

NEWS RELEASE

Toronto, December 12, 2025

## **Lithium Royalty Corp. Congratulates Power Metals on Offtake Agreement with Albemarle; Power Metals Reaffirms 2026 Production Target**

- Power Metals entered into a cesium concentrate offtake agreement with Albemarle Corporation, a US\$16 billion global critical minerals producer
- Albemarle has committed to a prepayment agreement of up to C\$5 million, supporting advancement toward Power Metals' stated 2026 production target
- The Case Lake project hosts a maiden inferred cesium mineral resource of 13,000 tonnes at 2.4% Cs<sub>2</sub>O, with additional exploration upside
- LRC holds a 2.0% gross overriding royalty on the Case Lake project, providing exposure to potential near-term cesium production

Lithium Royalty Corp. (TSX: LIRC) ("LRC") congratulates Power Metals Corp. ("Power Metals") on the cesium concentrate offtake agreement that it announced today with Albemarle Corporation<sup>1</sup>. Albemarle Corporation (NYSE: ALB) is a US\$16 billion company and one of the leading critical mineral companies in the world with a leading position in lithium and cesium. LRC holds a 2.0% GOR royalty on Power Metals' Case Lake project.

Albemarle has acquired the offtake rights to the Case Lake project from Winsome Resources and has entered into a prepayment agreement with Power Metals for up to C\$5 million of cesium oxide concentrate from the project. Power Metals commented that they are advancing towards its production target for 2026 and highlighted the project's "extremely low capital requirements" of under C\$8 million.

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<sup>1</sup> Power Metals press release, December 12, 2025.

In June 2025, Power Metals announced their maiden cesium mineral resource of 13,000 tonnes of inferred resource at 2.4% cesium oxide (Cs<sub>2</sub>O) at a 0.1% cut-off grade from the West Joe Dyke<sup>2</sup>. Power Metals has noted the potential for additional tonnage growth at the Case Lake property, given that its MRE covers only the West Joe Dyke. Power Metals highlighted an additional exploration target of 11,000-15,000 tonnes, including 17 untested targets, at the Case Lake property. The MRE is based on 7,264m of drilling from 113 drill holes conducted in 2018, 2022 and 2024, highlighting the efficacy of its prior drill campaigns<sup>3</sup>.

"Power Metals continues to progress the Case Lake project that is on track to deliver the first incremental tonnes of cesium into the global market since quite some time. Cesium is a critical mineral with high value applications, with cesium carbonate prices currently quoted by Shanghai Metals & Markets (SMM) at nearly US\$219,000 per tonne. The strong partnership announced today and the low capital requirements for the Case Lake project are setting up Power Metals to become a near-term revenue contributor to our portfolio" said Ernie Ortiz, President and CEO of LRC.

Cesium is a high-value, critical mineral with only two known current producers globally – the Tanco mine in Canada and the Bikita mine in Zimbabwe – and one prior producer at the Sinclair mine in Western Australia. Annual global cesium production is very limited. The Tanco mine in Canada is the only known source that is still processing cesium ore according to U.S. Geological Survey (USGS), and most projects around the world that are prospective for cesium remain in early exploration stages. This fragile and concentrated supply chain underscores the strategic significance of new cesium discoveries. Cesium applications include advanced electronics, energy, aerospace, and defense systems. Due to its scarcity and growing demand, cesium pricing has surged recently, with cesium carbonate prices trading at approximately US\$219,000/tonne according to Shanghai Metals Market (SMM).

## Cesium Market Overview

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<sup>2</sup> Power Metals NI 43-101 Technical Report, July 22, 2025. LRC is not independently making a resource estimate and is relying upon the disclosure made by Power Metals, including Power Metals' July 2025 technical report.

<sup>3</sup> Power Metals press release, June 5, 2025.

Cesium is the heaviest stable alkali metal and deemed a critical mineral by Canada and several other countries. Similar to lithium, it has a unique set of characteristics due to its position on the periodic table. Cesium has excellent photoelectric properties, strong chemical activity and is a high-quality material for infrared technology applications. Its low ionization energy allows it to easily donate an electron, efficient for ion propulsion and photoelectric devices. High atomic mass and resonance frequency stability make it ideal for atomic clocks, making it an international standard. Its low melting point of 28.5°C is useful for heat transfer, high reactivity for energy transfer and non-corrosive, safe drilling fluid.

Cesium primarily will come from pollucite ore, in the form of cesium oxide. It is then refined down into several other forms for specific applications. The main forms of cesium are cesium formate and cesium fines – including cesium carbonate, cesium chloride and cesium nitrate. Historically, the largest demand has been for cesium formate, a drilling fluid used in high pressure and high temperature oil and gas exploration. The product is typically rented by oil and gas exploration clients. After completion of the well, the used brine is returned and reprocessed for subsequent drilling operations. It is estimated that 10,000 tonnes of cesium formate are in use globally, with approximately 5% getting depleted and replaced annually, contributing approximately 500 tonnes of cesium demand annually.

Cesium fines are a small but specialized market, with developing applications in energy, communication, medical and defense. Applications include:

- Defense: night vision imaging, specialty glass
- Communication: 5G, fiber optic communication, ion cloud communication
- Emerging energy: novel energy generation including magneto-fluidic and thermo-ionic conversion
- Medical: medical imaging equipment, pharmaceutical production
- Aerospace: GPS satellite constellations and civilian and military navigation

The market for cesium fines was estimated by USGS to be ~2,000 tonnes in 2024, with an additional 500 tonnes of demand from cesium formate replacement. According to USGS, no primary production of cesium exists, except small quantities in China. Existing stockpiles at former mine sites feed

downstream refineries, though recent reports have indicated that stockpiles may be depleted within a few years.

Sources: USGS Cesium Summary 2025, Sinomine 2024 Annual Report

## Qualified Persons

The technical and scientific information contained in this news release was reviewed and approved in accordance with NI 43-101 by Don Hains, P.Geo. of the Hains Engineering Company Limited, a "qualified person" as defined in NI 43-101.

## About Lithium Royalty Corp.

LRC is a lithium-focused royalty company organized in Canada, which has established a globally diversified portfolio of 37 royalties on mineral properties that are related to the electrification and decarbonization of the global economy. The Company's royalty portfolio is focused on the battery supply chain for the transportation and energy storage industries and is underpinned by mineral properties that produce or are expected to produce lithium, critical minerals, and other energy transition materials.

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## Forward Looking Statements

*This press release contains "forward-looking information" and "forward-looking statements" within the meaning of applicable Canadian securities laws, which may include, but are not limited to, statements with respect to future events or future performance, management's expectations regarding LRC's growth, results of operations, estimated future revenues, performance guidance, carrying value of assets and requirements for additional capital, mineral resource and mineral reserve estimates, production estimates, production costs and revenue, future demand for and prices of commodities,*

*expected mining sequences, business prospects and opportunities, the performance and plans of third-party operators and the expected exposure for current and future assessments and available remedies. In addition,*

statements relating to resources and reserves and mine life are forward-looking statements, as they involve implied assessment, based on certain estimates and assumptions, and no assurance can be given that the estimates and assumptions are accurate and that such resources and reserves or mine life will be realized. Often, but not always, forward-looking statements can be identified by the use of words such as "plans", "expects", "is expected", "budgets", "potential for", "scheduled", "estimates", "forecasts", "predicts", "projects", "intends", "targets", "aims", "anticipates" or "believes" or variations (including negative variations) of such words and phrases or may be identified by statements to the effect that certain actions "may", "could", "should", "would", "might" or "will" be taken, occur or be achieved. Forward-looking statements involve known and unknown risks, uncertainties and other factors, which may cause the actual results, performance or achievements of LRC to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. Forward-looking information is based on management's beliefs and assumptions and on information currently available to management. The forward-looking statements herein are made as of the date of this press release only and LRC does not assume any obligation to update or revise them to reflect new information, estimates or opinions, future events or results or otherwise, except as required by applicable law.

A number of factors could cause actual events or results to differ materially from any forward-looking statement, including, without limitation: fluctuations in the prices of the primary commodities that drive royalty revenue (including various lithium and cesium products); fluctuations in the value of the Canadian and Australian dollar and any other currency in which revenue is generated, relative to the U.S. dollar; changes in national and local government legislation, including permitting and licensing regimes and taxation policies and the enforcement thereof; the adoption of a global minimum tax on corporations; regulatory, political or economic developments in any of the countries where properties in which LRC holds a royalty or other interest are located or through which they are held; risks related to the operators of the properties in which LRC holds a royalty or other interest, including changes in the ownership and control of such operators; relinquishment or sale of mineral properties; influence of macroeconomic developments; business opportunities that become available to, or are pursued by LRC; reduced access to debt and equity capital; litigation; title, permit or license disputes related to interests on any of the properties in which LRC holds a royalty or other interest; whether or not the Company is determined to have "passive foreign investment company" ("PFIC") status as defined in Section 1297 of the United States Internal Revenue Code of 1986, as amended; excessive cost escalation as well as development, permitting, infrastructure, operating or technical difficulties on any of the properties in which LRC holds a royalty or other interest; actual mineral content may differ from the resources and reserves contained in technical reports; rate and timing of production differences from resource estimates, other technical reports and mine plans; risks associated with the solvency of operators of projects that LRC has royalties over; risks and hazards associated with the business of development and mining on any of the properties in which LRC holds a royalty or other interest, including, but not limited to unusual or unexpected geological and metallurgical conditions, slope failures or cave-ins, sinkholes, flooding and other natural disasters, terrorism, civil unrest or an outbreak of contagious disease; and the integration of acquired assets. The forward-looking statements contained in this press release are based upon assumptions management believes to be reasonable, including, without limitation: the ongoing operation of the properties in which LRC holds a royalty or other interest by the owners or operators of such properties in a manner consistent with past practice; the accuracy of public statements and disclosures made by the owners or operators of such underlying properties; no material adverse change in the market price of the commodities (including various lithium and cesium products) that underlie the asset portfolio; the Company's ongoing income and assets relating to determination of its PFIC status; no material changes to existing tax treatment; the expected application of tax laws and regulations by taxation authorities; no adverse development in respect of any significant property in which LRC holds a royalty or other interest; the solvency of project operators; the accuracy of publicly disclosed expectations for the development of underlying properties that are not yet in production; integration of acquired assets; and the absence of any other factors that could cause actions, events or results to differ from those anticipated, estimated or intended. However, there can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Investors are cautioned that forward-looking statements are not guarantees of future performance. LRC cannot assure investors that actual results will be consistent with these forward-looking statements. Accordingly, investors should not place undue reliance on forward-looking statements due to the inherent uncertainty therein.

*For additional information with respect to risks, uncertainties and assumptions, please refer to LRC's most recent Annual Information Form dated March 19, 2025 and filed with the Canadian securities regulatory authorities on [www.sedarplus.ca](http://www.sedarplus.ca). These risks and uncertainties include, but are not limited to, those described under "Risk Factors" in the Annual Information Form, and in particular risks summarized under the "Risks Related to Mining Operations" heading.*