

Lithium Royalty Corp

Consolidated

Financial Statements

For the three and nine months ended September 30, 2025 and 2024

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

Lithium Royalty Corp.

Condensed Interim Consolidated Statements of Financial Position
(Unaudited) (Expressed in thousands of U.S. dollars)

As at	Note	September 30, 2025	December 31, 2024
ASSETS			
Current assets			
Cash		\$ 27,498	\$ 6,726
Restricted cash		500	500
Trade receivables		387	931
Income taxes receivable		216	179
Other assets		484	584
Asset held for sale		-	27,459
Total current assets		\$ 29,085	\$ 36,379
Non-current assets			
Royalty interests	5	\$ 115,143	\$ 116,107
Property and equipment	7	804	882
Total assets		\$ 145,032	\$ 153,368
LIABILITIES			
Current liabilities			
Accounts payable and accrued liabilities		\$ 947	\$ 2,103
Income taxes payable		-	327
Current portion of lease liability	8	66	68
Other liabilities	9	646	259
Related party payables	13	132	215
Total current liabilities		\$ 1,791	\$ 2,972
Non-current liabilities			
Long-term portion of lease liability	8	\$ 366	\$ 362
Deferred tax liabilities		670	1,218
Total liabilities		\$ 2,827	\$ 4,552
EQUITY			
Share capital		\$ 216,825	\$ 218,848
Contributed surplus		2,725	2,693
Deficit		(78,598)	(74,024)
Accumulated other comprehensive loss		(1,903)	(1,903)
Total equity attributable to equity holders of Lithium Royalty Corp.		\$ 139,049	\$ 145,614
Non-controlling interest ("NCI")		3,156	3,202
Total equity		\$ 142,205	148,816
Total liabilities and equity		\$ 145,032	\$ 153,368

Acquisitions and other developments (Note 4)

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

Lithium Royalty Corp.

Condensed Interim Consolidated Statements of Loss and Comprehensive Loss
(Unaudited) (Expressed in thousands of U.S. dollars, except per share amounts)

	Note	For the three months ended September 30,		For the nine months ended September 30,	
		2025	2024	2025	2024
Royalty revenue	15	\$ 417	\$ 224	\$ 1,172	\$ 2,404
Depletion	5	(31)	(94)	(171)	(446)
Gross profit		\$ 386	\$ 130	\$ 1,001	\$ 1,958
Management services	13	\$ (111)	\$ (98)	\$ (232)	\$ (299)
General and administrative expenses	16	(1,461)	(1,329)	(4,867)	(4,372)
Impairment expense	6	-	(1,063)	(1,154)	(1,063)
Loss from operations		\$ (1,186)	\$ (2,360)	\$ (5,252)	\$ (3,776)
Other income					
Net finance income (loss)	17	\$ 228	\$ (1)	\$ 478	\$ 95
Gain on disposition of royalty interests	4	-	-	317	-
Other income		-	-	-	750
Foreign exchange loss		(10)	(5)	-	(42)
Loss before income taxes		\$ (968)	\$ (2,366)	\$ (4,457)	\$ (2,973)
Current income tax expense		(26)	(49)	(186)	(518)
Deferred income tax recovery		73	762	548	1,110
Net loss and comprehensive loss for the period		\$ (921)	\$ (1,653)	\$ (4,095)	\$ (2,381)
Net (loss) income and comprehensive (loss) income attributable to:					
Non-controlling interest ("NCI")		\$ 27	\$ (15)	\$ 36	\$ 48
Equity holders of Lithium Royalty Corp.		(948)	(1,638)	(4,131)	(2,429)
		\$ (921)	\$ (1,653)	\$ (4,095)	\$ (2,381)
Basic and diluted loss per share attributable to shareholders of Lithium Royalty Corp.	14	\$ (0.02)	\$ (0.03)	\$ (0.07)	\$ (0.04)

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

Lithium Royalty Corp.

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,	
		2025	2024	2025	2024
Operating activities					
Net (loss) income for the period		\$ (921)	\$ (1,653)	\$ (4,095)	\$ (2,381)
Adjustments for the following items:					
Depletion	5	31	94	171	446
Amortization of debt issuance costs	17	37	111	109	111
Amortization of property and equipment	7	31	29	93	33
Non-cash accretion	8, 17	9	6	28	10
Non-cash impairment	6	-	1,063	1,154	1,063
Share-based compensation expense	11	478	407	1,522	1,574
Tax paid on settlement of share-based awards		-	-	(331)	(405)
Current income tax expense		26	49	186	518
Deferred income tax expense (recovery)		(73)	(762)	(548)	(1,110)
Foreign exchange loss (gain)		10	5	-	42
Gain on disposition of royalty interests	4	-	-	(317)	-
Income taxes withheld at source		(8)	(281)	(577)	(720)
Non-cash finance expense (income)		(18)	11	-	26
Changes in non-cash working capital	12	186	1,054	161	(205)
Income tax refunded		-	-	-	182
Net cash (used in) provided by operating activities		\$ (212)	\$ 133	\$ (2,444)	\$ (816)
Investing activities					
Acquisition of royalty interests	5	\$ (243)	\$ (2,000)	\$ (1,361)	\$ (3,500)
Acquisition of property and equipment		-	(109)	(15)	(300)
Proceeds from disposition of royalty interests	4	-	-	27,775	-
Net cash (used in) provided by investing activities		\$ (243)	\$ (2,109)	\$ 26,399	\$ (3,800)
Financing activities					
Repayment of lease liabilities	8	\$ (16)	\$ (17)	\$ (49)	\$ (17)
Repurchase of common shares	10	(19)	-	(3,194)	-
Net cash (used in) provided by financing activities		\$ (35)	\$ (17)	\$ (3,243)	\$ (17)
Effect of exchange rate changes on cash		(16)	6	60	(30)
(Decrease) increase in cash		\$ (506)	\$ (1,987)	\$ 20,772	\$ (4,663)
Cash at the beginning of the period		28,004	9,081	6,726	11,757
Cash at the end of the period		\$ 27,498	\$ 7,094	\$ 27,498	\$ 7,094

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

Lithium Royalty Corp.

Condensed Interim Consolidated Statements of Changes in Equity
(Unaudited) (Expressed in thousands of U.S. dollars, except share and per share amounts)

	Issued Shares	Share Capital Net of Deferred Tax on Issuance Costs	Contributed Surplus	Deficit	Accumulated Other Comprehensive Income	Total Equity Attributable to Equity Holders	Non-Controlling Interest	Total Equity
Balance, January 1, 2024	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
Balance, January 1, 2025	55,555,041	\$ 218,848	\$ 2,693	\$ (74,024)	\$ (1,903)	\$ 145,614	\$ 3,202	\$ 148,816
Net loss for the period	-	-	-	(4,131)	-	(4,131)	36	(4,095)
Distribution to NCI holder	-	-	-	-	-	-	(82)	(82)
Share repurchases (Note 10)	(715,994)	(2,798)	-	(443)	-	(3,241)	-	(3,241)
Settlement of RSUs (Note 11)	89,502	775	(1,104)	-	-	(329)	-	(329)
Share-based compensation (Note 11)	-	-	1,136	-	-	1,136	-	1,136
Balance, September 30, 2025	54,928,549	\$ 216,825	\$ 2,725	\$ (78,598)	\$ (1,903)	\$ 139,049	\$ 3,156	\$ 142,205

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, 2025 AND 2024

(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 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. ("Riverstone") is a private limited liability company existing under the laws of the Netherlands. The RC Funds and Riverstone collectively own a majority of the equity shares of the Company.

The consolidated financial statements of the Company for the quarters ended September 30, 2025 and 2024 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 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, 2024 ("2024 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 2024 Annual Financial Statements. The Company's material accounting policies were presented in Note 2 of the 2024 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, 2024. These consolidated financial statements are presented in U.S. dollars, which is the Company's functional currency.

The unaudited condensed interim consolidated financial statements were authorized for issue by the Board of Directors of the Company on November 3, 2025. Subsequent events have been evaluated to this date.

(b) New accounting standards issued and effective

The following new accounting pronouncements are effective for annual periods beginning on or after January 1, 2025 and have been incorporated into the consolidated financial statements:

- 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. The Company only interacts with currencies which are actively traded on an open market, and therefore the Company does not anticipate any material impact from the issued pronouncement.

(c) 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, 2025:

- IFRS 18, Presentation and Disclosure in Financial Statements

IFRS 18 provides updates to the presentation of the financial statements. The new standard will be materially impactful to the Company's financial statements when it becomes applicable on January 1, 2027. Management is evaluating the impact of the new standard and preparing for the new required disclosures.

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 2024 Annual Financial Statements.

4. ACQUISITIONS AND DEVELOPMENTS

(a) Disposition of Tres Quebradas

On March 19, 2025, the Company completed the sale of a 0.5% GOR royalty over the Tres Quebradas lithium project in Catamarca, Argentina to Triple Flag Precious Metals Corp. for total cash consideration of \$28,101. The Company incurred transaction costs of \$326 and recorded a gain on disposition of royalty interests of \$317 in the statement of loss and comprehensive loss.

(b) Fox tungsten transaction - Canada

On August 20, 2025, the Company completed the acquisition of a 1.25% Net Smelter Return ("NSR") royalty over the Fox tungsten project in British Columbia, Canada from three separate sellers for total cash consideration of \$243. The transaction has been accounted for as an acquisition of a royalty interest.

5. ROYALTY INTERESTS

Royalty interests as at September 30, 2025 and December 31, 2024 consisted of the following:

As at September 30, 2025	Cost				Accumulated Depletion/Impairment				Carrying Amount
	December 31, 2024	Additions	Reclassification	September 30, 2025	December 31, 2024	Depletion	Impairment	September 30, 2025	September 30, 2025
Producing royalties:									
Grota do Cirilo	\$ 7,809	\$ -	\$ -	\$ 7,809	\$ (317)	\$ (91)	\$ -	\$ (408)	\$ 7,401
Mariana	9,160	-	-	9,160	-	-	-	-	9,160
Tres Quebradas	14,361	-	-	14,361	-	(1)	-	(1)	14,360
Horse Creek	10,400	-	-	10,400	-	-	-	-	10,400
Development royalties:									
Das Neves	20,051	-	-	20,051	-	-	-	-	20,051
Finniss ¹	5,364	-	-	5,364	(347)	-	-	(347)	5,017
Care and maintenance royalties:									
Mt Cattlin ²	7,316	-	-	7,316	(5,347)	(79)	-	(5,426)	1,890
Exploration and evaluation royalties:									
Australian royalties	2,320	118	-	2,438	-	-	(477)	(477)	1,961
Canadian royalties	29,292	243	-	29,535	(1,063)	-	(677)	(1,740)	27,795
U.S. royalties	11,988	-	-	11,988	-	-	-	-	11,988
European royalties	3,544	-	-	3,544	-	-	-	-	3,544
Brazilian royalties	1,576	-	-	1,576	-	-	-	-	1,576
Total Royalty Interests	\$ 123,181	\$ 361	\$ -	\$ 123,542	\$ (7,074)	\$ (171)	\$ (1,154)	\$ (8,399)	\$ 115,143
As at December 31, 2024	Cost				Accumulated Depletion/Impairment				Carrying Amount
Royalty Interests	December 31, 2023	Additions	Reclassification	December 31, 2024	December 31, 2023	Depletion	Impairment	December 31, 2024	December 31, 2024
Producing royalties:									
Mt Cattlin	\$ 7,316	\$ -	\$ -	\$ 7,316	\$ (5,112)	\$ (235)	\$ -	\$ (5,347)	\$ 1,969
Finniss	5,364	-	-	5,364	(218)	(129)	-	(347)	5,017
Grota do Cirilo	7,809	-	-	7,809	(96)	(221)	-	(317)	7,492
Development royalties:									
Tres Quebradas	41,820	-	(27,459)	14,361	-	-	-	-	14,361
Horse Creek	10,400	-	-	10,400	-	-	-	-	10,400
Mariana	9,160	-	-	9,160	-	-	-	-	9,160
Das Neves	-	-	20,051	20,051	-	-	-	-	20,051
Exploration and evaluation royalties:									
Australian royalties	2,305	15	-	2,320	-	-	-	-	2,320
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	1,538	(20,051)	1,576	-	-	-	-	1,576
Total Royalty Interests	\$ 146,087	\$ 4,553	\$ (27,459)	\$ 123,181	\$ (5,426)	\$ (585)	\$ (1,063)	\$ (7,074)	\$ 116,107

1. Core Lithium has temporarily suspended mining operations at the Finniss project, but has released a restart study repositioning the project as a viable spodumene operation.
2. The Mt Cattlin project was still held under care and maintenance by Rio Tinto as at September 30, 2025.

6. IMPAIRMENT

Project	Carrying Amount, December 31, 2024	Impairment Expense	Carrying Amount, September 30, 2025
Eyre	\$ 477	\$ (477)	\$ -
Shatford Lake	677	(677)	-
Total	\$ 1,154	\$ (1,154)	\$ -

Project	Carrying Amount, December 31, 2023	Impairment Expense	Carrying Amount, 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 nine months ended September 30, 2025, as part of this quarterly analysis, an impairment indicator was identified regarding the royalties held on each of the Eyre and Shatford Lake lithium projects, where the operators had ceased to engage in meaningful development activities. The lack of meaningful development for each of these projects from the operators has reduced the expected recoverable amount of the royalties in question to nil, resulting in an impairment expense of \$1,154 recognized during the nine month period ended September 30, 2025 for both projects. 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, 2025	\$ 431	\$ 103	\$ 410	\$ 944
Additions	-	15	-	15
As at September 30, 2025	\$ 431	\$ 118	\$ 410	\$ 959
Accumulated Amortization				
As at January 1, 2025	\$ (25)	\$ (17)	\$ (20)	\$ (62)
Amortization	(32)	(30)	(31)	(93)
As at September 30, 2025	\$ (57)	\$ (47)	\$ (51)	\$ (155)
Net book value	\$ 374	\$ 71	\$ 359	\$ 804

Cost	Right of Use Asset	Computers and Equipment	Leasehold Improvement	Total
As at January 1, 2024	\$ -	\$ -	\$ -	\$ -
Additions	431	103	410	944
As at December 31, 2024	\$ 431	\$ 103	\$ 410	\$ 944

Accumulated Amortization					
As at January 1, 2024	\$	-	\$	-	\$
Amortization		(25)		(17)	(20)
As at December 31, 2024	\$	(25)	\$	(17)	\$
Net book value	\$	406	\$	86	\$

8. LEASE LIABILITY

Total lease liability as at January 1, 2025	\$	430
Additions		-
Payments		(49)
Accretion (Note 17)		28
Foreign exchange movement		23
Total lease liability as at September 30, 2025	\$	432
Less: Current portion		(66)
Long-term lease liabilities	\$	366

Total lease liability as at January 1, 2024	\$	-
Additions		470
Payments		(40)
Accretion		23
Foreign exchange movement		(23)
Total lease liability as at December 31, 2024	\$	430
Less: Current portion		(68)
Long-term lease liabilities	\$	362

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 fair values of financial assets and liabilities traded in active markets (such as equity securities) are based on quoted market prices at the close of trading on the period end date. An active market is a market in which transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

The determination of what constitutes "observable" requires significant judgment by the Company. The Company considers observable data to be market data that is readily available, regularly distributed or updated, reliable and verifiable, not proprietary, and provided by independent sources that are actively involved in the relevant market.

If an asset or liability classified as Level 1 subsequently ceases to be actively traded, it is transferred into Level 2, unless the measurement of its fair value requires the use of significant unobservable inputs, in which case it is reclassified to Level 3. All transfers are recorded at fair value at the beginning of the period of the transfer.

The following tables analyze within the fair value hierarchy the Company's assets and liabilities measured at fair value as at September 30, 2025 and December 31, 2024.

September 30, 2025	Level 1	Level 2	Level 3	Total
Total financial liabilities	\$ 646	\$ -	\$ -	\$ 646
December 31, 2024	Level 1	Level 2	Level 3	Total
Total financial liabilities	\$ 259	\$ -	\$ -	\$ 259

There were no transfers between any of Level 1, Level 2 and Level 3 during the three and nine months ended September 30, 2025.

10. SHARE CAPITAL

	Authorized	September 30, 2025	December 31, 2024
Common shares	Unlimited	24,379,335	25,005,827
Convertible common shares	Unlimited	30,549,214	30,549,214
Total shares		54,928,549	55,555,041

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, 2025, the Company repurchased and canceled a total of 715,994 of its own common shares for \$3,241 (\$4.53 per share) including transaction costs. The transaction resulted in a \$2,798 reduction in share capital, and a \$443 increase in the deficit. During the nine months ended September 30, 2025, 89,502 common shares were issued upon the settlement of RSUs.

11. SHARE-BASED PAYMENTS

RSU transactions during the nine months ended September 30, 2025 were as follows:

	Number of RSUs	Weighted average grant date fair value
Balance – January 1, 2025	432,241	\$ 8.18
Granted	337,183	\$ 3.37
Settled	(178,343)	\$ 3.74
Forfeited	(8,737)	\$ 6.09
Balance – September 30, 2025	582,344	\$ 6.79

RSU transactions during the year ended December 31, 2024 were as follows:

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

During the nine months ended September 30, 2025, 337,183 RSUs (2024 - 252,054 RSUs) were granted under the Omnibus Plan. The RSUs granted will vest over three years from the grant date. During the nine months ended September 30, 2025, 178,343 RSUs (2024 – 211,812 RSUs) were settled net of withholding taxes, through the issuance of 89,502 Common Shares (2024 – 140,011 Common Shares). During the nine months ended September 30, 2025, 8,737 RSUs were forfeited (2024 – Nil).

DSU transactions during the nine months ended September 30, 2025 were as follows:

	Number of DSUs		Fair value
Balance – January 1, 2025	63,270	\$	4.10
Granted	82,852	\$	3.40
Balance – September 30, 2025	146,122	\$	3.70

DSU transactions during the year ended December 31, 2024 were as follows:

	Number of DSUs		Fair value
Balance – January 1, 2024	16,180	\$	6.70
Settled	(4,045)	\$	5.46
Granted	51,135	\$	5.07
Balance – December 31, 2024	63,270	\$	4.10

During the nine months ended September 30, 2025, 82,852 DSUs were granted (2024 – 51,135 DSUs). The DSUs vest on the date of grant and settle in the year following the date at which the holder ceases to be a director of the Company. No DSUs were settled during the nine months ended September 30, 2025 (2024 – 4,045 DSUs).

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,	
	2025	2024	2025	2024
RSUs	\$ 352	\$ 437	\$ 1,136	\$ 1,447
DSUs	126	(30)	386	127
Total share-based compensation expense	\$ 478	\$ 407	\$ 1,522	\$ 1,574

As at September 30, 2025, no PSUs or stock options were outstanding.

12. SUPPLEMENTAL CASH FLOW INFORMATION

	For the three months ended September 30,		For the nine months ended September 30,	
	2025	2024	2025	2024
Changes in non-cash working capital:				
Trade receivables	\$ 28	\$ 1,507	\$ 543	\$ 669
Other assets	17	(206)	(9)	(177)
Accounts payable and accrued liabilities	183	(292)	(318)	(715)
Income taxes payable	(52)	45	28	143
Related party payables	10	(4)	(83)	(129)
Lease liability	-	4	-	4
Total change in non-cash working capital	\$ 186	\$ 1,054	\$ 161	\$ (205)

13. RELATED PARTY DISCLOSURES

Management services during the three and nine months ended September 30, 2025 and September 30, 2024 represent services provided to the Company under the management services agreement 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. For the three and nine months ended September 30, 2025, management services expenses under the Waratah management services agreement were \$111 and \$232 (September 30, 2024 – \$98 and \$299), respectively.

During 2024, the Company entered into an office lease agreement with Teramark Properties Ltd. ("Teramark"), an entity that is wholly owned and controlled by the Executive Chair. For the three and nine months ended September 30, 2025, a total of \$34 and \$100, respectively, was paid by the Company to Teramark pursuant to the lease (September 30, 2024 - \$17).

Related party payables are comprised of amounts owing to Waratah. As at September 30, 2025, \$132 (December 31, 2024 – \$215) was owing to Waratah for management services provided by Waratah. All amounts owing to related parties at September 30, 2025 were unsecured, non-interest bearing and had no fixed terms of repayment.

14. LOSS/EARNINGS PER SHARE

	For the three months ended September 30,		For the nine months ended September 30,	
	2025	2024	2025	2024
Net loss attributable to equity holders of Lithium Royalty Corp.	\$ (948)	\$ (1,638)	\$ (4,131)	\$ (2,429)
Weighted average shares outstanding	54,931,516	55,510,666	55,288,060	55,478,904
Effect of RSUs on number of shares	-	-	-	-
Weighted average diluted shares outstanding	54,931,516	55,510,666	55,288,060	55,478,904
(Loss) earnings per share – basic	\$ (0.02)	\$ (0.03)	\$ (0.07)	\$ (0.04)
(Loss) earnings per share – diluted	\$ (0.02)	\$ (0.03)	\$ (0.07)	\$ (0.04)

For the three and nine months ended September 30, 2025, as a result of the consolidated net losses recognized, diluted earnings per share is equal to basic earnings per share. As of September 30, 2025, the Company had dilutive instruments comprised of 582,344 RSUs (September 30, 2024 – 432,241) (Note 11).

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 quarter ended September 30, 2025, the Company had only earned revenue from its projects in South America. The revenues earned by the Company are summarized by geography below:

	For the three months ended September 30, 2025		For the nine months ended September 30, 2025	
	2025	2024	2025	2024
Australia	\$ -	\$ 182	\$ 255	\$ 1,494
South America	417	42	917	910
Total	\$ 417	\$ 224	\$ 1,172	\$ 2,404

As at September 30, 2025, the Company held royalty interests across four continents. The book value of the Company's royalty interests by geography is summarized below:

As at	September 30, 2025		December 31, 2024	
North America	\$ 50,183	\$ 50,183	\$ 50,616	\$ 50,616
South America	52,548	52,548	52,638	52,638
Europe	3,544	3,544	3,544	3,544
Australia	8,868	8,868	9,309	9,309
Total	\$ 115,143	\$ 115,143	\$ 116,107	\$ 116,107

16. GENERAL AND ADMINISTRATIVE EXPENSES

	For the three months ended September 30, 2025		For the nine months ended September 30, 2025	
	2025	2024	2025	2024
Board of directors fees	\$ 49	\$ 61	\$ 154	\$ 185
Professional fees	100	168	558	506
Salaries and employee benefits	595	476	1,823	1,475
Share-based payments (Note 11)	478	407	1,522	1,574
Amortization of property and equipment (Note 7)	31	29	93	33
Other	208	188	717	599
General and administrative expenses	\$ 1,461	\$ 1,329	\$ 4,867	\$ 4,372

17. FINANCE INCOME

	For the three months ended September 30, 2025		For the nine months ended September 30, 2025	
	2025	2024	2025	2024
Interest income	\$ 317	\$ 85	\$ 741	\$ 343
Lease liability accretion expense (Note 8)	(9)	(6)	(28)	(10)
Standby fees (Note 19)	(43)	(43)	(126)	(127)
Amortization of debt issuance costs (Note 19)	(37)	(37)	(109)	(111)
Finance income	\$ 228	\$ (1)	\$ 478	\$ 95

Finance costs relating to the Credit Facility for the quarter ended September 30, 2025 were \$80 (quarter ended September 30, 2024 – \$80), 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 and amortized over the life of the Credit Facility.

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, which are not in the Company's control. 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

As of September 30, 2025, the Company does not believe that the events listed above are sufficiently likely to trigger recognition of a liability in the consolidated statement of financial position. Furthermore, the Company does not expect that the contingent payment to M4E will be payable before the December 31 deadline.

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

Less than 1 year	\$ 67
1 to 5 years	277
After 5 years	266
Total	\$ 610

19. LONG-TERM DEBT

In July 2023, the Company entered into a credit agreement with National Bank of Canada, permitting the Company to draw up to \$25.0 million (the "Credit Facility"), subject to compliance with the credit agreement. The Credit Facility is secured by the Company's current and future assets.

Finance costs relating to the Credit Facility for the three and nine months ended September 30, 2025 were \$80 and \$235, respectively (quarter ended September 30, 2024 – \$80 and \$238, respectively), including \$37 and \$109 in amortization of debt issuance costs and \$43 and \$126 in standby fees, respectively. 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 of September 30, 2025, the Company was not in compliance with certain of these financial covenants.

In December 2024, the Company secured a waiver of those financial covenant breaches from the lender under the Credit Facility, which extended to September 30, 2025. The waiver was amended in September 2025 and now extends to September 30, 2026. During this waiver period, the Company is not permitted to draw on the Credit Facility until such time as the Company is in compliance with the terms of the Credit Facility. A condition of the waiver is that the Company maintains a balance of at least \$500 within the bank account held with the lender under the Credit Facility, which has been accounted for as restricted cash on the Statement of Financial Position. The amount will remain restricted until the Company is in compliance with all covenants in the Credit Facility. No withdrawals were outstanding under the Credit Facility as at September 30, 2025.