependent mainly on the Rio-Tinto agreement and private placements in the last few years without diluting shareholders' value. The Company may have capital requirements in excess of its currently available resources. In the event the Company's plans change, its assumptions change or prove inaccurate, or its capital resources in addition to projected cash flow, if any, prove to be insufficient to fund operations, the Company may be required to seek additional financing. There can be no assurance that the Company will have sufficient financing to meet its future capital requirements or that additional financing will be available on terms acceptable to the Company in the future.

The following table summarizes the Company's cash flows for the years ended December 31, 2023, and 2022:

(In thousands of U.S. dollars)	2023		2022	
Cash obtained from (used in) operating activities	\$	(2,389)	\$	(1,786)
Cash provided by (used in) investing activities		(351)		(554)
Cash provided by financing activities		3,685		2,863
Increase (decrease) in cash		945		523
Cash, beginning of year		1,365		842
Cash, end of year	\$	2,310	\$	1,365

As at December 31, 2023, the Company had cash of \$2,310,000 (2022 - \$ 1,365,000) and working capital deficit of \$2,854,000 (2022 - \$556,000). The decrease in working capital of \$2,298,000 is primarily due to the reclassification of \$3,544,000 in convertible debentures from long term to current. This is partially offset by the completion of Blue Copper Resources Corp's equity financing of \$2,000,000 and maturing of SAFE notes.

As of December 31, 2023, the Company had convertible debentures with a face value of \$3,306,000 and a carrying value of \$3,544,000.

The first two tranches of the debentures bear interest at a rate of 14% per annum and mature on February 17, 2024, and March 8, 2024 and are convertible into shares of the Company at \$0.067 (\$0.085 CAD) per share until June 17, 2023 and July 8, 2023, and thereafter at \$0.078 (\$0.10 CAD) per share. The holder also has the option to elect at any time prior to the election date to be repaid by way of shares the Company owns of Falcon Butte at the rate of \$0.25 per Falcon Butte share.

The third tranche of the debentures bear interest at a rate of 14% per annum and matures 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. The holder also has the option to elect at any time prior to the election date to be repaid by way of shares the Company owns of Falcon Butte at the rate of \$0.28 per Falcon Butte share.

The Company has no operating revenues and therefore must utilize its cashflows from financing transactions to maintain its capacity to meet ongoing operating activities.

Related Party Information

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

(In thousands of U.S. dollars)	Year ended December 31, 2023		Year ended December 31, 2022	
Salaries ⁽¹⁾	\$	450	\$	504
Director's fees ⁽²⁾		21		13
Share-based payments ⁽³⁾		796		904
Interest on convertible debenture ⁽⁴⁾		237		53
	\$	1,504	\$	1,474

(1) Charles Travis Naugle, CEO - \$250 (2022 - \$250); Stephen Goodman, President, CFO and Corporate Secretary - \$200 (2022 - \$200); Thomas Patton, Director - \$Nil (2022 - \$54).

(2) Thomas Pressello, Former Director - \$21 (2022 - \$13).

(3) Charles Travis Naugle, CEO - \$214 (2022 - \$367); Stephen Goodman, President, CFO and Corporate Secretary - \$166 (2022 - \$251); Thomas Patton, Director - \$54 (2022 - \$46); Thomas Pressello, Former Director - \$54 (2022 - \$73); Tony Alford, Director - \$308 (2022 - \$167).

(4) Charles Travis Naugle, CEO - \$35 (2022 - \$10); Tony Alford, Director - \$193 (2022 - \$39); Ekaterina Naugle, spouse of the CEO - \$4 (2022 - \$2); Stephen Goodman, President, CFO and Corporate Secretary \$4 (2022 - \$1); Thomas Pressello, Director - \$1 (2022 - \$1)

Other transactions for the year ended December 31, 2023:

- a) On November 1, 2022, the Company amended an employment agreement with Charles Travis Naugle, the CEO of the Company. The CEO will continue to receive remuneration of \$250,000, however, 52% of the salary will be paid in shares of Falcon Butte. The deemed price will be equal to the greater of \$0.28 per share and the latest cash financing price raised by Falcon Butte. On November 1, 2022, \$32,500 of the annual salary was converted to Falcon Butte shares and on February 1, 2023, \$32,500 were converted to Falcon Butte shares.

As a result, for the year ended December 31, 2023, the CEO of the Company was paid as follows:

- \$206,667 in cash
- \$43,333 in Falcon Butte shares.

- b) As at December 31, 2023, there was \$11,000 (2022 - \$11,000) in prepaid expenses to the CEO of the Company relating to wages paid during the year for services subsequent to year end.
- c) During the year ended December 31, 2023, Tony Alford (director), Charles Travis Naugle (CEO), and Stephen Goodman (CFO) subscribed for \$1,000,000, \$120,000, and \$15,000 respectively of unsecured convertible debentures. 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. During the year ended December 31, 2023, the Company accrued \$290,000 in interest related to the newly issued convertible debentures as well as convertible debentures issued during the year ended December 31, 2022.

Other transactions for the year ended December 31, 2022

- a) On January 26, 2022, the Company entered into a property acquisition agreement to assign its options to acquire the Butte Valley property to Falcon Butte, which is a private British Columbia company established to acquire mineral resource properties. Directors and officers of Falcon Butte are also directors and officers of Lion CG and as such the transaction is a non-arm's length transaction under TSXV rules.

On April 5, 2022, the Company completed the assignment of the two option agreements for the Butte Valley property. Pursuant to the assignment agreement, Lion CG received 16,049,444 common shares of Falcon Butte. In addition, the Company received a payment of \$500,000 from Falcon Butte, as reimbursement of exploration expenditures and related costs incurred by the Company on the Butte Valley Property. The Company recorded a gain of \$2,207,000 on the sale of the Butte Valley property.

On April 13, 2022, the Company amended the agreement. Pursuant to the addendum Falcon Butte would pay a total of \$500,000 in exchange for a 0.5% buy-down and retirement of certain NSRs. As of December 31, 2022, the Company received \$500,000.

- b) As per their agreements with the Company, Charles Travis Naugle and Stephen Goodman, the CEO and President/CFO, respectively, are entitled to receive an annual grant of options under the Stock Option Plan of the Company on each Annual Review Date. The number of options will be determined by the Board based on a minimum of 50% and maximum of 150% of the annual base compensation. The exercise price per common share of the Company will be equal to the Market Price (as defined in the TSXV policies) of the Company's common shares as at the Annual Review Date, subject to a minimum exercise price per share of \$0.05 CAD. The applicable percentage on the annual base salary will be determined by the Board based on an assessment of the performance of the CEO and President/CFO in achieving the Annual Objectives for the relevant Annual Review Period. On May 25, 2022, the CEO and President/CFO were issued a combined 3,300,000 bonus options with an exercise price of \$0.085 and an expiry date of May 25, 2027. The CFO was granted 1,470,000 stock options and the CEO was granted 1,830,000 stock options.
- c) On June 29, 2022, Thomas Patton, a director of the Company, exercised 2,000,000 warrants with an exercise price of \$0.05 per share for gross proceeds of \$100,000.

- d) As per their agreements with the Company, Charles Travis Naugle, CEO and Stephen Goodman President and CFO were each granted 4,000,000 Restricted Stock Units ("RSUs") on October 21, 2021, which were granted subject to vesting in three equal installments over three years. The grant of RSUs is subject to shareholder approval and further subject to Exchange approval of the RSU Plan and the aforementioned grant thereunder. Pursuant to Exchange policies, RSUs granted prior to shareholder approval of the RSU Plan must be specifically approved by a vote of shareholders excluding the votes of the holders of the Restricted Share Units. As a result of these pending approvals, the RSUs cannot commence vesting any earlier than on date of receipt of the same. If at any point the Company divests its interests, including the option to purchase, absent a merger, sale or similar transaction in a) one of either the Chaco Bear or Ashton projects, then 50% of the total RSUs that have not vested will be cancelled, or b) both the Chaco Bear or Ashton projects, then 100% of the total RSUs that have not vested will be cancelled.

On May 18, 2022, at AGM, Charles Travis Naugle, CEO and Stephen Goodman, President and CFO, were each granted 4,000,000 RSUs.

- e) On June 2, 2022, 1,333,333 RSUs issued to Stephen Goodman President and CFO were voluntarily cancelled.
- d) On June 3, 2022, 1,333,333 RSU's issued to Charles Travis Naugle, CEO, were released. The RSUs were converted into shares on July 28, 2022.
- g) During the year ended December 31, 2022, 3,500,000 options were granted to directors of the Company with an exercise price of \$0.067 and expire on May 25, 2027. In addition, 957,713 options were issued to a director of the Company with an exercise price of \$0.055 and expires on August 18, 2025.
- h) During the year ended December 31, 2022, Tony Alford, director, subscribed for \$250,000 of unsecured convertible debentures in Tranche 1. The debentures bear interest at a rate of 14% per annum and mature on February 17, 2024 and are convertible into shares of the Company at \$0.067 (\$0.085 CAD) per share until June 17, 2023 and thereafter at \$0.078 (\$0.10 CAD) per share. As of December 31, 2022, the Company accrued \$19,000 in interest related to the convertible debentures.
- i) During the year ended December 31, 2022, Tony Alford (director), Charles Travis Naugle (CEO), Stephen Goodman (CFO), Thomas Pressello (former director), and Ekaterina Naugle (spouse of CEO) subscribed for \$300,000, \$147,400, \$15,000, \$10,000, and \$27,600 respectively of unsecured convertible debentures in Tranche 2. The debentures bear interest at a rate of 14% per annum and mature on March 8, 2024 and are convertible into shares of the Company at \$0.067 (\$0.085 CAD) per share until July 8, 2023 and thereafter at \$0.078 (\$0.10 CAD) per share. As of December 31, 2022, the Company accrued \$34,000 in interest related to the convertible debentures.
- j) Falcon Copper Corp. has a mineral property lease agreement with a company owned by Charles Travis Naugle, CEO of the Company, to lease a mineral property. The value of the leased property was determined to be \$500,000.

Outstanding Share Information at Date of Report

Authorized: Unlimited number of common shares

Number of common shares issued and outstanding as of the date of the MD&A: 382,792,710

Number of stock options outstanding as of the date of the MD&A: 63,534,020

Number of warrants outstanding as of the date of the MD&A: 130,970,408

Number of restricted share units outstanding as of the date of the MD&A: Nil

As of December 31, 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 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

As at the date of the MDA, 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 21, 2024	0.07	1,900,000	0.73	1,900,000
August 8, 2024	0.06	500,000	0.86	500,000
June 20, 2025	0.08	2,450,000	1.72	2,450,000
August 18, 2025	0.072	2,394,283	1.88	2,394,283
June 18, 2026	0.25	3,950,000	2.72	3,950,000
September 17, 2026	0.11	4,500,000	2.97	4,500,000
October 21, 2026	0.09	2,700,000	3.06	2,700,000
May 25, 2027	0.085	8,300,000	3.65	8,300,000
March 2, 2028	0.095	350,000	4.42	350,000
July 21, 2028	0.080	22,194,737	4.81	22,194,737
March 4, 2029	0.07	14,295,000	4.93	14,295,000
Outstanding, as at the date of the MD&A		63,534,020		63,534,020

As of December 31, 2022, 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
September 20, 2023	0.06	1,470,000	0.72	1,470,000
June 21, 2024	0.07	1,900,000	1.47	1,900,000
August 8, 2024	0.06	500,000	1.61	500,000
June 20, 2025	0.08	2,450,000	2.47	2,450,000
August 18, 2025	0.072	2,394,283	2.63	2,394,283
June 18, 2026	0.25	3,950,000	3.47	3,950,000
September 17, 2026	0.11	4,500,000	3.72	4,500,000
October 21, 2026	0.09	2,700,000	3.81	2,700,000
December 12, 2026	0.12	750,000	3.95	750,000
May 25, 2027	0.085	9,000,000	4.40	9,000,000
Outstanding, December 31, 2022		29,614,283		29,614,283

The following table summarizes warrants outstanding as of the date of the MD&A, as at December 31, 2023 and December 31, 2022:

Expiry date	Currency	Exercise price	Date of MD&A	December 31, 2023	December 31, 2022
September 13, 2024	USD	0.10	26,488,733	26,488,733	26,488,733
September 27, 2024	USD	0.10	13,152,909	13,152,909	13,152,909
October 21, 2024	USD	0.10	31,672,632	31,672,632	31,672,632
February 17, 2024	USD	0.067	-	16,044,774	16,044,774
March 8, 2024	USD	0.067	-	13,805,964	13,805,964
November 2, 2024	USD	0.070	16,041,732	18,461,015	-
February 16, 2025	USD	0.060	15,696,882	-	-
March 8, 2029	USD	0.056	23,809,522	-	-
March 8, 2029	USD	0.056	4,107,998	-	-
Outstanding			130,970,408	119,626,027	101,165,012

The following table summarizes Restricted share units outstanding as of the date of the MD&A, as of December 31, 2023 and December 31, 2022:

Grant Date	Date of MD&A	December 31, 2023	December 31, 2022
June 3, 2022	-	-	5,333,334
Outstanding	-	-	5,333,334

Risks Factors and Uncertainties

The Company is subject to many risks and uncertainties, each of which could have an adverse effect on the results, business prospects or financial position.

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, accounts payable, derivative liabilities and convertible debentures.

Financial instruments recorded at fair value on the consolidated balance sheets 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 shareholder 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.

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 financings to meet its operating requirements, after considering existing cash and expected exercise of stock options and share purchase warrants.

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; therefore, it 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 financial institutions that have high credit ratings assigned by international credit rating agencies.

Subsequent Events

On January 4, 2024, the Company received \$11,500,000 in relation to the amendment to its earn-in agreement with Rio Tinto. \$10,000,000 pertains to the Stage 2b program of work and the additional \$1,500,000 pertains to an advance on Stage 3 funding for exploration on certain portions of the Bear deposit.

On January 12, 2024, BCR LLC amended the common stock purchase warrant dated September 6, 2023. The purpose of the amendment is to extend the expiration date of 23,809,524 warrants issued from March 2, 2024, to September 2, 2025.

On January 16, 2024, the Company filed its Opening Brief with the Lyon County Circuit Court requesting the Court reverse the State Engineer's 2021 and 2023 forfeiture decisions. The Company is awaiting a response from the Court. The Opening Brief was filed with the court as a continuation of its efforts to appeal the State's wrongful decision to forfeit three primary ground water rights permits. The legal approach is currently following two paths: First, the Company appealed the State Engineer's forfeiture decision asking the court to overturn the decision as unlawful. Second, the Company also filed a complaint requesting equitable relief from the court requesting the judge reinstate the water rights. At the Company's request, the Court stayed the decisions of the State Engineer related to the Company's water rights. In parallel with the legal appeal process, the Company also continues to evaluate opportunities for non-judicial settlement discussions with the State. SPS will continue to diligently defend against the wrongful forfeiture of its water rights with clear evidence of the need for those water rights in mine remediation, production and reclamation.

On January 23, 2024, FCC amended the common stock purchase warrant dated September 6, 2023. The purpose of the amendment is to extend the expiration date of 23,809,524 warrants issued from March 2, 2024, to September 2, 2025.

On February 5, 2024, FCC issued 2,586,207 common shares at a price of \$0.116/share for a total proceeds of \$300,000. Following the recently concluded financing, the ownership stake of LCG in QTA now stands at 46.65%.

On February 15, 2024, the Company announced the restructuring of its existing debentures, comprising \$2,000,000 principal for the debentures issued in 2022 and \$1,306,000 principal for the debentures issued in 2023. Under the

restructuring plan, the company offered up to \$3,950,000 in new senior unsecured debentures, featuring a 20% annual interest rate and maturing in 12 months from the restructuring date. The restructuring offers holders of the new debentures the flexibility to convert accrued interest into common shares of the Company at a conversion price determined by the Market Price as defined in TSX Venture Exchange policies on the conversion date. Alternatively, they can opt for conversion at a fixed price of US\$0.06 (C\$0.08) per share. Additionally, holders have the option to convert into common shares of Falcon Butte, at a set price of US\$0.25 (C\$0.32) per share. Additionally, warrants are issued alongside the new debentures, allowing holders to purchase common shares at US\$0.06 per share for a 12-month period. For debenture holders choosing not to participate in the restructuring offer, conversion of principal and interest into units of the company is available at US\$0.045 per Unit, each comprising a common share and a warrant exercisable at US\$0.06 per share for a period of 5 years.

On February 20, 2024, the Company issued new convertible debentures totaling US\$941,000 to replace the convertible debenture issued in 2022 and 2023. The new debentures mature in 12 months and carry a 20% annual interest rate. The new debentures are convertible into common shares of the Company at US\$0.06 (C\$0.08) per share or can be converted in-kind for common shares of Falcon Butte Minerals Corp. at a conversion price of US\$0.25 (C\$0.32) per Falcon Butte share. Holders also received 15,696,883 share purchase warrants, exercisable at US\$0.06 (C\$0.08) per share within 12 months. Additionally, US\$259,000 of the original debentures were converted into 3,500,000 common shares.

On February 27, 2024, FCC issued 862,069 common shares at a price of \$0.116/share for a total proceeds of \$100,000. Following the recently concluded financing, the ownership stake of LCG in QTA now stands at 46.33%.

On March 1, 2024, the Company granted 14,295,000 stock options at an exercise price of \$0.052(C\$0.07) per common share and expire five years from the date of grant.

On March 8, 2024, the Company completed a debt settlement pursuant to which it has issued 4,107,998 units at \$0.042 (C\$0.05625) per unit and 41,707,215 common shares at \$0.042 (C\$0.05625) to settle \$1,924,000 of debt. Each unit is comprised of one common share and one common share purchase warrant of the Company. Each warrant is exercisable into one additional common share at a price of \$0.056 (C\$0.075) per share for a period of 5 years from the date of issuance.

On March 8, 2024, the Company closed a private placement consisting of an aggregate of 23,809,522 units a price of \$0.042 (C\$0.05625) per unit for aggregate gross proceeds to the Company of \$1,000,000. Each unit consists of one common share and one common share purchase warrant of the Company. Each warrant is exercisable into one additional common share at a price of \$0.056 (C\$0.075) per share for a period of 5 years from the date of issuance

Preliminary Economic Assessment

On January 30, 2024, the Company announced the results of a Preliminary Economic Assessment (“PEA”) on its Yerington Copper Project. The PEA envisions an open pit mining strategy followed by a heap leach operation, enhanced by the application of Rio Tinto’s Nuton technologies to process primary sulfide copper materials. Highlights of the PEA results include (full details and disclaimers on the PEA results are provided in the January 30, 2024 news release):

Highlights:

- **Post-tax NPV7% of \$356 million and IRR of 17.4%, calculated at a copper price of \$3.85/lb**
- **Utilization of cutting-edge Nuton technologies for recovering cathode copper from primary sulfide materials, negating the need for concentrator, tailings impoundment and smelter operations**
- **12-year open pit mine life encompassing operations at Yerington and MacArthur, with projected lifetime copper (Cu) production of 1.4 billion pounds, averaging 117 million pounds per year**
- **Initial capital expenditure of \$413 million including all mine pre-production costs, with sustaining capital of \$653 million**
- **Post-tax payback period of 5.0 years**
- **Average cash operating costs of \$2.20/lb copper payable**
- **Cumulative cashflow of \$1.00 billion post-tax and \$1.24 billion pre-tax on base case assumptions**
- **Exceptionally low overall open pit strip ratio at 0.3:1.0 (waste:feed)**
- **Synergistic co-location of processing facilities within a single legacy-affected site, servicing both the Yerington Mine and the MacArthur Mine, effectively minimizing environmental impacts in the region**

- **Dewatering of the Yerington pit lake, involving the pumping of approximately 43,000 acre-feet of water at a cost of \$50 million, which not only facilitates pit expansion but also unlocks water for alternative beneficial use in Mason Valley**

The Yerington Copper Project PEA merges the Yerington and MacArthur projects into an integrated mining operation. The development strategy begins with reprocessing legacy rock stockpiles and tailings at the Yerington Mine, followed by mining activities at the base of the legacy Yerington pit once dewatered. Oxide and sulfide materials will be mined and processed via separate heap leach pads located at the legacy Yerington Mine.

The sulfide processing will utilize Nuton technologies, enabling copper recovery reaching 74% and eliminating the necessity for a concentrator, tailings facility and smelter. Resulting copper-rich solutions from both sulfide and oxide heaps will be collected and routed to a central solvent extraction and electrowinning (SX-EW) facility for on-site production of cathode copper. In a subsequent project phase, oxide material from the MacArthur Mine will complement ongoing Yerington operations.

The Project's Mineral Resource consists of the Yerington Deposit, W-3 Stockpile, Vat Leach Tailings and MacArthur Deposit. Total Measured and Indicated Resources are 457.9 million tons at 0.25% TCu containing 2.9 billion pounds of copper. Inferred Resources add 269.7 million tons at 0.19% TCu for 1.3 billion pounds of contained copper.

The Mineral Resources are reported in accordance with CIM Definition Standards and do not represent Mineral Reserves. There is no certainty that all or any part of the Mineral Resources will be converted to Mineral Reserves. The Inferred Resources are considered too speculative geologically to have economic considerations applied to them that would enable them to be categorized as Mineral Reserves. Inferred Resources must be excluded from economic evaluations.

Parameter	Units	Pre-Tax	Post-Tax
Copper Price	\$US/lb	3.85	
Economic Indicators			
Net Present Value (7%)	\$US M	482	356
IRR	%	20.3	17.4
Payback Period	Years	4.7	5.0
Copper Revenue less Royalties	\$US M	5,297	5,297
Total Operating Cost	\$US M	2,987	2,987
Life of Mine Capital Cost	\$US M	1,067	1,067
Net Taxes	\$US M	-	243
Net Cash Flow	\$US M	1,244	1,001
Cash Costs	\$US/lb payable	2.20	2.37
AISC	\$US/lb payable	2.96	
Copper – Payable	Mlb	1,402	
Mine Life	Years	12	

Copper Price \$US/lb	\$3.08	\$3.47	\$3.85	\$4.24	\$4.62	\$5.00
Variance	-20%	-10%	Base	10%	20%	30%
Pre-tax						
NPV @7% \$M	-\$89.8	\$201	\$482	\$771	\$1,051	\$1,332
IRR	3.7%	13.2%	20.3%	26.5%	31.8%	36.7%
Post-tax						
NPV @7% \$M	-\$129	\$122	\$356	\$589	\$812	\$1,035
IRR	2.1%	11.0%	17.4%	22.9%	27.6%	32.0%

Mineral Resource Estimate

The Mineral Resources for the Yerington Copper Project are composed of the Yerington Deposit, W-3 Stockpile, Vat Leach Tailings and the MacArthur Deposit.

The Yerington Copper Project Mineral Resource estimate described below is classified according to the CIM Definition Standards for Mineral Resources and Mineral Reserves (CIM, 2014).

Yerington Deposit - The Mineral Resource estimate utilizes validated historic drill hole data generated by Anaconda Copper Mining Company (“Anaconda”) and recent drilling results by the Company in 2011, 2017 and 2022. The updated Mineral Resources for the Yerington Deposit are: Measured Resources of 62.9 Mtons at 0.30% TCu; Indicated Resources of 94.7 Mtons at 0.27% TCu; and Inferred Resources of 113.2 Mtons at 0.22% TCu.

2023 Yerington Deposit Mineral Resource estimate

Material	Cutoff Grade (TCu%)	Tons	Grade (TCu%)	Contained Copper (lbs)
Measured Oxide	0.038	20,230,000	0.25	99,367,000
Measured Sulfide	0.126	42,671,000	0.32	274,578,000
Measured Total		62,901,000	0.30	373,945,000
Indicated Oxide	0.038	13,749,000	0.22	60,166,000
Indicated Sulfide	0.126	80,960,000	0.28	457,921,000
Indicated Total		94,709,000	0.27	518,087,000
Measured + Indicated Oxide	0.038	33,979,000	0.23	159,533,000
Measured + Indicated Sulfide	0.126	123,631,000	0.30	732,499,000
Measured + Indicated Total		157,610,000	0.28	892,032,000
Inferred Oxide	0.038	33,347,000	0.18	122,221,000
Inferred Sulfide	0.126	79,881,000	0.24	385,938,000
Inferred Total		113,229,000	0.22	508,159,000

Notes:

1. Effective date for this Mineral Resource estimate is May 1, 2023.
2. The 2023 Mineral Resource estimate uses a variable break-even economic cut-off grade of 0.038% TCu and 0.126% TCu based on assumptions of a net copper price of \$4.08/lb (after processing, transportation and royalty charges), 70% recovery in oxide material, 75% recovery in sulfide material.
3. Mineral Resources are not Mineral Reserves and do not demonstrate economic viability.
4. Mineral Resource estimate reported from within resource pit shell.
5. There is no certainty that all or any part of the Mineral Resource estimate will be converted into Mineral Reserves.
6. All figures are rounded to reflect the relative accuracy of the estimates and totals may not add correctly.

W-3 Stockpile - W-3 is a rock disposal stockpile that lies north-northwest of the current Yerington pit and was derived from subgrade copper oxide material mined during historical Anaconda mining operations. The Inferred W-3 Stockpile Mineral Resource is 14.1 million tons at 0.11% TCu.

2023 W-3 Stockpile Mineral Resource Statement

Class	Cutoff Grade (TCu%)	Tons	Grade (TCu%)	Contained Copper (lbs)
Inferred Oxide	>= 0.04	14,100,000	0.11	30,571,000

Notes:

1. Effective date for this W-3 Stockpile Mineral Resource estimate is July 31, 2023.
2. The 2023 Mineral Resource estimate uses a variable break-even economic cut-off grade of 0.040 % TCu based on assumptions of a net copper price of \$4.08/lb (after processing, transportation, and royalty charges), and 70% recovery in oxide material.
3. Mineral Resource are not Mineral Reserves and do not demonstrate economic viability.
4. Mineral Resource estimate reported from within resource pit shell.
5. There is no certainty that all or any part of the Mineral Resource estimate will be converted into Mineral Reserves.
6. All figures are rounded to reflect the relative accuracy of the estimates and totals may not add correctly.

Vat-Leached Tailings - Vat-Leached Tailings, in the form of oxide tailings, are the leached products of Anaconda's vat leach copper extraction. The oxide tailings, located north of the Process Areas, contain the crushed rock at the base of the leach vats that remained following the extraction of copper in the vat-leaching process. The Inferred VLT Mineral Resource is 33.2 million tons at 0.09% TCu.

2023 VLT Mineral Resource Statement

Class	Cutoff Grade (TCu%)	Tons	Grade (TCu%)	Contained Copper (lbs)
Inferred Oxide	>= 0.04	33,160,000	0.09	62,622,000

Notes:

1. Effective date for this VLT Mineral Resource estimate is July 31, 2023.
2. The 2023 Mineral Resource estimate uses a variable break-even economic cut-off grade of 0.040 % TCu based on assumptions of a net copper price of \$4.08/lb (after processing, transportation and royalty charges), and 70% recovery in oxide material.
3. Mineral Resource are not Mineral Reserves and do not demonstrate economic viability.
4. Mineral Resource estimate reported from within resource pit shell.
5. There is no certainty that all or any part of the Mineral Resource estimate will be converted into Mineral Reserves.

All figures are rounded to reflect the relative accuracy of the estimates and totals may not add correctly.

MacArthur Deposit - The Mineral Resource estimate of the MacArthur Deposit encompasses three principal domains: Main MacArthur, Gallagher and North Ridge. An overview of Section 14 from the Technical Report, titled "MacArthur Copper Project, Mason Valley, Nevada, USA, Mineral Resource Estimate," is presented in the following tables. There have been no subsequent updates to the MacArthur Mineral Resource following the publication of the Technical Report on February 25, 2022.

The Mineral Resource estimate for the MacArthur Deposit are: Measured Resources of 116.7 Mtons at 0.18% TCu; Indicated Resources of 183.7 Mtons at 0.158% TCu; and Inferred Resources of 156.5 Mtons at 0.151% TCu.

MacArthur Deposit - Summary of Mineral Resource

Classification	Ktons	Grade (Total Cu%)	Contained Copper Pounds x 1000
Measured	116,666	0.180	420,929
Indicated	183,665	0.158	579,479
Measured + Indicated	300,331	0.167	1,000,408
Inferred	156,450	0.151	471,714

Notes:

1. The effective date of the MacArthur Mineral Resource estimate is February 25, 2022.
2. Cutoff grade: 0.06% TCu for Leach Cap, Oxide & Transition
3. Cutoff grade for Sulfide: 0.06% TCu for MacArthur & North Ridge, 0.08% TCu for Gallagher.
4. Total resource shell tonnage = 628,831 ktons

Mineral Resource by Domain

Domain	Total Copper Cutoff, %	MEASURED			INDICATED			MEASURED & INDICATED		
		Ktons & Grade Above Cutoff			Ktons & Grade Above Cutoff			Ktons & Grade Above Cutoff		
		Ktons	TCu, %	Contained Cu Pounds x 1000	Ktons	TCu, %	Contained Cu Pounds x 1000	Ktons	TCu, %	Contained Cu Pounds x 1000
MacArthur	0.06	82,983	0.184	305,303	77,171	0.151	233,446	160,154	0.168	538,749
North Ridge	0.06	25,149	0.176	88,507	78,305	0.166	259,558	103,454	0.168	348,065
Gallagher	0.06/0.08	8,534	0.159	27,119	28,189	0.153	86,475	36,723	0.155	113,594
Total		116,666	0.180	420,929	183,665	0.158	579,479	300,331	0.167	1,000,408

Domain	Total Copper Cutoff, %	INFERRED		
		Ktons & Grade Above Cutoff		
		Ktons	TCu, %	Contained Cu Pounds x 1000
MacArthur	0.06	30,815	0.158	97,490
North Ridge	0.06	62,593	0.154	192,187
Gallagher	0.06/0.08	63,042	0.144	182,037
Total		156,450	0.151	471,714

Due to the uncertainty that may be attached to Inferred Mineral Resources, it cannot be assumed that all or any part of an Inferred Mineral Resource will be upgraded to an Indicated or Measured Mineral Resource as a result of continued exploration. Confidence in the estimate is insufficient to allow the meaningful application of technical and economic parameters or to enable an evaluation of economic viability worthy of public disclosure. Inferred Mineral Resources must be excluded from estimates forming the basis of feasibility or other economic studies.

This subsequent PEA event highlights the potential economic viability and development opportunity for an integrated, sustainable mining operation at the Company's Yerington Copper Project.

Off - Balance Sheet Arrangements

The Company has not entered any off-balance sheet arrangements.

Initial adoption of new accounting standards

Adoption of new accounting standards have been disclosed in Note 3 of the Company's consolidated financial statements for the year ended December 31, 2023 and 2022.

Significant Accounting Policies

The consolidated financial statements for the year ended December 31, 2023 have been prepared in accordance with U.S. GAAP.

See Note 3 to the consolidated financial statements for significant accounting policies used in the preparation of the consolidated financial statements.

Critical Accounting Judgements and Key Sources of Estimation Uncertainty

The preparation of these consolidated 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 consolidated financial statements of changes in such estimates in future periods could be significant. Actual results could differ from those estimates.

See Note 3 to the consolidated financial statements for critical accounting judgements and estimates used in the preparation of the consolidated financial statements.

Changes in Accounting Policies

The Consolidated Financial Statements for the year ended December 31, 2022 are the first the Company has prepared in accordance with U.S. GAAP. The Company previously prepared its financial statements, up to and including nine months ended September 30, 2022, in accordance with International Financial Reporting Standards.

Accordingly, the Company has prepared financial statements that comply with U.S. GAAP applicable as at December 31, 2023, together with the comparative year data for the year ended December 31, 2022. The most significant change in accounting policy is as follows:

Mineral Properties

Under IFRS, the Company capitalized both acquisition and exploration costs relating to the Company's mineral properties. Under U.S. GAAP, the industry standard is to capitalize acquisition costs but expense exploration costs unless a proven or probable reserve can be established at the mineral property. Adjustments has been made to expense previously capitalized exploration costs to be in accordance with U.S. GAAP.

Forward-Looking Statements

This Management's Discussion and Analysis contains "forward-looking information" and "forward-looking statements" within the meaning of Section 27A of the U.S. Securities Act of 1933, as amended, Section 21E of the U.S. Securities Exchange Act of 1934, as amended (the "Exchange Act"), and other applicable securities laws.

Any statements that express or involve discussions with respect to predictions, expectations, beliefs, plans, projections, objectives, assumptions or future events or performance (often, but not always, identified by words or phrases such as "expects", "is expected", "anticipates", "believes", "plans", "projects", "estimates", "assumes", "intends", "strategy", "goals", "objectives", "potential", "possible" or variations thereof or stating that certain actions, events, conditions or results "may", "could", "would", "should", "might" or "will" be taken, occur or be achieved, or the negative of any of these terms and similar expressions) are not statements of historical fact and may be forward-looking statements.

The Forward-Looking Statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance, or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by the Forward-Looking Statements. Such factors include, but are not limited to, general business and economic uncertainties; exploration and resource extraction risks; uncertainties relating to surface rights; the actual results of current exploration activities; the outcome of negotiations; conclusions of economic evaluations and studies; future prices of natural resource based commodities; increased competition in the natural resource industry for properties, equipment and qualified personnel; risks associated with environmental compliance and permitting, including those created by changes in environmental legislation and regulation; the risk of arbitrary changes in law; title risks; and the risk of loss of key personnel.

The foregoing lists of factors and assumptions are not exhaustive. The reader should also consider carefully the matters discussed under the heading "Risks Factors and Uncertainties" elsewhere in this MD&A. Forward-Looking Statements contained herein are made as of the date hereof (or as of the date of a document incorporated herein by reference, as applicable). No obligation is undertaken to update publicly or otherwise revise any Forward-Looking Statements or the foregoing lists of factors and assumptions, whether as a result of new information, future events or results or otherwise, except as required by law. Because Forward-Looking Statements are inherently uncertain, readers should not place undue reliance on them. The Forward-Looking Statements contained herein are expressly qualified in their entirety by this cautionary statement.