

Unaudited Condensed Interim Consolidated Financial Statements

**As at September 30, 2024 and December 31, 2023
and for the three and nine months ended September 30, 2024 and 2023**

(Expressed in thousands of U.S. dollars, unless otherwise noted)

Condensed Interim Consolidated Statements of Financial Position

(Unaudited) (Expressed in thousands of U.S. dollars)

As at	Note	September 30, 2024	December 31, 2023
ASSETS			
Current assets			
Cash		\$ 7,094	\$ 11,757
Trade receivables		559	1,250
Income taxes receivable		573	558
Other assets		702	807
Total current assets		8,928	14,372
Non-current assets			
Royalty interests	5, 6	143,772	140,661
Property and equipment	7	908	–
Total assets		\$ 153,608	\$ 155,033
LIABILITIES			
Current liabilities			
Accounts payable and accrued liabilities		\$ 1,840	\$ 1,473
Income taxes payable		196	51
Current portion of lease liability	8	68	–
Other liabilities	9	254	108
Related party payables	13	208	281
Total current liabilities		2,566	1,913
Non-current liabilities			
Long-term portion of lease liability	8	398	–
Deferred tax liabilities		1,988	3,098
Total liabilities		4,952	5,011
EQUITY			
Share capital		\$ 218,848	\$ 217,101
Contributed surplus		2,255	2,939
Deficit		(73,724)	(71,295)
Accumulated other comprehensive loss		(1,903)	(1,903)
Total equity attributable to equity holders of Lithium Royalty Corp.		145,476	146,842
Non-controlling interest		3,180	3,180
Total equity		148,656	150,022
Total liabilities and equity		\$ 153,608	\$ 155,033
Acquisitions and other developments (Note 4)			

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

Condensed Interim Consolidated Statements of Income (Loss) and Comprehensive Income (Loss)

(Unaudited) (Expressed in thousands of U.S. dollars)

	Note	For the three months ended September 30,		For the nine months ended September 30,	
		2024	2023	2024	2023
Royalty revenue	15	\$ 224	\$ 2,963	\$ 2,404	\$ 4,509
Depletion	5	(94)	(272)	(446)	(656)
Gross profit		130	2,691	1,958	3,853
Management services	13	(98)	(169)	(299)	(701)
General and administrative expenses	16	(1,329)	(2,087)	(4,372)	(5,694)
Impairment expense	6	(1,063)	–	(1,063)	–
Exploration expenses		–	–	–	(414)
(Loss) income from operations		(2,360)	435	(3,776)	(2,956)
Other income (expense)					
Finance (expense) income	17	(1)	201	95	1,275
Other income (loss)		–	–	750	(37)
Foreign exchange (loss) gain		(5)	253	(42)	1,117
(Loss) income before income taxes		(2,366)	889	(2,973)	(601)
Current income tax expense		(49)	(658)	(518)	(1,042)
Deferred income tax recovery (expense)		762	(1,745)	1,110	(2,498)
Net loss for the period		\$ (1,653)	\$ (1,514)	\$ (2,381)	\$ (4,141)
Net loss attributable to:					
Non-controlling interest		(15)	64	48	60
Equity holders of Lithium Royalty Corp.		(1,638)	(1,578)	(2,429)	(4,201)
		\$ (1,653)	\$ (1,514)	\$ (2,381)	\$ (4,141)
Basic and diluted earnings (loss) per share attributable to shareholders of Lithium Royalty Corp.	14	\$ (0.03)	\$ (0.03)	\$ (0.04)	\$ (0.08)
Other comprehensive income					
Net loss for the period		\$ (1,653)	\$ (1,514)	\$ (2,381)	\$ (4,141)
Foreign operations – foreign currency translation differences		–	(686)	–	(927)
Items that will not be reclassified to profit or loss					
Gain on investments at fair value through other comprehensive income ("FVTOCI"), net of income tax		–	27	–	5,031
Other comprehensive income		–	(659)	–	4,104
Comprehensive loss for the period		\$ (1,653)	\$ (2,173)	\$ (2,381)	\$ (37)
Comprehensive loss attributable to:					
Non-controlling interest		(15)	64	48	60
Equity holders of Lithium Royalty Corp.		(1,638)	(2,237)	(2,429)	(97)
		\$ (1,653)	\$ (2,173)	\$ (2,381)	\$ (37)

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

Condensed Interim Consolidated Statements of Cash Flows

(Unaudited) (Expressed in thousands of U.S. dollars)

	Note	For the three months ended September 30,		For the nine months ended September 30,	
		2024	2023	2024	2023
Operating activities					
Net loss for the period		\$ (1,653)	\$ (1,514)	\$ (2,381)	\$ (4,141)
Depletion		94	272	446	656
Non-cash management services		–	–	–	65
Amortization of debt issuance costs	17	111	–	111	–
Amortization of property and equipment	7	29	–	33	–
Non-cash accretion	8	6	–	10	–
Impairment expense	6	1,063	–	1,063	–
Share-based compensation expense	11	407	856	1,574	2,193
Current income tax expense		49	658	518	1,042
Deferred income tax (recovery) expense		(762)	1,745	(1,110)	2,498
Non-cash loss		–	–	–	37
Foreign exchange loss (gain)		5	(253)	42	(1,117)
Income taxes withheld at source		(281)	(306)	(720)	(472)
Tax paid on settlement of share-based awards		–	–	(405)	–
Non-cash finance expense (income)		11	166	26	(16)
Changes in non-cash working capital	12	1,054	(4,233)	(205)	(9,388)
Income tax refunded (paid)		–	1,772	182	158
Net cash provided by (used in) operating activities		\$ 133	\$ (837)	\$ (816)	\$ (8,485)
Investing activities					
Acquisition of royalty interests	5	\$ (2,000)	\$ (25,371)	\$ (3,500)	\$ (51,059)
Acquisition of property and equipment		(109)	–	(300)	–
Acquisition of investments		–	–	–	(30)
Proceeds from sale of investments		–	–	–	1
Net cash used in investing activities		(2,109)	(25,371)	(3,800)	(51,088)
Financing activities					
Repayment of lease liabilities	8	\$ (17)	\$ –	\$ (17)	\$ –
Proceeds from issuance of common shares, net of issuance costs		–	–	–	102,359
Proceeds from Riverstone capital contribution		–	–	–	86
Repurchase of common shares		–	(995)	–	(995)
Pre-IPO distribution to shareholders		–	–	–	(65,235)
Repayment of related party loan		–	–	–	(86)
Net cash (used in) provided by financing activities		\$ (17)	\$ (995)	\$ (17)	\$ 36,129
Effect of exchange rate changes on cash		6	181	(30)	1,043
Decrease in cash		(1,987)	(27,022)	(4,663)	(22,401)
Cash at the beginning of the period		9,081	40,498	11,757	35,877
Cash at the end of the period		\$ 7,094	\$ 13,476	\$ 7,094	\$ 13,476

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

Condensed Interim Consolidated Statements of Changes in Equity

(Unaudited) (Expressed in thousands of U.S. dollars)

	Issued Shares	Share Capital Net of Deferred Tax on Issuance Costs	Contributed Surplus	Retained Earnings (Deficit)	Accumulated Other Comprehensive Income	Total Equity Attributable to Equity Holders	Non- Controlling Interest	Total Equity
Balance, January 1, 2023	103,555	\$ 111,892	\$ -	\$ 18,372	\$ 7,176	\$ 137,440	\$ 3,108	\$ 140,548
Effect of share split	46,358,131	-	-	-	-	-	-	-
Issuance of shares, net of transaction costs and tax impact	8,824,000	101,503	-	-	-	101,503	-	101,503
Riverstone capital contribution	-	86	-	-	-	86	-	86
Net loss for the period	-	-	-	(4,201)	-	(4,201)	60	(4,141)
Acquisition of royalty and working interests	207,844	2,066	-	-	-	2,066	-	2,066
Repurchase and cancelled shares under Normal Course Issuer Bid	(111,200)	(431)	-	(564)	-	(995)	-	(995)
Other comprehensive income	-	-	-	-	4,104	4,104	-	4,104
Share-based compensation (Note 10)	-	-	2,057	-	-	2,057	-	2,057
Pre-IPO distribution	-	-	-	(97,082)	-	(97,082)	-	(97,082)
Transfer of realized gain on disposal of equity investments at FVTOCI	-	-	-	13,149	(13,149)	-	-	-
Balance, September 30, 2023	55,382,330	\$ 215,116	\$ 2,057	\$ (70,326)	\$ (1,869)	\$ 144,978	\$ 3,168	\$ 148,146
Balance, December 31, 2023	55,415,030	\$ 217,101	\$ 2,939	\$ (71,295)	\$ (1,903)	\$ 146,842	\$ 3,180	\$ 150,022
Net loss for the period	-	-	-	(2,429)	-	(2,429)	48	(2,381)
Distribution to NCI holder	-	-	-	-	-	-	(48)	(48)
Settlement of RSUs (Note 11)	140,011	1,747	(2,131)	-	-	(384)	-	(384)
Share-based compensation (Note 11)	-	-	1,447	-	-	1,447	-	1,447
Balance, September 30, 2024	55,555,041	\$ 218,848	\$ 2,255	\$ (73,724)	\$ (1,903)	\$ 145,476	\$ 3,180	\$ 148,656

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

Notes to the Condensed Interim Consolidated Financial Statements

FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2024 AND 2023

(Unaudited) (Expressed in thousands of U.S. dollars, except per share amounts)

1. NATURE OF OPERATIONS

Lithium Royalty Corp. ("LRC" or the "Company") was incorporated in Canada on November 23, 2017 and commenced operations on February 1, 2018. The registered office of the Company is 1027 Yonge Street, Suite 303, Toronto, Ontario M4W 2K9.

Lithium Royalty Corp. is a lithium-focused royalty company organized in Canada which has established a portfolio of royalties on mineral properties that are related to the electrification and decarbonization of the global economy. The Company's royalty portfolio has focused primarily on the battery supply chain for the transportation industry. More recently, the Company's focus on batteries has been enhanced by battery demand from energy storage system installations. Our royalty portfolio is underpinned by mineral properties that produce or are expected to produce lithium and other battery minerals.

Royalty Capital I Limited Partnership ("RC I LP"), Royalty Capital II Limited Partnership ("RC II LP"), Royalty Capital I-II Limited Partnership ("RC I-II LP") and Royalty Capital II-II Limited Partnership ("RC II-II LP", and together with RC I LP, RC II LP and RC I-II LP, the "RC Funds") are limited partnerships existing under the laws of the Province of Ontario. Waratah Capital Advisors Ltd. ("Waratah") is the investment manager for each of the RC Funds and has a management services agreement with the Company. Riverstone VI LRC B.V. is a private limited liability company existing under the laws of the Netherlands ("Riverstone"). The RC Funds and Riverstone collectively own a majority of the equity shares of the Company.

The unaudited condensed interim consolidated financial statements of the Company for the three and nine months ended September 30, 2024 and 2023 include the financial performance and financial position of Lithium Royalty Corp. and its subsidiaries. The Company has a 100% interest in LRC I Corporation, LRC GP Inc. and LRC Services US LLC, and a 90% limited partnership interest in LRC LP I. The remaining 10% of LRC LP I is owned by Altius Royalty Corporation ("Altius"), a wholly-owned subsidiary of Altius Minerals Corporation.

2. MATERIAL ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of the unaudited condensed interim consolidated financial statements are set out below:

(a) Basis of presentation

The unaudited condensed interim consolidated financial statements of the Company and its subsidiaries have been prepared in accordance with International Accounting Standards ("IAS") 34, Interim Financial Reporting, and should be read in conjunction with LRC's annual consolidated financial statements as at and for the year ended December 31, 2023 ("2023 Annual Financial Statements"), which include information necessary or useful for understanding the Company's business and financial statement presentation. They do not include all of the information required for a complete set of financial statements prepared in accordance with IFRS Accounting Standards and should be read in conjunction with the Annual Financial Statements of the Company for the year ended December 31, 2023. The Company's material accounting policies were presented in Note 2 of the 2023 Annual Financial Statements and have been consistently applied in the preparation of these unaudited condensed interim consolidated financial statements. Selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Company's financial position and performance since the annual financial statements as at and for the year ended December 31, 2023. These consolidated financial statements are presented in U.S. dollars, which is the Company's functional currency. The following policies were added in the unaudited condensed interim consolidated financial statements.

The unaudited condensed interim consolidated financial statements were authorized for issue by the Board of Directors of the Company on November 11, 2024. Subsequent events have been evaluated to this date.

(b) Property and equipment

Property and equipment are recorded at cost less accumulated amortization and accumulated impairment losses. Amortization is provided for at the following annual rates:

Right-of-use asset	Straight-line	Ten years
Computers and equipment	Straight-line	Three years
Leasehold improvement	Straight-line	Ten years

(c) Lease

The Company follows IFRS 16, Leases ("IFRS 16") for lease accounting.

- At the inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. The Company assesses whether the contract involves the use of an identified asset, whether it has the right to obtain substantially all of the economic benefits from the use of the asset during the term of the arrangement and if it has the right to direct the use of the asset.
- The Company's right-of-use assets are depreciated from the commencement date to the end of the lease term, under the assumption that the lease term approximates the useful life of the asset.
- A lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by the interest rate implicit in the lease, or if that rate cannot be readily determined, the incremental borrowing rate. Lease payments included in the measurement of the lease liability comprise fixed payments under the lease and any variable lease payments as described in IFRS 16.

The lease liability is measured at amortized cost using the effective interest rate method. The effect of the passage of time is recorded in the Company's Condensed Interim Consolidated Statements of Loss and Comprehensive Loss (unaudited) as accretion expense. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, or if there is a change in the estimate or assessment of the expected amount payable under a residual value guarantee, purchase, extension or termination option.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded in the consolidated statement of income (loss) if the carrying amount of the right-of-use asset has been reduced to zero.

Variable lease payments not included in the initial measurement of the lease liability are charged directly in the consolidated statement of income (loss).

(d) New accounting standards issued and effective

The following new accounting pronouncements are effective for annual periods beginning on or after January 1, 2024 and have been incorporated into the consolidated financial statements:

- Classification of Liabilities as Current or Non-current Liabilities with Covenants (Amendments to IAS 1).

The amendments clarify that the classification of liabilities as current or non-current is based solely on a company's right to defer settlement for at least 12 months at the reporting date. The right needs to exist at the reporting date and must have substance. The pronouncement does not have a material impact on the unaudited condensed interim consolidated financial statements of the Company.

(e) New accounting standards issued but not yet effective

Certain pronouncements have been issued by the IASB that are mandatory for accounting periods after December 31, 2024:

- The Effects of Changes in Foreign Exchange Rates (Amendments to IAS 21) effective for annual periods beginning on or after January 1, 2025.

The amendments clarify when a currency is exchangeable into another currency and how a company estimates a spot rate when a currency lacks exchangeability. A currency is exchangeable into another currency when a company is able to exchange that currency for the other currency at the measurement date and for a specified purpose. When a currency is not exchangeable, a company needs to estimate a spot rate. A company's objective when estimating a spot rate is that it reflects the rate at which an orderly exchange transaction would take place at the measurement date between market participants under prevailing economic conditions. The amendments contain no specific requirements for estimating a spot rate. Therefore, when estimating a spot rate, a company can use an observable exchange rate without adjustment, or another estimation technique. Under the amendments, companies will need to provide new disclosures to help users assess the impact of using an estimated exchange rate on the financial statements.

Management is evaluating the impact of these pronouncements on the Company and they are not expected to have a material impact on the Company's audited annual consolidated financial statements upon adoption.

3. CRITICAL ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS

For judgments, estimates and assumptions related to other areas not discussed in these unaudited condensed interim consolidated financial statements, please refer to Note 3 of the 2023 Annual Financial Statements.

4. ACQUISITIONS AND OTHER DEVELOPMENTS

(a) M4E Lithium Ltda. GOR Royalty Transaction – Brazil

On March 8, 2024, the Company acquired a 1.5% Gross Overriding Revenue ("GOR") royalty on mineral claims held by M4E Lithium Ltda. ("M4E") for a purchase price of \$1.5 million. The \$104 in transaction costs associated with the purchase have been capitalized. The Company has agreed to pay M4E a contingent payment of \$2 million upon achieving 10 million tonnes of measured and indicated resource on or before December 31, 2025. The transaction has been accounted for as an acquisition of a royalty interest. The payment will be capitalized as part of the cost of the royalty when the underlying contingent event has occurred.

(b) Bradda Head Contingent payment – United States

On July 8, 2024, the Company paid Bradda Head \$2.0 million related to a contingent payment agreed to at the time of acquisition of the Basin-Wiekieup lithium project. In accordance with the agreement, an additional \$1.0 million is payable in January 2025. The transaction has been capitalized as part of the cost of the royalty asset and the remaining obligation is included in accounts payable.

5. ROYALTY INTERESTS

Royalty interests as at September 30, 2024 and December 31, 2023 consisted of the following:

As at September 30, 2024	Cost			Accumulated Depletion/Impairment				Carrying Amount
	December 31, 2023	Additions	September 30, 2024	December 31, 2023	Depletion	Impairment (Note 6)	September 30, 2024	September 30, 2024
Royalty Interests								
Producing royalties:								
Mt Cattlin	\$ 7,316	\$ –	\$ 7,316	\$ (5,112)	\$ (190)	\$ –	\$ (5,302)	\$ 2,014
Finniss	5,364	–	5,364	(218)	(129)	–	(347)	5,017
Grota do Cirilo	7,809	–	7,809	(96)	(127)	–	(223)	7,586
Development royalties:								
Tres Quebradas	41,820	–	41,820	–	–	–	–	41,820
Horse Creek	10,400	–	10,400	–	–	–	–	10,400
Mariana	9,160	–	9,160	–	–	–	–	9,160
Exploration and evaluation royalties:								
Australian royalties	2,305	16	2,321	–	–	–	–	2,321
Canadian royalties	29,292	–	29,292	–	–	(1,063)	(1,063)	28,229
U.S. royalties	8,988	3,000	11,988	–	–	–	–	11,988
European royalties	3,544	–	3,544	–	–	–	–	3,544
Brazilian royalties	20,089	1,604	21,693	–	–	–	–	21,693
Total Royalty Interests	\$ 146,087	\$ 4,620	\$ 150,707	\$ (5,426)	\$ (446)	\$ (1,063)	\$ (6,935)	\$ 143,772

As at December 31, 2023	Cost				Accumulated Depletion/Impairment				Carrying Amount
	January 1, 2023	Additions	Foreign Exchange Impact	December 31, 2023	January 1, 2023	Depletion	Foreign Exchange Impact	December 31, 2023	December 31, 2023
Royalty Interests									
Producing royalties:									
Mt Cattlin	\$ 7,747	\$ –	\$ (431)	\$ 7,316	\$ (4,774)	\$ (621)	\$ 283	\$ (5,112)	\$ 2,204
Finniss	4,828	844	(308)	5,364	–	(218)	–	(218)	5,146
Grota do Cirilo	7,809	–	–	7,809	–	(96)	–	(96)	7,713
Development royalties:									
Tres Quebradas	14,361	27,459	–	41,820	–	–	–	–	41,820
Horse Creek	10,400	–	–	10,400	–	–	–	–	10,400
Mariana	–	9,160	–	9,160	–	–	–	–	9,160
Exploration and evaluation royalties:									
Australian royalties	2,441	–	(136)	2,305	–	–	–	–	2,305
Canadian royalties	23,871	5,421	–	29,292	–	–	–	–	29,292
U.S. royalties	6,463	2,525	–	8,988	–	–	–	–	8,988
European royalties	3,544	–	–	3,544	–	–	–	–	3,544
Brazilian royalties	–	20,089	–	20,089	–	–	–	–	20,089
Total Royalty Interests	\$ 81,464	\$ 65,498	\$ (875)	\$ 146,087	\$ (4,774)	\$ (935)	\$ 283	\$ (5,426)	\$ 140,661

6. IMPAIRMENT

Project	Carrying Amount, December 31, 2023	Impairment Expense	Ending Balance, September 30, 2024
Campus Creek	\$ 1,018	\$ (1,018)	\$ –
Other minor royalties	45	(45)	–
Total	\$ 1,063	\$ (1,063)	\$ –

On a quarterly basis, the Company analyzes the underlying projects for all owned royalties to identify any potential indicators of impairment. During the period, as part of the quarterly analysis, an impairment indicator was identified regarding the royalty held on the Campus Creek lithium project, as well as other minor royalties held by the Company, where capital investment from the operator had stalled. The lack of spending on the project from the operator has reduced the expected recoverable amount of the royalties in question to nil, resulting in an impairment expense of \$1,063 recognized during the period mostly related to the Campus Creek lithium project. The Company will continue to assess its royalty portfolio for potential indicators of impairment as well as potential indicators of reversals of impairments.

7. PROPERTY AND EQUIPMENT

Cost	Right of Use Asset	Computers and Equipment	Leasehold Improvement	Total
As at January 1, 2024	\$ –	\$ –	\$ –	\$ –
Additions	431	103	407	941
As at September 30, 2024	\$ 431	\$ 103	\$ 407	\$ 941
<i>Accumulated Amortization</i>				
As at January 1, 2024	\$ –	\$ –	\$ –	\$ –
Amortization	(14)	(9)	(10)	(33)
As at September 30, 2024	\$ (14)	\$ (9)	\$ (10)	\$ (33)
Net book value	\$ 417	\$ 94	\$ 397	\$ 908

8. LEASE LIABILITY

	Total
Total lease liability as at January 1, 2024	\$ –
Additions	473
Payments	(17)
Accretion (Note 17)	10
Foreign exchange movement	–
Total lease liability as at September 30, 2024	\$ 466
Less: current portion	(68)
Long-term lease liabilities	\$ 398

9. FAIR VALUE MEASUREMENT

The fair value hierarchy has the following levels:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can observe at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

Carrying values for financial instruments that are carried at amortized cost (including cash, trade receivables, income taxes receivable, other assets, accounts payable and accrued liabilities, related party payables and other liabilities) approximate fair values due to their short-term maturities.

The following tables analyze within the fair value hierarchy the Company's assets and liabilities measured at fair value as at September 30, 2024 and December 31, 2023.

September 30, 2024	Level 1	Level 2	Level 3	Total
Total Financial Liabilities	\$ 254	\$ –	\$ –	\$ 254

December 31, 2023	Level 1	Level 2	Level 3	Total
Total Financial Liabilities	\$ 108	\$ –	\$ –	\$ 108

There were no transfers between any of Level 1, Level 2 and Level 3 during the three and nine months ended September 30, 2024.

10. SHARE CAPITAL

	Authorized	September 30, 2024	December 31, 2023
Common shares	Unlimited	25,005,827	24,865,816
Convertible common shares	Unlimited	30,549,214	30,549,214
Total shares		55,555,041	55,415,030

Except for certain limited share provisions, the Common Shares and Convertible Common Shares have the same rights, are equal in all respects and are treated by the Company as if they were a single class of equity shares. During the nine months ended September 30, 2024, 140,011 Common Shares were issued upon the settlement of RSUs.

11. SHARE-BASED PAYMENTS

RSU transactions during the three and nine months ended September 30, 2024 were as follows:

	Number of RSUs	Weighted average grant date fair value
Balance – January 1, 2023	–	\$ –
Granted	391,999	12.29
Balance – September 30 and December 31, 2023	391,999	\$ 12.29
Granted	252,054	5.24
Exercised	(211,812)	12.29
Balance – September 30, 2024	432,241	\$ 8.18

During the nine months ended September 30, 2024, 252,054 RSUs (2023 – 391,399 RSUs) were granted under the Omnibus Plan. No RSUs were granted during the three months ended September 30, 2024. The RSUs granted will vest between one and three years from the grant date. During the nine months ended September 30, 2024, 211,812 RSUs were settled, and none were forfeited. During the three months ended September 30, 2024, no RSUs were settled or forfeited.

The following table summarizes the overall share-based compensation expense that was recognized in general and administrative expenses:

	For the three months ended September 30,		For the nine months ended September 30,	
	2024	2023	2024	2023
RSUs	\$ 437	\$ 881	\$ 1,447	\$ 2,057
DSUs	(30)	(25)	127	136
Total share-based compensation expense	\$ 407	\$ 856	\$ 1,574	\$ 2,193

As at September 30, 2024, the Company had not granted any PSUs or stock options.

DSU transactions during the three and nine months ended September 30, 2024 were as follows:

	Number of DSUs	Fair value
Balance – January 1, 2023	–	\$ –
Granted	16,180	12.29
Balance – September 30, 2023	16,180	\$ 8.39
Granted	–	–
Balance – December 31, 2023	16,180	\$ 6.70
Settled	(4,045)	5.46
Granted	46,307	5.16
Balance – September 30, 2024	58,442	\$ 4.35

During the three and nine months ended September 30, 2024, 8,011 and 46,307 DSUs were granted (2023 – nil and 16,180 DSUs). The DSUs vest on the date of grant and expire in the year following the date at which the holder ceases to be a director of the Company. During the nine months ended September 30, 2024, 4,045 DSUs were settled in connection with the resignation of Robert Tichio as a director of the Company.

12. SUPPLEMENTAL CASH FLOW INFORMATION

	For the three months ended September 30,		For the nine months ended September 30,	
	2024	2023	2024	2023
Changes in non-cash working capital:				
Trade receivables	\$ 1,507	\$ (1,542)	\$ 669	\$ (1,933)
Other assets	(206)	(14)	(177)	(844)
Accounts payable and accrued liabilities	(292)	(1,965)	(715)	(5,762)
Income taxes payable	45	(692)	143	(692)
Related party payables	(4)	(20)	(129)	(157)
Lease liability	4	–	4	–
Total change in non-cash working capital	\$ 1,054	\$ (4,233)	\$ (205)	\$ (9,388)

13. RELATED PARTY DISCLOSURES

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company, including any director of the Company. All transactions with related parties are recorded at the exchange amount.

Management services have been provided to the Company during the three and nine months ended September 30, 2024 and September 30, 2023 by certain employees of Waratah, including the Chief Executive Officer of Waratah (who also serves as the Executive Chair of the Company), for which the Company has compensated Waratah only through management services expenses for those periods.

Management services expenses in the statement of loss represent services provided to the Company by Waratah under the management services agreement and by parties related to Waratah and/or the Company, including consulting services provided by an officer of the Company. For the three and nine months ended September 30, 2024, management services expenses under the Waratah management services agreement were \$98 and \$299, respectively (September 30, 2023 – \$169 and \$701, of which \$0 and \$371 related to consulting and \$169 and \$330 related to management fees).

Related party payables are comprised of amounts owing to Waratah. As at September 30, 2024, \$208 (December 31, 2023 – \$281) was owing to Waratah for management services provided by Waratah. All amounts owing to related parties at September 30, 2024 were unsecured, non-interest bearing and had no fixed terms of repayment.

14. LOSS PER SHARE

	For the three months ended September 30,		For the nine months ended September 30,	
	2024	2023	2024	2023
Net loss attributable to equity holders of Lithium Royalty Corp.	\$ (1,638)	\$ (1,578)	\$ (2,429)	\$ (4,201)
Weighted average shares outstanding	55,510,666	55,431,980	55,478,904	52,975,456
Loss per share – basic and diluted	\$ (0.03)	\$ (0.03)	\$ (0.04)	\$ (0.08)

For the three and nine months ended September 30, 2024, as a result of the consolidated net losses recognized, diluted earnings per share is equal to basic earnings per share. As of September 30, 2024, the Company had anti-dilutive instruments of 432,241 RSUs (2023 – 391,999 RSUs).

15. SEGMENTED DISCLOSURE

The Company's business is organized into a single operating segment, consisting of acquiring and managing royalty interests. The Company's chief operating decision maker, the Executive Chair, makes resource allocation decisions, reviews operating results and assesses performance.

Geographic revenue from royalty interests is determined by the location of the mining operations giving rise to the royalty interest. For the three and nine months ended September 30, 2024, the Company had three revenue-producing royalties, including the Mt Cattlin and Finniss projects in Australia and the Grota do Cirilo project in Brazil. Each of these projects contributed over 10% of the Company's total revenue for the period. The revenues earned by the Company are summarized by geography below:

	For the three months ended September 30,		For the nine months ended September 30,	
	2024	2023	2024	2023
Australia	\$ 182	\$ 2,136	\$ 1,494	\$ 3,682
South America	42	827	910	827
Total	\$ 224	\$ 2,963	\$ 2,404	\$ 4,509

As at September 30, 2024 and December 31, 2023, the Company had royalty interests across four continents. The book value of the Company's royalty interests by geography is summarized below:

	September 30, 2024	As at December 31, 2023
North America	\$ 50,616	\$ 48,680
South America	80,259	78,781
Europe	3,544	3,544
Australia	9,353	9,656
Total	\$ 143,772	\$ 140,661

16. GENERAL AND ADMINISTRATIVE EXPENSES

	For the three months ended September 30,		For the nine months ended September 30,	
	2024	2023	2024	2023
Board of directors fees	\$ 61	\$ 58	\$ 185	\$ 176
IPO readiness expenses	–	–	–	869
Professional fees	168	529	506	1,050
Salaries and employee benefits	476	436	1,475	909
Share-based payments (Note 11)	407	856	1,574	2,193
Amortization of property and equipment (Note 7)	29	–	33	–
Other	188	208	599	497
General and administrative expenses	\$ 1,329	\$ 2,087	\$ 4,372	\$ 5,694

17. FINANCE INCOME (EXPENSE)

	For the three months ended September 30,		For the nine months ended September 30,	
	2024	2023	2024	2023
Interest income	\$ 85	\$ 273	\$ 343	\$ 1,347
Lease liability accretion expense (Note 8)	(6)	–	(10)	–
Standby fee	(43)	(38)	(127)	(38)
Amortization of debt issuance cost	(37)	(34)	(111)	(34)
Finance (expense) income	\$ (1)	\$ 201	\$ 95	\$ 1,275

Finance costs relating to the Credit Facility for the three and nine months ended September 30, 2024 were \$80 and \$238, respectively (three and nine months ended September 30, 2023 – \$72), including amortization of debt issuance costs and standby fees. Debt issuance costs of \$294 have been capitalized as part of other assets in the financial statements. The Credit Facility includes covenants that require the Company to maintain certain financial ratios, including leverage ratios, as well as certain non-financial requirements. As at September 30, 2024, the Credit Facility was undrawn.

18. COMMITMENTS AND CONTINGENCIES

When acquiring royalty interests, the Company will, from time to time, agree to make future payments that are contingent on the occurrence of specified future events. The Company regularly evaluates the likelihood that these future contingent payments will become payable.

Project operator	Project (asset)	Triggering event	Expected payment
Noram	Zeus Lithium	Noram releases a definitive feasibility study	\$ 1,000
Morella	Tabba Tabba	Morella discloses a 5.0 million tonnes resource at the Tabba Tabba project at 1% Li ₂ O grade	\$ 350
	Mt Edon/Mt Edon West	Morella discloses a 5.0 million tonnes resource at the Mt Edon project at 1% Li ₂ O grade	\$ 100
M4E	Land claims held by M4E	M4E achieving 10.0 million tonnes of measured and indicated resource on or before December 31, 2025	\$ 2,000

The following table summarizes the future payments related to the Company's office lease commitments.

Less than 1 year	\$ 68
1 to 5 years	275
After 5 years	349
Total	\$ 692