



FRONTIER LITHIUM INC.
UNAUDITED CONDENSED CONSOLIDATED
INTERIM FINANCIAL STATEMENTS
FOR THE THREE AND SIX MONTHS ENDED
SEPTEMBER 30, 2024 AND 2023

Frontier Lithium Inc.

Notice to Reader:

These condensed interim financial statements of Frontier Lithium Inc. (the "Company") have been prepared by management and reviewed by the Audit Committee and approved and authorized for issue by the Board of Directors of the Company. In accordance with National Instrument 51-102 released by the Canadian Securities Administrators, the Company discloses that its external auditors have not reviewed these condensed consolidated interim financial statements, notes to condensed consolidated interim financial statements and the related quarterly Management Discussion and Analysis.

FRONTIER LITHIUM INC.**Condensed Consolidated Interim Statements of Financial Position**

(Unaudited - Expressed in thousands of Canadian dollars)

	Notes	September 30, 2024	March 31, 2024
ASSETS			
Current assets			
Cash and cash equivalents		\$ 25,528	\$ 12,574
Other receivables, prepaid expenses and other assets	3	1,935	1,300
Total current assets		27,463	13,874
Non-current assets			
Exploration and evaluation assets		5,426	5,426
Property, plant and equipment	4	2,372	2,413
Total assets		\$ 35,261	\$ 21,713
LIABILITIES AND EQUITY			
Current liabilities			
Accounts payable and other liabilities		\$ 6,580	\$ 7,489
Current portion of lease obligations	5	32	58
Total current liabilities		6,612	7,547
Non-current liabilities			
Lease obligations	5	1	8
Total liabilities		\$ 6,613	\$ 7,555
EQUITY			
Share capital	6	\$ 87,328	\$ 87,328
Reserves		54,759	32,312
Accumulated deficit		(114,834)	(105,482)
Total shareholders' equity		27,253	14,158
Non-controlling interest	7	1,395	-
Total equity		\$ 28,648	\$ 14,158
Total liabilities and equity		\$ 35,261	\$ 21,713

The accompanying notes are an integral part of these unaudited condensed interim financial statements.

Going concern (Note 1)

Approved by the Board of Directors

/s/ Reginald F. Walker
Reginald F. Walker
Director

/s/ John R. Didone
John R. Didone
Director

FRONTIER LITHIUM INC.

Condensed Consolidated Interim Statements of Loss and Comprehensive Loss

(Unaudited - Expressed in thousands of Canadian dollars, except for shares and per share amounts)

	Notes	Three months ended September 30,		Six months ended September 30,	
		2024	2023	2024	2023
EXPENSES					
Exploration and evaluation expenditures	8	\$ (3,232)	\$ (4,331)	\$ (7,898)	\$ (8,837)
General and administrative expenses	9	(1,743)	(2,749)	(3,181)	(4,856)
Interest income		326	277	663	491
Accretion expense on lease liabilities	6	(2)	(6)	(5)	(11)
Fair value loss on marketable securities		-	-	-	-
Foreign exchange loss (gain)		-	1	-	-
Net loss and comprehensive loss		\$ (4,651)	\$ (6,808)	\$ (10,421)	\$ (13,213)
Net loss and comprehensive loss attributable to:					
Common shareholders		(4,391)	(6,808)	(9,352)	(13,213)
Non-controlling interest		(261)	-	(1,070)	-
Net loss and comprehensive loss		\$ (4,651)	\$ (6,808)	(10,421)	(13,213)
Net loss per share					
Basic and diluted		\$ (0.02)	\$ (0.03)	\$ (0.04)	\$ (0.06)
Weighted average number of shares outstanding					
Basic and diluted		227,627,041	227,627,041	227,627,041	227,619,969

The accompanying notes are an integral part of these unaudited condensed interim financial statements.

FRONTIER LITHIUM INC.

Condensed Consolidated Interim Statements of Cash flows

(Unaudited - Expressed in thousands of Canadian dollars)

	Notes	Three months ended September 30,		Six months ended September 30,	
		2024	2023	2024	2023
<i>Cash provided by (used in)</i>					
Operating cash flows					
Net loss		\$ (4,651)	\$ (6,808)	\$ (10,421)	\$ (13,213)
Items not involving cash:					
Depreciation	7	138	62	255	122
Accretion expense on lease liabilities	8	2	6	5	11
Share-based compensation	9	590	1,448	893	2,608
Accrued interest income		255	-	(38)	-
Gain on sale of fixed assets		(10)	-	(10)	-
Change in working capital balances:					
Accounts receivable, prepaid expenses and other assets		(776)	537	(597)	683
Accounts payable and accrued liabilities		(251)	1,063	(910)	1,461
Total cash used in Operations		\$ (4,703)	\$ (3,692)	\$ (10,823)	\$ (8,328)
Investing cash flows					
Additions to property, plant and equipment		(129)	-	(224)	(1,365)
Proceeds from disposals		20	-	20	-
Total cash used in Investing		\$ (109)	\$ -	\$ (204)	\$ (1,365)
Financing cash flows					
Proceeds from exercise of warrants		-	-	-	907
Proceeds from exercise of stock options		-	-	-	81
Repayment of lease obligation		(20)	(19)	(38)	(37)
Proceeds from NCI contributions		-	-	25,000	-
Financing costs		-	-	(981)	-
Total cash provided by (used in) Financing		\$ (20)	\$ (19)	\$ 23,981	\$ 951
Net change in cash and cash equivalents		\$ (4,832)	\$ (3,711)	\$ 12,954	\$ (8,742)
Cash and cash equivalents, beginning of period		30,360	22,340	12,574	27,371
Cash and cash equivalents, end of period		\$ 25,528	\$ 18,629	\$ 25,528	\$ 18,629

The accompanying notes are an integral part of these unaudited condensed interim financial statements.

FRONTIER LITHIUM INC.

Condensed Consolidated Interim Statements of Changes in Equity

For the six months ended September 30, 2024 and 2023

(Unaudited - Expressed in thousands of Canadian dollars)

	Notes	Share Capital		Reserves		Deficit	Total Shareholders' equity	Non-controlling Interest	Total Equity
		Number of Shares	Dollar Amount	Contributed Surplus	Other Reserves				
March 31, 2023		226,932,041	86,023	28,173	-	(80,956)	33,240	-	33,240
Net loss and comprehensive loss for the period		-	-	-	-	(13,213)	(13,213)	-	(13,213)
Shares issued for exercise of options	8	90,000	130	(49)	-	-	81	-	81
Shares issued for exercise of warrants	8	605,000	1,175	(268)	-	-	907	-	907
Share-based payments	8	-	-	2,608	-	-	2,608	-	2,608
September 30, 2023		227,627,041	87,328	30,464	-	(94,169)	23,623	-	23,623
March 31, 2024		227,627,041	87,328	32,312	-	(105,482)	14,158	-	14,158
Net loss for the period		-	-	-	-	(9,352)	(9,352)	(1,070)	(10,422)
Share-based payments	6	-	-	893	-	-	893	-	893
Change in ownership interest	7	-	-	-	21,554	-	21,554	2,465	24,019
September 30, 2024	6	227,627,041	87,328	33,205	21,554	(114,834)	27,253	1,395	28,648

The accompanying notes are an integral part of these unaudited condensed interim financial statements.

FRONTIER LITHIUM INC.

Notes to Condensed Consolidated Interim Financial Statements

For the three and six months ended September 30, 2024 and 2023

(Unaudited - Expressed in thousands of Canadian dollars, except share and per share amounts)

1. NATURE OF OPERATIONS AND GOING CONCERN

Frontier Lithium Inc. (the "Company") was incorporated as 646215 Alberta Inc. on March 13, 1995, under the Business Corporations Act (Alberta) and headquartered in Sudbury, Ontario. The Company was formerly called Houston Lake Mining Inc. and changed its name by Certificate of Amendment dated May 19, 2016 to Frontier Lithium Inc.. The Company's registered address is 1250, 639 - 5th Ave. S.W, Calgary, Alberta T2P 0M9 and its head office address is located at 2736 Belisle Drive, Val Caron, Ontario, P3N 1B3.

The Company's shares are publicly traded on the Toronto Venture Exchange ("TSX-V") under the symbol "FL", the U.S. based QTCQX Venture Market under the symbol "LITOF" and the Frankfurt Stock Exchange under the symbol "HL2".

The Company is engaged in the acquisition, exploration and development of lithium mineral properties in Ontario, Canada. The Company's flagship asset is the Pakeagama Lake Property lithium project (the "PAK Lithium Project") located in Ontario, Canada.

To date, the Company has not earned revenue, has an accumulated deficit of \$114,834 as at September 30, 2024 (March 31, 2024 - \$105,482) and had a net loss of \$10,421 for the six months ended September 30, 2024 (September 30, 2023 - \$13,213). As at September 30, 2024, the Company had cash and cash equivalents of \$25,528 (March 31, 2024 - \$12,574) and positive working capital of \$20,851 (March 31, 2024 - \$6,327). The Company anticipates having sufficient funds to meet its corporate and administrative expenses for at least the next twelve months. The Company has historically relied on equity placements to fund its operations and repay its liabilities. Management is actively pursuing financing and alternative funding options and is minimizing discretionary expenditures where prudent. While the Company has been successful in the past, there can be no assurance that it will be able to raise sufficient funds in the future. These conditions and events indicate that a material uncertainty exists that may cast significant doubt about the Company's ability to continue as a going concern.

These financial statements do not reflect the adjustments to the carrying values of assets and liabilities and the reported expenses and statement of financial position classifications that would be necessary were the going concern assumption deemed to be inappropriate. These adjustments could be material.

2. BASIS OF PREPARATION

(a) Statement of compliance

These unaudited condensed consolidated interim financial statements have been prepared in accordance with IAS 34 – Interim Financial Reporting as issued by the International Accounting Standards Board ("IASB"). Accordingly, certain disclosures included in annual financial statements prepared in accordance with International Financial Reporting Standards Accounting Standards ("IFRS Accounting Standards") as issued by the IASB have been condensed or omitted and these unaudited condensed consolidated interim financial statements should be read in conjunction with the Company's audited consolidated financial statements for the year ended March 31, 2024. The Company's interim results are not necessarily indicative of its results for a full year.

These unaudited condensed consolidated interim financial statements were approved by the Board of Directors on November 26, 2024.

FRONTIER LITHIUM INC.

Notes to Condensed Consolidated Interim Financial Statements

For the three and six months ended September 30, 2024 and 2023

(Unaudited - Expressed in thousands of Canadian dollars, except share and per share amounts)

2. BASIS OF PREPARATION (CONTINUED)

(b) Basis of presentation and consolidation

These consolidated financial statements were prepared on a historical cost basis except for financial instruments classified at fair value through profit or loss ("FVTPL"). In addition, these consolidated financial statements have been prepared on a going concern basis, which contemplates the realization of assets and the settlement of liabilities in the normal course of business for the foreseeable future as they come due.

These consolidated financial statements include the accounts of the Company and its subsidiaries. Control over a subsidiary is defined to exist when the Company is exposed to variable returns from involvement with an investee and has the ability to affect the returns through power over the investee. All intercompany balances and transactions are eliminated upon consolidation. Our principal subsidiaries are Frontier Integrated Lithium Holdings Inc. ("FILH", 92.5% interest), Frontier Lithium Resources Inc. (92.5% interest) and Frontier Lithium Advanced Materials Inc. (92.5% interest).

The functional and presentation currency of the Company, including all subsidiaries, is Canadian dollars.

(c) Adoption of New Accounting Policies, Standards and Interpretations

In January 2020, The IASB issued amendments to IAS 1, *Presentation of Financial Statements* that clarified the classification of liabilities as current or non-current is based on contractual rights that are in existence at the end of the reporting period. In October 2022, the IASB issued amendments to IAS 1 that specified how an entity assesses whether it has the right to defer settlement of a liability when that right is subject to compliance with covenants within twelve months after the reporting period. These amendments were effective January 1, 2024, with early adoption permitted. Retrospective application is required on adoption. These amendments did not have a material effect on the Company's consolidated financial statements.

In April 2024, the IASB issued IFRS 18 *Presentation and Disclosure of Financial Statements*. This standard aims to improve the consistent and clarity of financial statement presentation and disclosure by providing updated guidance on the structure and content of financial statements. Key changes include enhanced requirements for the presentation of financial performance, financial position, and cash flows, as well as additional disclosures to improve transparency and comparability. IFRS 18 is effective for annual reporting periods beginning on or after January 1, 2027. The Company is currently assessing the impact that the adoption of IFRS 18 will have on its consolidated financial statements.

Several other new accounting standards and amendments to standards and interpretations have been issued but are not yet effective for the year ending March 31, 2025. None of these changes have been early adopted nor are they considered by management to likely have a material impact on the Company's consolidated financial statements.

(d) Material Accounting Policies and Use of Estimates and Judgements

In the preparation of these financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of expenses and other income for the reporting period.

Judgments, estimates and assumptions are periodically evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Revisions to estimates are recognized prospectively and actual outcomes can differ from these estimates. Areas of judgments, estimates and assumptions that have the most significant effect on the amounts recognized in the financial statements are as follows:

FRONTIER LITHIUM INC.**Notes to Condensed Consolidated Interim Financial Statements**

For the three and six months ended September 30, 2024 and 2023

(Unaudited - Expressed in thousands of Canadian dollars, except share and per share amounts)

The Company has consistently applied the accounting policies, judgement, estimates and assumptions set out in Note 2(c) and Note 2(d) of the Company's audited consolidated financial statements for the year ended March 31, 2024, to these condensed consolidated interim financial statements.

3. OTHER RECEIVABLES, PREPAID EXPENSES AND OTHER ASSETS

	September 30, 2024	March 31, 2024
Other receivables and prepaid expenses	\$ 592	\$ 273
Other deposit	340	250
HST receivable	1,003	777
Total	\$ 1,935	\$ 1,300

4. PROPERTY, PLANT AND EQUIPMENT

	Buildings, plant and mobile equipment	Right-of-use assets	Total
Cost			
At March 31, 2023	\$ 980	\$ 289	\$ 1,269
Additions	2,175	-	2,175
Disposals	-	-	-
At March 31, 2024	\$ 3,155	\$ 289	\$ 3,444
Additions	224	-	224
Disposals	-	(43)	(43)
At September 30, 2024	\$ 3,379	\$ 246	\$ 3,625
Accumulated depreciation			
At March 31, 2023	\$ 442	\$ 183	\$ 625
Depreciation	345	61	406
Disposal	-	-	-
At March 31, 2024	\$ 787	\$ 244	\$ 1,031
Depreciation	240	15	255
Disposals	-	(33)	(33)
At September 30, 2024	\$ 1,027	\$ 226	\$ 1,253
Net book value			
At March 31, 2024	\$ 2,368	\$ 45	\$ 2,413
At September 30, 2024	\$ 2,352	\$ 20	\$ 2,372

FRONTIER LITHIUM INC.

Notes to Condensed Consolidated Interim Financial Statements

For the three and six months ended September 30, 2024 and 2023

(Unaudited - Expressed in thousands of Canadian dollars, except share and per share amounts)

5. LEASE OBLIGATIONS

The following tables show the movement in lease obligations:

Movement in Lease obligations		
Balance, March 31, 2023	\$	120
Accretion expense during the period		19
Payments during the period		(73)
Balance, March 31, 2024		66
Current portion of Lease obligations		58
Non-current portion of Lease obligations		8
Balance, March 31, 2024		66
Balance, March 31, 2024		66
Accretion expense during the period		5
Payments during the period		(38)
Balance, September 30, 2024	\$	33
Current portion of Lease obligations		32
Non-current portion of Lease obligations	\$	1
Balance, September 30, 2024		33

The Company recognized \$13 of expenses relating to short-term and low value leases during the six months ended September 30, 2024 (September 30, 2023 - \$9).

6. SHARE CAPITAL

(a) Warrants

The following table shows the movement in warrants:

	Number of warrants	Weighted average exercise price
At March 31, 2023	6,127,822	\$ 2.57
Issued	-	-
Exercised	(605,000)	1.50
Expired	(290,322)	1.51
At March 31, 2024 and September 30, 2024	5,232,500	\$ 2.75

No warrants were issued during the six months ended September 30, 2024 (September 30, 2023 – nil). All 5,232,500 warrants outstanding at September 30, 2024 have an expiry date of November 10, 2025.

FRONTIER LITHIUM INC.

Notes to Condensed Consolidated Interim Financial Statements

For the three and six months ended September 30, 2024 and 2023

(Unaudited - Expressed in thousands of Canadian dollars, except share and per share amounts)

6. SHARE CAPITAL (CONTINUED)

(b) Stock options

The following table shows the movement in stock options:

	Number of options	Weighted average exercise price
At March 31, 2023	20,090,718	\$ 1.31
Granted	3,172,500	1.22
Exercised	(90,000)	0.90
Forfeited	(375,000)	2.10
Expired	(1,125,000)	2.81
At March 31, 2024	21,673,218	\$ 1.20
Forfeited	(230,000)	0.90
At March 31, 2024 and September 30, 2024	21,443,218	\$ 1.20

At September 30, 2024, the following stock options were outstanding and exercisable:

Exercise Prices	Weighted Average Exercise Price	Outstanding Number of options	Exercisable Number of Options	Weighted Average Remaining Life in Years
\$ 0.25 - \$ 0.92	\$ 0.62	9,390,717	8,640,720	1.9
\$ 1.04 - \$ 1.86	1.19	6,852,501	6,852,501	2.0
\$ 2.10 - \$ 2.73	2.28	5,200,000	5,200,000	3.1
Total	\$ 1.20	21,443,218	20,693,221	2.2

No stock options were granted during the six months September 30, 2024 (September 30, 2023 – 750,000). The fair value of option grants were estimated at the date of grant using the Black-Scholes option-pricing model. The weighted average inputs used in the measurement of fair values at grant date of the options are the following:

	Three months ended September 30,		Six months ended September 30,	
	2024	2023	2024	2023
Expected volatility	-	80%	-	79%
Risk-free interest rate	-	4.0%	-	3.8%
Expected dividend yield	-	Nil	-	Nil
Expected lives	-	5 years	-	5 years
Expected forfeiture rate	-	Nil	-	Nil

No stock options were exercised during the six months ended September 30, 2024 (September 30, 2023 – 90,000). The weighted average share prices (fair value) per option exercised during the six months ended September 30, 2023 was \$1.92.

FRONTIER LITHIUM INC.

Notes to Condensed Consolidated Interim Financial Statements

For the three and six months ended September 30, 2024 and 2023

(Unaudited - Expressed in thousands of Canadian dollars, except share and per share amounts)

7. NON-CONTROLLING INTEREST

On March 4, 2024, the Company entered into a definitive agreement with Mitsubishi Corporation (“Mitsubishi”) to establish a joint venture partnership for the PAK Lithium Project (the “PAK JV”). Under the terms of the definitive agreement, Mitsubishi would acquire a 7.5% equity interest in the PAK JV in exchange for cash considerations of \$25,000 (“Tranche 1”), and upon completion of various project milestones, including a final definitive feasibility study, Mitsubishi would have the right to increase its equity interest to 25% (“Tranche 2”).

On April 4, 2024, the Company completed the structuring and transfer of the PAK Lithium Project mineral interest and accompanying assets into the operating subsidiaries of Frontier Lithium Resources Inc. and Frontier Lithium Advanced Materials Inc., which are wholly owned subsidiaries of FILH.

On April 25, 2024, the Company signed a Unanimous Shareholders Agreement with Mitsubishi and closed Tranche 1 of the PAK JV partnership, giving Mitsubishi a 7.5% minority interest in FILH. The Company received cash proceeds of \$25,000 from Mitsubishi as the non-controlling interest investment and incurred financing costs of \$981.

The following table summarizes the financial information related to the FILH before intercompany eliminations.

	September 30, 2024		March 31, 2024	
Current assets	\$	16,967	\$	-
Non-current assets		7,492		-
Current liabilities		(7,165)		-
Net assets	\$	17,294	\$	-
Net assets attributable to NCI	\$	1,395	\$	-

	Three months ended September 30,		Six months ended September 30,	
	2024	2023	2024	2023
Net loss and comprehensive loss	\$ (4,651)	\$ -	\$ (10,421)	\$ -
Net loss and comprehensive loss attributable to NCI	(261)	-	(1,070)	-

8. EXPLORATION AND EVALUATION EXPENDITURES

	Three months ended September 30,		Six months ended September 30,	
	2024	2023	2024	2023
Personnel cost	\$ 510	\$ 512	\$ 1,037	\$ 1,119
Consulting fees	1,794	2,750	5,101	3,880
Drilling	-	124	244	1,460
Assay and sampling	170	58	243	230
Research and development, net of government assistance	151	434	336	767
Camp and equipment expenses	53	44	90	192
Travel and transportation cost	554	409	847	1,189
Total exploration and evaluation expenditures	\$ 3,232	\$ 4,331	\$ 7,898	\$ 8,837

FRONTIER LITHIUM INC.

Notes to Condensed Consolidated Interim Financial Statements

For the three and six months ended September 30, 2024 and 2023

(Unaudited - Expressed in thousands of Canadian dollars, except share and per share amounts)

9. GENERAL AND ADMINISTRATIVE EXPENSES

	Three months ended September 30,		Six months ended September 30,	
	2024	2023	2024	2023
Salaries, benefits and consulting	\$ 462	\$ 600	\$ 966	\$ 1,082
Share-based payments	590	1,448	893	2,608
Professional fees	123	241	398	340
Office, administration and other	320	222	541	436
Shareholder related fees	110	176	128	268
Depreciation	138	62	255	122
Total general and administrative expenses	\$ 1,743	\$ 2,749	\$ 3,181	\$ 4,856

10. RELATED PARTY TRANSACTIONS

Related parties include key management personnel such as officers or senior management, and members of the Board of Directors. Details of related party transactions are as follows.

	Three months ended September 30,		Six months ended September 30,	
	2024	2023	2024	2023
Compensation – salaries, benefits and consulting	\$ 482	\$ 373	\$ 964	\$ 865
Exploration and evaluation and other expenditures ¹	18	4	27	547
Share-based compensation	119	1,340	379	2,394
Total	\$ 619	\$ 1,717	\$ 1,370	\$ 3,259

1. Exploration and evaluation expenditures are related to drilling, blasting, and hauling costs paid to a corporation controlled by a director of the Company.

Included in accounts payable is \$14 (March 31, 2024 - \$3) owing to corporations controlled by a director of the Company and key management personnel of the Company.

11. CAPITAL AND FINANCIAL RISK MANAGEMENT

(a) Capital Management

The primary objectives of the Company's capital management policy are to ensure that the Company raises sufficient funds to execute its business designed to maximize shareholder value. The Company considers the following items as capital: Cash and cash equivalents, share capital and reserves in the amount of \$167,615 as at September 30, 2024 (March 31, 2024 - \$132,214).

When managing capital, which is a broader concept than the "equity" in the statement of financial position, the objectives of the Company are:

- To safeguard the Company's ability to continue as a going concern so that it can continue to provide returns for shareholders and benefits for other stakeholders; and
- To maintain a strong capital base to support the exploration for and development of its mineral deposits.

FRONTIER LITHIUM INC.

Notes to Condensed Consolidated Interim Financial Statements

For the three and six months ended September 30, 2024 and 2023

(Unaudited - Expressed in thousands of Canadian dollars, except share and per share amounts)

11. CAPITAL AND FINANCIAL RISK MANAGEMENT (CONTINUED)

(a) Capital Management (continued)

There have been no changes in the Company's capital management policies when compared to the prior year. Management continues to invest cash in high interest rate deposit accounts and Guaranteed Investment Certificate ("GIC") accounts which would generate interest income and thereby offset operating costs. As of September 30, 2024, \$9,039 (March 31, 2024 - \$11,300) was invested in GICs. Management intends to optimize its cash management while continuing to fulfill its operating cash needs.

(b) Financial Risk Management

Our activities expose us to a variety of financial risks: market risk, liquidity risk and credit risk. Risk management is carried out by our management team with guidance from the Board of Directors. The Board of Directors also provides regular guidance for overall risk management.

i. Market risk

Market risk is the risk that changes based on market factors, such as commodity prices or foreign exchange rates, which affect the value of our financial instruments.

Commodity price risk

Commodity prices fluctuate and are affected by factors outside of the Company's control. The current and expected future spot prices have a significant impact on the market sentiment for investment in exploration companies and may impact the Company's ability to raise equity or debt financing for its ongoing working capital requirements. Management closely monitors commodity prices to determine the appropriate course of action to be taken.

Currency risk

Currency risk is the risk that the fair value of, or future cash flows from, our financial instruments will fluctuate because of changes in foreign exchange rates. Our functional currency is the Canadian dollar and major purchases are transacted in Canadian dollars.

We maintain Canadian and United States dollar bank accounts in Canada. Our foreign exchange exposure to fluctuations in the United States dollar exchange rate against the Canadian dollar is not significant as our annual exploration expenditures and a significant portion of our corporate administrative costs are denominated in Canadian dollars.

ii. Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its payment obligations when they fall due under normal and stress circumstances. The Company monitors its liquidity risk by considering the maturity of its financial assets and projected cash flow from operations. Where possible the Company utilizes surplus internal funds to finance its operations and ongoing projects.

FRONTIER LITHIUM INC.**Notes to Condensed Consolidated Interim Financial Statements**

For the three and six months ended September 30, 2024 and 2023

(Unaudited - Expressed in thousands of Canadian dollars, except share and per share amounts)

11. CAPITAL AND FINANCIAL RISK MANAGEMENT (CONTINUED)**(b) Financial Risk Management, ii. Liquidity risk (continued)**

The following table shows the future undiscounted obligations:

	Due within 1 year		Due between 1 and 5 years		Total
Accounts payable and accrued liabilities	\$	7,489	\$	-	\$ 7,489
Lease obligations		64		9	73
Total as at March 31, 2024	\$	7,553	\$	9	\$ 7,555

	Due within 1 year		Due between 1 and 5 years		Total
Accounts payable and accrued liabilities	\$	6,580	\$	-	\$ 6,580
Lease obligations		35		1	36
Total as at September 30, 2024	\$	6,615	\$	1	\$ 6,616

(c) Credit risk

Credit risk is the risk of financial loss to the Company if a third party fails to meet their contractual obligations and arises principally from our financing activities including deposits with banks and accounts receivable.

We maintain substantially all of our cash in bank accounts at select Canadian chartered banks. Management believes credit risk is low with respect to bank deposits and accounts receivable.