

Management's Discussion and Analysis

For the years ended December 31, 2024 and 2023

(Expressed in thousands of United States dollars, unless otherwise noted)

Management's Discussion and Analysis

BASIS OF PRESENTATION

This Management's Discussion and Analysis ("MD&A") is intended to help the reader understand Lithium Royalty Corp. ("LRC" or the "Company"), its operations, financial performance and the present and anticipated future business environment. This MD&A, which has been prepared as of March 19, 2025, should be read in conjunction with the Company's audited consolidated financial statements and accompanying notes for the years ended December 31, 2024 and 2023 (the "Annual Financial Statements"), which have been prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board ("IASB"). Certain notes to the Financial Statements are specifically referred to in this MD&A. Certain financial measures contained in this MD&A are non-IFRS measures and are discussed further in the *Non-IFRS Measures* section of this MD&A. All amounts in this MD&A are in thousands of U.S. dollars unless otherwise indicated. References to "US\$", "\$" or "dollars" are to United States dollars, references to "C\$" are to Canadian dollars and references to "A\$" are to Australian dollars. In this MD&A, all references to "LRC", the "Company", "we", "us" or "our" refer to Lithium Royalty Corp. together with its subsidiaries, on a consolidated basis.

This MD&A contains forward-looking information. Forward-looking information is necessarily based on a number of opinions, estimates and assumptions that LRC considered appropriate and reasonable as of the date such statements were made, and is subject to known and unknown risks, uncertainties, assumptions and other factors that may cause the actual results, level of activity, performance or achievements to be materially different from those expressed or implied by such forward-looking information, including but not limited to the risk factors described in the "Risk Factors" section of the Company's Annual Information Form dated March 17, 2025, available on SEDAR+ at www.sedarplus.ca. There can be no assurance that such forward-looking information will prove to be accurate, as actual results and future events could differ materially from those anticipated in such information. Accordingly, users should not place undue reliance on forward-looking information, which speaks only as of the date made. See the *Forward-Looking Information* section of this MD&A.

COMPANY OVERVIEW

LRC is a lithium-focused royalty company organized in Canada, which has established a globally diversified portfolio of 35 revenue 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 and other battery materials. LRC is a signatory to the Principles for Responsible Investment; the integration of ESG factors and sustainable mining are considerations in our investment analysis and royalty acquisitions.

Since commencing operations in 2018, our overarching objective has been to grow our portfolio and net asset value through ongoing investments in royalties within an electrification and decarbonization macroeconomic theme, with an emphasis on lithium. LRC owns a portfolio of 35 royalties on 33 properties and continues to seek opportunities to acquire additional royalty assets.

The major categories of the Company's interests are (i) producing, (ii) development, and (iii) exploration and evaluation assets. Producing assets are royalty interests over mineral projects which have reached commercial production. Development assets are royalty interests on projects which are not yet producing, but where the technical feasibility and commercial viability of extracting a mineral resource are demonstrable. Exploration and evaluation assets represent royalty interests for which the technical feasibility and commercial viability of extracting a mineral resource have not yet been demonstrated.

Our royalty acquisition strategy targets high-grade and low-cost mineral projects that are primarily located in Australia, Brazil, Argentina, Canada, and the United States. However, LRC also targets high-quality assets in other jurisdictions where we deem risk-adjusted returns to be appropriate and we are satisfied with available protections. Our portfolio includes a number of projects in the earlier stages of the mine life cycle, which provide an opportunity to increase the Company's EBITDA¹ per share over the long term to the extent that a favourable commodity price environment induces the underlying mines to begin production. Integration of ESG factors and sustainable mining are considerations in our investment and royalty acquisitions.

¹ Adjusted Net Loss, EBITDA and Adjusted EBITDA are non-IFRS measures. For a reconciliation of these items to IFRS measures, see page 28 of this MD&A.

Selected Financial Highlights

KEY INCOME STATEMENT ITEMS	For the three months ended December 31,		For the years ended December 31,	
	2024	2023	2024	2023
Royalty revenue	\$ 620	\$ 1,013	\$ 3,024	\$ 5,522
Depletion	(139)	(279)	(585)	(935)
Gross profit	481	734	2,439	4,587
Loss from operations	(1,119)	(1,577)	(4,895)	(4,533)
Net loss for the period	\$ (278)	\$ (826)	\$ (2,659)	\$ (4,967)
Net income attributable to non-controlling interest	21	11	70	72
Net loss attributable to equity holders of Lithium Royalty Corp.	(299)	(837)	(2,729)	(5,039)
Adjusted net loss ¹	(240)	(202)	(1,884)	(2,721)
EBITDA ¹	(984)	(1,254)	(3,606)	(2,474)
Adjusted EBITDA¹	\$ (877)	\$ (695)	\$ (2,500)	\$ (306)

KEY CASH FLOW STATEMENT ITEMS	For the three months ended December 31,		For the years ended December 31,	
	2024	2023	2024	2023
Net cash provided by (used in) operating activities	201	\$ 950	\$ (615)	\$ (7,535)
Net cash used in investing activities	–	(2,521)	(3,800)	(53,609)
Net cash (used in) provided by financing activities	(523)	(301)	(540)	35,828

KEY BALANCE SHEET ITEMS	As at December 31,	
	2024	2023
Cash	\$ 6,726	\$ 11,757
Restricted cash	500	140,661
Royalty interests	116,107	140,661
Asset held for sale	27,459	–
Total assets	153,368	155,033
Total non-current liabilities	1,580	3,098

¹ Adjusted Net Loss, EBITDA and Adjusted EBITDA are non-IFRS measures. For a reconciliation of these items to IFRS measures, see page 28 of this MD&A.

OUR ASSETS

The Company is organized into a single operating segment. Operations consist of acquiring and managing our royalty interests as part of a portfolio that provides exposure to lithium and other battery metals. The Company's chief operating decision maker, the Executive Chair, makes resource allocation decisions, reviews operating results and assesses performance.

Producing Stage Assets

Mt Cattlin (Operator: Rio Tinto)

LRC owns a A\$1.50 royalty per tonne of ore mined at the Mt Cattlin project, which is located near Ravensthorpe in the Great Southern region of Western Australia. On September 4, 2024, Arcadium announced that it will suspend Stage 4A waste strip-ping, and that it intends to place the Mt Cattlin mine into care and maintenance after it completes Stage 3 mining and ore processing, expected to be completed by the end of the first half of calendar 2025. However, Arcadium has indicated that it does not intend to close the Mt Cattlin project and that it intends to keep the mine and processing facilities at the Mt Cattlin project in a position to potentially resume operations if market conditions become more favourable. Arcadium has also indicated it is conducting an underground mining study to potentially extend the mine life of the Mt Cattlin project, subject to market conditions. On March 5, 2025, Rio Tinto completed its previously announced \$6.7 billion acquisition of Arcadium Lithium plc.

Finniss (Operator: Core Lithium Ltd. ("Core Lithium"))

LRC owns a 2.5% gross overriding revenue ("GOR") royalty over the Finniss spodumene project in the Northern Territory, Australia, operated by Core Lithium. On January 5, 2024, Core Lithium announced that it was temporarily suspending mining operations, while continuing to process stockpiled ore. Core Lithium has disclosed that it will continue the mine study for the nearby BP33 project, with early works on pause until market conditions improve. On September 15, 2024, Core Lithium disclosed an update to the mineral reserves at Finniss to 9.3 million tonnes at a grade of 1.38% Li₂O with a cut-off grade of 0.8% Li₂O and expects to complete the restart study in Q4 2025.

Grota do Cirilo (Operator: Sigma Lithium Corporation ("Sigma Lithium"))

LRC owns a net 0.9% net smelter return ("NSR") royalty over the Grota do Cirilo lithium project operated by Sigma Lithium in Brazil. In February 2024, Sigma Lithium announced plans to advance Phase 2 of the project, which would increase annual production from 270,000 tonnes to approximately 510,000 tonnes. In May 2024, Sigma Lithium upgraded its reserve estimate to 77.0 million tonnes ("Mt") of proven and probable reserves at 1.4% Li₂O, with a cut-off grade of 0.3% Li₂O. On February 24, 2025, Sigma Lithium announced that Phase 2 for the Grota do Cirilo project is expected to begin production in the last quarter of 2025.

Mariana (Operator: Ganfeng Lithium Co. ("Ganfeng"))

LRC owns a net 0.45% NSR royalty on the Mariana lithium project operated by Ganfeng in Salta, Argentina. In May 2022, Ganfeng announced it has spent \$790 million to build a lithium chloride production facility in Salta with a targeted output of 20,000 tonnes annually, and \$200 million on the related solar infrastructure for the asset. In its September 30, 2024 semi-annual report, Ganfeng commented that it continues to advance the construction of the Mariana lithium salt-lake project in Argentina. On February 12, 2025, Ganfeng inaugurated its lithium chloride facility for the Mariana project. Shipments from Mariana (and therefore revenue to the Company) have not yet commenced.

Development Stage Assets

Tres Quebradas (Operator: Zijin Mining Group Ltd. ("Zijin"))

LRC owns a net 0.9% GOR royalty on the Tres Quebradas lithium project operated by Zijin in Catamarca, Argentina. Zijin commenced construction of the Tres Quebradas project in February 2022. In October 2024, Zijin announced that commencement of production at the Tres Quebradas salar project in Argentina had been postponed to the second half of 2025. Zijin has indicated that it will seek to optimize production techniques and process flows during the period through to commencing production, with the aim of improving the project's ability to withstand price fluctuations. The Company finalized the \$28 million sale of a 0.5% GOR royalty on the project on March 19, 2025, leaving the company a net 0.9% GOR royalty on the project.

Horse Creek Silica Mine (Operator: Sinova Quartz Inc. ("Sinova"))

LRC owns a GOR royalty on the Horse Creek silica mine operated by Sinova in British Columbia, Canada. Production at the Horse Creek mine is anticipated to commence in 2025. The Horse Creek quarry produces high-purity quartz that is used in the production of silicon metal. Silicon metal is increasingly being used as an anode battery material to increase the energy density of electric vehicle ("EV") batteries and, as a result, the range of EVs. Silicon metal is also used in the production of semiconductors and solar panels. Sinova is in the process of developing a silicon metal manufacturing operation in Tennessee to process quartz from the Horse Creek quarry. The Horse Creek quarry is permitted for up to 1,400,000 tonnes of quartz production per year.

Das Neves (Operator: Atlas Lithium ("Atlas"))

LRC owns a 3.0% GOR royalty on the Das Neves lithium project in Minas Gerais, Brazil. On October 28, 2024, Atlas announced that it had received an operational permit for the Das Neves project. On March 10, 2025, Atlas announced that the DMS processing plant that had departed from South Africa by ship to Brazil had arrived in Brazil. Atlas continues to advance the project and is targeting production in late 2025.

Exploration and Evaluation Stage Assets

LRC has royalty interests over assets that are at varying stages of exploration and evaluation, which are listed in the table below. LRC considers properties to be in the exploration and evaluation stage if they have not yet shown the technical feasibility and commercial viability of a project, and where the operator has not made a development decision. LRC does not expect that any of the following projects will graduate from this stage to the development stage prior to December 31, 2025.

UNDERLYING ASSET	LOCATION	OPERATOR	COMMODITY EXPOSURE	STATUS
Moblan	Québec, Canada	Sayona	Lithium Spodumene	DFS complete, regulatory approval in progress
Tansim	Québec, Canada	Sayona	Lithium Spodumene	Exploration
Mallina	Western Australia, Australia	Morella	Lithium Spodumene	Resource development
Valjevo	Valjevo, Serbia	Palkovsky Group	Lithium Carbonate and Boric Acid	PEA in progress
Cancet	Québec, Canada	Winsome	Lithium Spodumene	Resource development
Adina	Québec, Canada	Winsome	Lithium Spodumene	PEA complete
Sirmac-Clapier	Québec, Canada	Winsome	Lithium Spodumene	Exploration
Donner Lake	Manitoba, Canada	Grid Metals	Lithium Spodumene	Scoping study
Lithium Springs	Northern Territory, Australia	Lithium Springs Limited	Lithium Spodumene	Exploration
Zeus	Nevada, United States	Noram	Lithium Carbonate	PFS in progress
Basin East & West/ Wikieup	Arizona, United States	Bradda Head	Lithium Hydroxide	Updated mineral resource estimate
Shatford Lake/Cat-Euclid	Manitoba, Canada	ACME Lithium	Lithium Spodumene	Exploration
Yinnetharra	Western Australia, Australia	Delta Lithium	Lithium Spodumene	Mineral resource, scoping study in progress
Tabba Tabba	Western Australia, Australia	Sayona and Morella	Lithium Spodumene	Exploration
Mt Edon/Mt Edon West	Western Australia, Australia	Sayona and Morella	Lithium Spodumene	Exploration
Seymour Lake	Ontario, Canada	Green Technology Metals	Lithium Spodumene	PEA complete, DFS in progress
Root Lake	Ontario, Canada	Green Technology Metals	Lithium Spodumene	PEA complete, PFS in progress
Wisa Lake	Ontario, Canada	Green Technology Metals	Lithium Spodumene	Exploration
Eyre	Western Australia, Australia	Larvotto Resources	Lithium Spodumene	Exploration
Kaustinen/Ilmajoki	Finland	Arvo Lithium	Lithium Spodumene	Exploration
Galaxy (formerly James Bay)	Québec, Canada	Rio Tinto	Lithium Spodumene	Construction planning and design, awaiting permits
Case Lake	Ontario, Canada	Power Metals Corp	Lithium Spodumene	Drilling for mineral resource
Adina East	Québec, Canada	Winsome	Lithium Spodumene	Exploration
Mia Lithium	Québec, Canada	Q2 Metals Corp	Lithium Spodumene	Exploration
Whitebushes and Mt. Elephant	Brazil	M4E	Lithium Spodumene	Drilling for mineral resource

MARKET OVERVIEW

The royalties held by the Company are predominantly GOR royalties, but also include several NSR royalties and one tonnage-based royalty. For GOR and NSR royalties, royalty payments to the Company are heavily influenced by the realized revenues earned on the production of lithium precursor products (predominantly spodumene and to a lesser extent lithium carbonate, lithium hydroxide, and lithium chloride) by the parties bearing the royalty obligations. The royalty payments received by the Company have limited exposure to the operating costs of the payors.

In addition to directly affecting the revenues earned by royalty payors, the market price of lithium significantly affects the economic viability of, and ability to finance, the underlying projects. Among other factors, higher lithium prices increase the likelihood that any given lithium project will be developed and brought into production. Conversely, although lower lithium prices create more opportunities for the Company given the need for capital in the lithium sector, they may also impede or halt the progress of both producing and non-producing lithium projects. Currently, most of the royalties held by the Company are granted over development and exploration projects, and the likelihood of development of an underlying project has a significant impact on the expected value of a royalty on that lithium project. Higher lithium prices also influence the scope of development of a particular lithium project, and therefore the production volumes eventually realized for that project.

Accordingly, most royalty payments are predominantly determined by both the market price of lithium and the production volumes of the mineral projects covered by our royalties. Changes in foreign exchange rates also have an impact on our results. For the Mt. Cattlin royalty (which earns Australian dollars), LRC incurs foreign exchange gains or losses when revenues are converted to USD.

Lithium Market

The market price of lithium is a primary driver of the Company's profitability and ability to generate free cash flow for investors, particularly as the projects covered by its GOR and NSR royalties commence production. In addition to the direct increase in the value of royalty payments, an elevated market price of lithium is a significant contributor to the Company's royalty portfolio by stimulating exploration and development activity in the underlying lithium projects and improving the economics of development projects.

The market price of lithium is generally determined by the balance of demand and supply for lithium and the various precursor forms of extracted lithium. Currently, the lithium market is seeing demand growth that is significantly outpacing global GDP and passenger vehicle sales. Incremental supply has grown in 2024 with key marginal producers in China and Africa contributing, which in turn resulted in price volatility during 2024.

LRC believes inflation is generally positive for the Company, as the cost of developing and operating a mine rises with inflation, which has the effect of raising the marginal cost of lithium production and thereby increasing lithium commodity prices. As LRC's business model is dependent on the overall revenue potential of the mines under royalty agreements and LRC has targeted royalties on lower-cost projects, LRC benefits disproportionately from rising lithium commodity prices that may occur as a result of inflation as our costs are generally fixed, resulting in strong operating leverage at the Company.

During 2024, global lithium demand increased by approximately 30%, led by continued growth of EV sales and a surge in orders for energy storage products.

China

In China, the EV market grew by over 31% driven by affordable EV models. More than two-thirds of electric vehicle models in China are now priced lower than their combustion engine counterparts. In response to strong EV demand, many Chinese auto manufacturers are phasing away from internal combustion engine production.

In China, EV sales penetration ended the year over 50%. Recently, the CEO of CATL, the world's largest battery company, commented that they believe that EV sales penetration in China will grow to over 70% in 2025. EV sales in the United States grew by 10% in the year, according to EV volumes. EVs made up 10% of all cars sold in the quarter.

Europe

European EV car registrations declined by 3% during 2024. Weakness in Germany was compensated by growth in the United Kingdom and France. Sales trends have improved more recently, due to more affordable EV offerings.

Looking ahead, numerous European automakers are launching more affordable EV models in anticipation of the 2025 CO₂ emissions standards set to take effect in the region. EV sales penetration in Europe finished the year at 17%, with estimates indicating it would need to increase to ~22% by 2026 to prevent very meaningful fines to automakers across the continent. BloombergNEF is tracking at least five new EV models below €25,000 from a variety of car manufacturers which are expected to help affordability and promote demand in Europe.

Energy Storage Systems

The energy storage system (ESS) sector is another source of lithium demand and is growing quickly. Shanghai Metals Market (SMM) estimates that the energy storage market grew by approximately 63% in 2024, which takes the segment to roughly 20% of global lithium demand.

Growth rates within the ESS remain robust. Tesla reported 114% year-on-year growth for energy storage deployments in 2024. Tesla estimates at least 50% growth in 2025. Additionally, CATL has predicted a 60% global growth in the ESS market in 2025.

Commodity Pricing

Asian Metal Ince ("AM") reports that spodumene concentrate prices averaged \$771 per tonne in the fourth quarter of 2024 and \$970 during 2024, marking an 11% and 74% decline quarter-on-quarter and year-on-year, respectively. As a result of the severe price decline, a number of lithium producers have curtailed production and deferred expansions.

Given the current depressed economic conditions and depressed returns for new greenfield projects, we expect supply growth for lithium commodities to be more limited in the near term, which we believe will help support an eventual recovery in lithium prices.

BENCHMARK LITHIUM PRODUCT (\$/tonne)	Average price in the year ended	
	2024	2023
99.5% lithium carbonate ¹	\$ 12,535	\$ 36,659
56.5% lithium hydroxide ²	\$ 11,517	\$ 38,985
6% lithium spodumene ³	\$ 970	\$ 3,728

1 Based on Bloomberg data for spot market price for 99.5% lithium carbonate delivered in China.

2 Based on Bloomberg data for spot market price for 56.5% lithium hydroxide delivered in China.

3 Based on Bloomberg data for spot market price for 6% lithium spodumene delivered in China.

Currency Exchange Rates

The Company is subject to currency fluctuations. For the year ended December 31, 2024, the royalty revenue attributable to the Mt Cattlin royalty interest was denominated in Australian dollars and paid to the Company's subsidiary LRC I Corporation, which uses U.S. dollars as its functional currency for accounting purposes. The Company is also subject to currency fluctuations on receivables, payables and cash balances denominated in currencies other than the functional currency of the Company and its subsidiaries. The majority of corporate administrative costs are denominated in Canadian dollars. The Company does not have any hedging programs in place for its non-U.S. dollar operating expenses.

The following table sets forth exchange rate information for the periods indicated.

AVERAGE EXCHANGE RATES ¹	For the year ended December 31,	
	2024	2023
C\$/US\$ exchange rate	1.3698	1.3495
A\$/US\$ exchange rate	1.5160	1.5063

PERIOD-END EXCHANGE RATES ¹	For the year ended December 31,	
	2024	2023
C\$/US\$ exchange rate	1.4349	1.3230
A\$/US\$ exchange rate	1.6080	1.4649

¹ Based on Bloomberg exchange rate data.

ASSET ACQUISITION ACTIVITY

Year Ended December 31, 2024

In March 2024, the Company acquired a 1.5% gross overriding revenue ("GOR") royalty on mineral claims held by M4E Lithium Ltda. ("M4E") for \$1.5 million. The Company has agreed to pay M4E a contingent payment of \$2 million upon M4E achieving 10 million tonnes of measured and indicated resource on or before December 31, 2025. The contingent payment will be capitalized as part of the cost of the royalty when and if the underlying obligating event has occurred.

In July 2024, the Company paid Bradda Head \$2.0 million relating 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 was paid in January 2025. These payments have been capitalized as part of the cost of the royalty asset.

Subsequent to Year End

On December 19, 2024, the Company agreed to sell 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 \$28.0 million. As a result, the asset was classified as held for sale on the Statement of Financial Position. The transaction closed on March 19, 2025.

CONSOLIDATED STATEMENTS OF INCOME AND COMPREHENSIVE INCOME (LOSS)

Three and Twelve Months ended December 31, 2024 and 2023

The following table presents the summarized consolidated statements of income and comprehensive income (loss) for the three and twelve months ended December 31, 2024 and 2023:

	For the three months ended December 31,		For the years ended December 31,	
	2024	2023	2024	2023
Royalty revenue	\$ 620	\$ 1,013	\$ 3,024	\$ 5,522
Depletion	(139)	(279)	(585)	(935)
Gross profit	\$ 481	\$ 734	\$ 2,439	\$ 4,587
Management services	(59)	(110)	(358)	(810)
General and administrative expenses	(1,541)	(2,201)	(5,913)	(7,896)
Impairment expenses	—	—	(1,063)	—
Exploration expenses	—	—	—	(414)
Loss from operations	\$ (1,119)	\$ (1,577)	\$ (4,895)	\$ (4,533)
Other income (expense)				
Finance (expense) income	(3)	54	92	1,329
Other income (loss)	—	—	750	(37)
Foreign exchange (loss) gain	(4)	44	(46)	1,161
Earnings (loss) before income taxes	\$ (1,126)	\$ (1,479)	\$ (4,099)	\$ (2,080)
Current income tax expense	72	(99)	(446)	(1,141)
Deferred income tax recovery (expense)	776	752	1,886	(1,746)
Net income (loss) for the period	\$ (278)	\$ (826)	\$ (2,659)	\$ (4,967)
Net income (loss) attributable to:				
Non-controlling interest	21	11	70	72
Equity holders of Lithium Royalty Corp.	(299)	(837)	(2,729)	(5,039)
	\$ (278)	\$ (826)	\$ (2,659)	\$ (4,967)
Earnings (loss) per share attributable to shareholders of Lithium Royalty Corp.	\$ (0.01)	\$ (0.02)	\$ (0.05)	\$ (0.09)

Royalty revenue for the three months ended December 31, 2024 was \$620, a decrease of \$393 as compared to \$1,013 for the same period in 2023. The decrease in revenue is primarily attributable to the reduction in the volume of spodumene concentrate sold, as the production at the Finniss project was temporarily suspended in January 2024. During the year ended December 31, 2024, revenue decreased by \$2,498 as compared to the same period in 2023. The reduction in revenue is due primarily to lower realized lithium prices and a reduced volume of sales as compared to 2023.

Depletion expense for the three months ended December 31, 2024 was \$139, a decrease of \$140 as compared to \$279 for the same period in 2023. The decrease is due to the reduction in the volume of spodumene concentrate sold by the operators as compared to 2023. For the year ended December 31, 2024, depletion was lower by \$350 as a result of the decrease in total volume produced by the project operators underlying the Company's royalty interests as compared to 2023.

General and administrative expenses for the three months and year ended December 31, 2024 decreased by \$695 and \$2,018, as compared to the same periods in 2023. The decrease in expenses is largely due to the non-recurring initial public offering ("IPO") expense in 2023, partially offset by an increase in company headcount in 2024.

During the year ended December 31, 2024, the Company recorded a non-cash impairment expense of \$1,063 on its Campus Creek royalty due to a lack of funding for the project.

Deferred tax recovery for the three months and year ended December 31, 2024 was \$776 and \$1,886, respectively. The recovery was primarily attributable to the change in the Company's position on the tax deductibility of its share-based compensation expense. In prior years, the share-based compensation expense was treated as non-deductible for tax purposes and was recorded as a permanent difference when computing the tax provision.

CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

The following table presents the summarized condensed consolidated statements of financial position:

	As at December 31,	
	2024	2023
Cash	\$ 6,726	\$ 11,757
Restricted cash	500	140,661
Royalty interests	116,107	140,661
Total assets	\$ 153,368	\$ 155,033
Total liabilities	4,552	5,011
Total equity attributable to equity holders of the Company	\$ 145,614	\$ 146,842
Non-controlling interest	3,202	3,180
Total equity	\$ 148,816	\$ 150,022

Total assets were \$153,368 as at December 31, 2024, as compared to \$155,033 as at December 31, 2023. The Company's asset base primarily consists of cash and royalty interests. The \$1,758 decrease in total assets during the period is largely attributable to cash expenses for the year, continued depletion of the Company's royalty interests and impairment expense taken on the royalty interests.

Total liabilities at December 31, 2024 were \$4,553, as compared to \$5,011 at December 31, 2023. Liabilities comprised accounts payable and accrued liabilities, related party payables, and deferred tax liabilities. The \$458 decrease in total liabilities primarily comprised the decline in the Company's deferred tax liabilities.

Total equity decreased to \$148,816 during the year ended December 31, 2024, from \$150,022 as at December 31, 2023, as a result of the net loss for the Company of \$2,659, partially offset by an increase in contributed surplus of \$1,501 from share-based compensation and settlement of RSUs issued by the Company during 2024.

STATEMENTS OF CASH FLOWS

Three and Twelve Months ended December 31, 2024 and 2023

The following table presents the consolidated statements of cash flows for the three and twelve months ended December 31, 2024 and 2023:

	For the three months ended December 31,		For the years ended December 31,	
	2024	2023	2024	2023
Net loss for the period	\$ (278)	\$ (826)	\$ (2,659)	\$ (4,967)
Depletion	139	279	585	935
Non-cash management services	—	—	—	65
Amortization of debt issuance cost	37	—	148	—
Amortization of property and equipment	29	—	62	—
Non-cash accretion	13	—	23	—
Impairment expense	—	—	1,063	—
Share-based compensation expense	484	855	2,058	3,048
Current income tax (recovery) expense	(72)	99	446	1,141
Deferred income tax (recovery) expense	(776)	(752)	(1,886)	1,746
Non-cash loss	—	—	—	37
Foreign exchange loss (gain)	3	(44)	46	(1,161)
Income taxes withheld at source	(63)	(553)	(783)	(1,025)
Tax paid on settlement of share-based awards	—	—	(406)	—
Non-cash finance expense	—	31	26	15
Changes in non-cash working capital	118	1,861	(87)	(7,527)
Income tax refunded	567	—	749	158
Net cash provided by (used in) operating activities	\$ 201	\$ 950	\$ (615)	\$ (7,535)
Acquisition of royalty interests	—	(2,630)	(3,500)	(53,689)
Acquisition of property and equipment	—	—	(300)	—
Acquisition of investments	—	—	—	(30)
Proceeds from sale of investments	—	109	—	110
Net cash used in investing activities	\$ —	\$ (2,521)	\$ (3,800)	\$ (53,609)
Repayment of lease liabilities	(23)	—	(40)	—
Increase in restricted cash	(500)	—	(500)	—
Proceeds from issuance of common shares, net of issuance costs	—	—	—	102,359
Proceeds from contribution to existing common shares	—	—	—	86
Repurchase of common shares	—	(301)	—	(1,296)
Pre-IPO distribution to shareholders	—	—	—	(65,235)
Repayment of related party loan	—	—	—	(86)
Net cash (used in) provided by financing activities	\$ (523)	\$ (301)	\$ (540)	\$ 35,828
Effect of exchange rate changes on cash	46	153	(76)	1,196
Increase (decrease) in cash	(368)	(1,719)	(5,031)	(24,120)
Cash at the beginning of the period	7,094	13,476	11,757	35,877
Cash at the end of the period	\$ 6,726	\$ 11,757	\$ 6,726	\$ 11,757

Operating Activities

Net cash used in operating activities for the year ended December 31, 2024 was \$615 (2023 – \$7,535). The decrease in cash used in operating activities as compared to the same period in the prior year is primarily due to a reduction in cash operating expenses. In addition, during 2023, the Company satisfied payables relating to the Company's IPO, therefore creating a \$7,527 negative working capital adjustment for the year ended December 31, 2023.

Investing Activities

Net cash used in investing activities for the year ended December 31, 2024 was \$3,800 (2023 – \$53,689). The decrease in cash used in investing activities during 2024 as compared to 2023 is due to a reduction in royalty purchase activities.

Financing Activities

Net cash used in financing activities for the year ended December 31, 2024 was \$40 (2023 – inflow of \$35,828). The variance is primarily attributable to the IPO and associated transactions, which occurred in March 2023.

QUARTERLY INFORMATION

The following table presents royalty revenue, net income (loss) attributable to shareholders and basic earnings (loss) per share by quarter:

	2024				2023			
	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Royalty revenue	\$ 620	\$ 224	\$ 1,549	\$ 631	\$ 1,013	\$ 2,963	\$ 838	\$ 708
Net income (loss) attributable to shareholders of Lithium Royalty Corp.	(299)	(1,638)	266	(1,057)	(837)	(1,578)	(893)	(1,738)
Basic (loss) earnings per share	\$ (0.01)	\$ (0.03)	\$ 0.01	\$ (0.02)	\$ (0.02)	\$ (0.03)	\$ (0.02)	\$ (0.04)

OUTSTANDING EQUITY INSTRUMENTS

As at March 19, 2025	Number of shares
Convertible common shares	30,549,214
Common shares	25,005,827
Restricted share units	432,241
As at December 31, 2023	Number of shares
Convertible common shares	30,549,214
Common shares	24,865,816
Restricted share units	391,999

Except for certain limited share provisions disclosed in the Annual Information Form of the Company dated March 17, 2025, 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 shares.

The Company maintains an omnibus equity incentive plan, which provides for long-term incentives for executive officers of the Company, including the issuance of stock options, restricted share units ("RSUs") and performance share units ("PSUs"). The terms and conditions of grants of RSUs and PSUs, including the quantity, type of award, grant date, vesting conditions, vesting periods, settlement date and other terms and conditions with respect to the awards, are set out in each participant's grant agreement.

The Company also maintains a director deferred share unit plan to issue deferred share units ("DSUs") to directors of the Company. A DSU is a unit, equivalent in value to a common share, credited by means of a bookkeeping entry in the books of the Company to an account in the name of the director. Following an eligible director ceasing to hold all positions with the Company and its related entities, the director will receive a payment in cash at the fair market value of the common shares represented by his or her DSUs on the director's elected redemption date. As of March 19, 2025, there were 63,270 DSUs outstanding (16,180 as at December 31, 2023). The liability associated with the DSUs is recorded as Other liabilities on the Statement of Financial Position.

LIQUIDITY AND CAPITAL RESOURCES

As at December 31, 2024, the Company's cash balances were \$6,726 as compared to \$11,757 at December 31, 2023. Significant variations in liquidity and capital resources during the period are explained in the Statement of Cash Flows section of this MD&A.

The Company's liquidity is impacted by the lithium market and pricing, which impact the royalty payments that the Company receives from the underlying operators. The Company also has certain potential contractual obligations related to the acquisition of royalties and other interests for which the Company has purchase price commitments as set out in the Contractual Obligations and Commitments section of this MD&A.

The Company has experienced an environment of lithium price decline since its IPO in March 2023, and has incurred a cumulative deficit of \$74,024 as of December 31, 2024. To continue as a going concern, the Company is dependent on receiving cash flows from the underlying royalty projects, which is dependent on a constructive lithium commodity price and also dependent on our project operators continuing their operations. On December 19, 2025, the Company entered into an agreement to sell a 0.5% gross overriding revenue ("GOR") royalty over the Tres Quebradas lithium project in Catamarca, Argentina to Triple Flag Precious Metals Corp. for a total cash consideration of \$28.0 million. The transaction closed on March 19, 2025, and provides sufficient liquidity for the year ended December 31, 2025.

Management of the Company believes that the combination of the Company's existing cash balances, the sale of the Tres Quebradas lithium project and the properties expected to produce revenue will generate sufficient cash flow to support the Company's operations and working capital for at least the next twelve months. As additional royalties begin production, the cash generated from those royalties will further supplement the Company's cash balances by adding to the overall annual cash flow potential and diversifying the portfolio of producing royalties.

The Company is party to a July 2023 credit agreement with National Bank of Canada (the "Credit Facility"). The Credit Facility is undrawn at this time; the Company is unable to draw on the Credit Facility until such time as the interest coverage ratio is in compliance, with standby fees included as part of interest expense. See Note 21 in the Company's Consolidated Annual Financial Statements for a more detailed description of the status of the Credit Facility.

COMMITMENTS AND CONTINGENCIES

Litigation and Claims

From time to time, LRC may be involved in disputes with other parties arising in the ordinary course of business that may result in litigation. If LRC is unable to resolve these disputes favourably, it may have a material adverse impact on the financial condition, cash flow and results of operations of the Company.

Thacker Pass Litigation with Orion Resource Partners

In February 2021, the Company brought an application against Orion Resource Partners in connection with the sale by Orion Resource Partners of part of its interest in a royalty over the Thacker Pass lithium project. The Company asserted that it had reached a binding legal agreement with Orion Resource Partners for Orion Resource Partners to sell an 85% interest in the Thacker Pass project royalty to the Company. Orion Resource Partners disputed this assertion and sold 60% of its interest in the Thacker Pass lithium project royalty to Trident Royalties PLC in 2021, retaining a 40% interest in that royalty and not completing any sale of the royalty to the Company. The Company's claim against Trident Royalties PLC has been stayed by the Ontario Superior Court of Justice for lack of jurisdiction, but the Company continued to advance its claim against Orion Resource Partners before the Ontario Superior Court of Justice.

On August 15, 2023, the Ontario court released its decision, confirming that the Ontario court had jurisdiction over Orion Resource Partners and related Orion entities and finding that a binding legal agreement had been reached. The Ontario court has not yet decided on the appropriate remedies for the breach by Orion Resource Partners, which will be addressed in a separate court hearing yet to be scheduled. On September 11, 2023, Orion Resource Partners commenced an appeal of the Ontario court's decision, including both the jurisdiction and the contract rulings. On October 20, 2023, the Ontario Court of Appeal dismissed a motion from Orion Resource Partners to stay the remedies phase of the litigation pending their appeal.

On January 3, 2024, the Ontario court granted an injunction restraining Orion Resource Partners, and any entity that employs that trade name in its business dealings, and its employees, agents, officers, directors and any other person acting on their behalf or in conjunction with any of them, from any conduct, or causing any conduct, that dissipates, transfers or encumbers that 40% interest in the Thacker Pass royalty that would hinder the delivery up for the Thacker Pass royalty as a remedy to LRC, pending the final disposition of the ongoing litigation between LRC and Orion Resource Partners.

The Company does not currently recognize this litigation as an asset of the Company for accounting purposes and expects that resolution of this matter may be subject to further delays. Neither Orion Resource Partners nor Trident Royalties PLC has asserted any claims against the Company.

Contractual Obligations and Commitments

Investments in Royalty Interests

The Company has contingent payment commitments related to the acquisition of royalties as detailed in the following table:

COMPANY	PROJECT (ASSET)	PAYMENTS	TRIGGERING EVENT
Noram	Zeus	\$ 1,000	Noram releases a definitive feasibility study
Morella	Tabba Tabba	\$ 350	Morella discloses a 5.0 Mt resource at the Tabba Tabba project at 1% Li ₂ O grade
Morella	Mt Edon/Mt Edon West	\$ 100	Morella discloses a 5.0 Mt resource at the Mt Edon project at 1% Li ₂ O grade
M4E	Mineral claims held by M4E	\$ 2,000	M4E achieving 10.0 Mt of measured and indicated resource on or before December 31, 2025

Our financial commitments as detailed in the table above are expected to be funded from the Company's cash on hand and the expected cash flow from the Company's royalties.

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

Less than 1 year	\$ 64
1 to 5 years	260
After 5 years	305
Total	\$ 629

In July 2024, Bradda Head publicly reported a lithium carbonate equivalent mineral resource in excess of 2.5 million tonnes, with a lithium grade over 800 ppm. This announcement triggered an obligation on the Company to make a total payment of \$3 million to Bradda Head, of which \$2 million was paid during the third quarter of 2024 and \$1 million was paid in January 2025. The transaction has been capitalized as part of the cost of the royalty asset and, as of December 31, 2024, the remaining obligation was included in accounts payable.

On December 31, 2024, the Company had no funded debt, including no outstanding advances under the Credit Facility.

The Company has obligations under the management services agreement with Waratah Capital Advisors Ltd. ("Waratah") to reimburse Waratah for certain costs incurred on behalf of the Company. That agreement is further described in the Annual Information Form of the Company dated March 17, 2025 under the heading "Material Contracts – Services Agreement".

Off-Balance Sheet Obligations and Commitments

The Company has not entered into any off-balance sheet arrangements or commitments other than as set forth in the *Contractual Obligations and Commitments* section of this MD&A.

MATERIAL ACCOUNTING POLICIES

The Company's material accounting policies, including the accounting policies discussed below, are set out in Note 2 of our Annual Financial Statements.

Royalty Interests

Royalty interests are recorded at cost and capitalized as tangible non-current assets and are not depleted until such time as revenue-generating activities begin. They are subsequently measured at cost less accumulated depletion and accumulated impairment losses, if any. The cost of the royalty interest comprises the purchase price and any closing costs directly attributable to acquiring the interest. Project evaluation costs that are not related to a specific royalty are expensed in the period incurred. Variable payments, such as contingent payments that are dependent on future events, are excluded from the cost of acquiring a royalty interest on initial recognition. These contingent payments are capitalized as part of the cost of the royalty interest when the underlying obligating event has occurred.

The major categories of the Company's interests are (i) producing, (ii) development, and (iii) exploration and evaluation interests. Producing assets are royalty interests over mineral projects which have reached commercial production. Development assets are royalty interests on projects which are not yet producing, but where the technical feasibility and commercial viability of extracting a mineral resource are demonstrable. Exploration and evaluation assets represent royalty interests where the technical feasibility and commercial viability of extracting a mineral resource have not yet been demonstrated.

Royalty interests are depleted using the units of production basis (based on the extraction of mineral products at the project) over the available estimates of future production when revenue generating activities commence. Measurement of the royalty interests is based on the proven and probable reserves and future production plans associated with the projects underlying the royalty interests, as determined by the project operator. These estimates affect the depletion of the royalty interests and the assessment of the recoverability of the carrying value of the royalty interests.

Impairment or Impairment Reversal of Royalty Interests

The Company reviews the carrying values of royalty interests for impairment when events or changes in circumstances indicate that any of the carrying values may not be recoverable. Management considers each royalty interest in a project to be a separate cash generating unit ("CGU"), which is the lowest level for which cash inflows are largely independent of cash inflows from other royalty interests. Where the Company identifies impairment indicators, the Company recognizes an impairment loss for the amount by which the asset's carrying value exceeds its recoverable amount.

The recoverable amount of an asset is the greater of its fair value less cost of disposal ("FVLCD") and value in use ("VIU"). When determining the recoverable amount, the Company focuses on the FVLCD, as this will generally be greater than or equal to the VIU. FVLCD is based on the best available information, to reflect the amount the Company could receive for the CGU in an arm's length transaction, and is often estimated using discounted cash flow techniques. Impairment charges are included in the "Impairment expense" line within the consolidated statements of income (loss) and comprehensive income (loss).

An impairment charge is reversed if there is an indication that an impairment charge recognized in prior periods may no longer exist or may have decreased in amount since the impairment charge was recognized. Impairment charges can only be reversed up to the carrying amount that would have been applicable had no impairment been recognized previously.

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

Leases

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

- At the inception of a contract, the Company assesses whether the 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 as amortized cost using the effective interest rate method. The effect of the passage of time is recorded in the Company's Consolidated Statements of Loss and Comprehensive Loss 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 Statements of Loss and Comprehensive 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 Statements of Loss and Comprehensive Loss.

Assets Held for Sale

Non-current assets classified as held for sale are presented separately and measured at the lower of (i) their carrying amounts immediately prior to their classification as held for sale and (ii) their fair value less costs to sell. Once classified as held for sale, the assets are not subject to depreciation or amortization.

Revenue Recognition

(a) Production-based royalty arrangements

Under production-based royalty arrangements, revenue is recognized when the underlying commodity is extracted from the mineral property, and it is probable that the economic benefits associated with a transaction will flow to the Company. Revenue is measured at the transaction price agreed to in the royalty agreement. In some instances, management makes an assumption of revenue, based on information received from an operator. In some instances, the Company will not have access to sufficient information to make a reasonable estimate of revenue and, accordingly, revenue recognition will be deferred until management can make a reasonable estimate. Differences between estimates and actual amounts are recorded in the period that the actual amounts are known.

(b) Revenue-based royalty arrangements

Under revenue-based royalty arrangements, revenue is measured at an agreed-upon percentage of the gross proceeds, less contractually allowable costs, received by the operator of the mineral property. The Company recognizes revenue when the commodities produced at the mineral property covered under the royalty agreement are sold to the operator's customers and control over the commodities transfers from the operator to its customers. In some instances, management makes an assumption of revenue, based on information received from an operator. In some instances, the Company will not have access to sufficient information to make a reasonable estimate of revenue and, accordingly, revenue recognition will be deferred until management can make a reasonable estimate. Differences between estimates and actual amounts are recorded in the period that the actual amounts are known.

Share-based Compensation

(a) Restricted Share Units ("RSUs")

The Company may grant RSUs to officers, employees, and certain other parties under the terms of its Omnibus Equity Incentive Plan (the "Omnibus Plan"). When RSUs vest, the Company plans to settle with one common share of the Company. The fair value of the RSUs is based on the stock price at the date of the grant. The Company expenses the fair value of the RSUs over the applicable service period, with a corresponding change in contributed surplus.

(b) Deferred Share Units ("DSUs")

The Company may grant DSUs to non-executive directors under its Director Deferred Share Unit Plan (the "DSU Plan") as compensation. Non-executive directors may choose to convert their director's fees into DSUs. When dividends are declared by the Company, directors are also credited with dividend equivalents in the form of additional DSUs based on the number of vested DSUs each director holds on the record date for the payment of a dividend. DSUs vest immediately. The fair value of the DSUs, which are settled in cash, is recognized as a share-based compensation expense with a corresponding increase in financial liabilities. The liability associated with the DSUs are recorded as Other liabilities on the Statement of Financial Position. The fair value of the DSUs is marked to the quoted market price of the Company's common shares at each reporting date, with a corresponding change in the consolidated statement of income. Participants are restricted from redeeming their DSUs until retirement or termination of directorship.

Income Taxes

Income tax expense consists of current and deferred tax expense. Income tax expense is recognized in the consolidated statements of income and comprehensive income.

Current tax expense is the expected amount to be paid based on the taxable income for the period, using tax rates enacted or substantively enacted at period end, adjusted for amendments to tax payable with regards to previous periods.

Deferred tax assets and liabilities are recognized for deferred tax consequences attributable to differences between the consolidated financial statement carrying amounts of existing assets and liabilities, and their respective tax bases and losses carried forward.

Deferred tax assets and liabilities are measured using the enacted or substantively enacted tax rates expected to apply when the asset is realized, or the liability settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that substantive enactment occurs.

A deferred tax asset is recognized to the extent that it is probable that future taxable income will be available against which the asset can be utilized. To the extent that the Company does not consider it probable that a deferred tax asset will be recovered, the deferred tax asset is not recognized.

Deferred tax assets and liabilities are offset when (a) there is a legally enforceable right to offset current tax assets against current tax liabilities, and (b) when those tax assets and liabilities relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

Critical Accounting Judgments, Estimates and Assumptions

In preparing these consolidated financial statements, management has made judgments, estimates and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses. However, actual outcomes may differ from the amounts included in the consolidated financial statements.

Judgments are made in the selection and assessment of the Company's accounting policies. Estimates are used mainly in determining the measurement of recognized transactions and balances. Estimates are based on historical experience and other factors, including expectation of future events that are believed to be reasonable under the circumstances. Judgments and estimates are often interrelated. The Company's judgments and estimates are continually re-evaluated to assess if they remain appropriate. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in future periods affected.

The Company's critical accounting judgments, estimates and assumptions are disclosed in Note 3 of our Annual Financial Statements.

Related Party Transactions

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 years ended December 31, 2024 and December 31, 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 year ended December 31, 2024, management services expenses under the Waratah management services agreement were \$358 (December 31, 2023 – \$810).

During the year, 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 twelve months ended December 31, 2024, a total of \$82 was paid by the Company to Teramark pursuant to the lease.

Related party payables are comprised of amounts owing to Waratah. As at December 31, 2024, \$215 (December 31, 2023 – \$281) was owing to Waratah for management services provided by Waratah. All amounts owing to related parties at December 31, 2024 were unsecured, non-interest bearing and had no fixed terms of repayment.

FINANCIAL RISK MANAGEMENT

Credit Risk

Credit risk is the risk that the counterparty to a financial instrument held by the Company will fail to discharge an obligation or commitment that it has entered into for the benefit of the Company. Credit risk exposure for the Company arises from cash balances and accounts receivable held by the Company. In order to mitigate its exposure to credit risk, the Company closely monitors its financial assets and maintains its cash balances with high-quality financial institutions. The cash and cash equivalents are held with banks and financial institution counterparties which are rated A+ or better, based on Standard and Poor's ratings.

Currency Risk

The Company's activities involve holding foreign currencies, incurring costs and earning revenue denominated in foreign currencies. These activities result in exposure to fluctuations in foreign currency exchange rates.

Liquidity Risk

In managing liquidity risk, the Company considers anticipated cash flows from operations, its contingent payment obligations and its holdings of cash and cash equivalents. As at December 31, 2024, the Company had working capital of \$5,947 (2023 – \$12,459), and a cash balance of \$6,726 (2023 – \$11,757). The Company's maximum exposure related to its future contingent payment obligations at December 31, 2024 was approximately \$3,450 (2023 – \$5,574).

The Credit Facility is undrawn at this time; the Company is unable to draw on the Credit Facility until such time as the interest coverage ratio is in compliance, with standby fees included as part of interest expense.

CONTROLS AND PROCEDURES

Internal Controls over Financial Reporting ("ICFR")

The Chief Executive Officer and Chief Financial Officer of the Company are responsible for designing internal controls over financial reporting in order to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS. The Company's internal control framework was designed based on the Committee of Sponsoring Organizations ("COSO") of the Treadway Commission 2013 Framework. There were no changes in the Company's ICFR that occurred during the year ended December 31, 2024 that have materially affected, or are likely to materially affect, the Company's ICFR.

Disclosure Controls and Procedures

Disclosure controls and procedures have been designed to provide reasonable assurance that all relevant information required to be disclosed by the Company is accumulated and communicated to senior management as appropriate to allow timely decisions regarding required disclosure.

Limitations of Controls and Procedures

The Company's management, including the Chief Executive Officer and Chief Financial Officer, believe that any internal controls over financial reporting and disclosure controls and procedures, no matter how well designed, can have inherent limitations. Therefore, even those systems determined to be effective can provide only reasonable assurance that the objectives of the control system are met.

NON-IFRS MEASURES

This MD&A makes reference to certain non-IFRS measures. These measures are not recognized measures under IFRS, do not have a standardized meaning prescribed by IFRS and are therefore unlikely to be comparable to similar measures presented by other companies. Accordingly, the non-IFRS measures should not be considered in isolation nor as a substitute for analysis of the Company's financial information reported under IFRS.

Adjusted Net Income (Loss)

Adjusted Net Income (Loss) is a non-IFRS financial measure, which excludes the following from net earnings:

- impairment charges and reversals;
- gain/loss on sale/disposition of assets/mineral interests;
- foreign currency translation gains/losses;
- increase/decrease in fair value of financial assets;
- expense related to share-based compensation granted on IPO (one-time);
- other non-recurring income and loss; and
- impact of income taxes on these items.

Management believes that in addition to measures prepared in accordance with IFRS such as net income and EPS, our investors and analysts use Adjusted Net Income (Loss) to evaluate the results of the underlying business of LRC. While the adjustments to net income and EPS in these measures include items that are both recurring and non-recurring, management believes that Adjusted Net Income (Loss) is a useful measure of LRC's performance because it adjusts for items which may not relate to or have a disproportionate effect on the period in which it is recognized, impact the comparability of our core operating results from period to period, are not always reflective of the underlying operating performance of our business and/or are not necessarily indicative of future operating results. Adjusted Net Income (Loss) is intended to provide additional information to investors and analysts and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with IFRS.

RECONCILIATION FROM NET LOSS TO ADJUSTED NET LOSS

The following table presents the reconciliation from Net Loss to Adjusted Net Loss for the three and twelve months ended December 31, 2024 and 2023.

Adjusted Net Income (Loss)

ADJUSTED NET INCOME	For the three months ended December 31,		For the years ended December 31,	
	2024	2023	2024	2023
Net income (loss)	\$ (278)	\$ (826)	\$ (2,659)	\$ (4,967)
Foreign exchange loss (gain)	3	(44)	45	(1,161)
One-time share-based compensation	104	603	748	2,009
One-time IPO costs	—	—	—	869
Impairment expense	—	—	1,063	—
Other non-recurring (income) loss	—	—	(750)	37
Exploration costs	—	—	—	414
Impact on income taxes of each of the above items	(69)	65	(331)	78
Adjusted Net Loss	\$ (240)	\$ (202)	\$ (1,884)	\$ (2,721)
Adjusted Net Loss per Share	\$ (0.00)	\$ (0.01)	\$ (0.03)	\$ (0.05)

EBITDA and Adjusted EBITDA

EBITDA is a common metric used by investors and analysts to assist in their valuation of the Company. EBITDA is a non-IFRS financial measure, which excludes the following from net earnings:

- income tax expense and recovery;
- finance costs, netted against finance income; and
- depletion, depreciation and amortization.

In addition to EBITDA, we have determined that the following adjustments are necessary to arrive at Adjusted EBITDA, which we believe is a more accurate indicator of the Company's ongoing operational performance:

- impairment charges and reversals;
- gain/loss on sale/disposition of assets/mineral interests;
- foreign currency translation gains/losses;
- increase/decrease in fair value of financial assets;
- expenses related to one-time share-based compensation granted at IPO;
- other non-recurring income and loss.

Management believes that EBITDA and Adjusted EBITDA are valuable indicators of our ability to generate liquidity by producing operating cash flow to fund working capital needs and fund acquisitions. These metrics are also frequently used by investors and analysts for valuation purposes, whereby the metrics are multiplied by a factor or "multiple" that is based on an observed or inferred relationship between Adjusted EBITDA and market values to determine the approximate total enterprise value of a company. LRC believes these measures assist investors, analysts and our shareholders to better understand our ability to generate liquidity from operating cash flow, as LRC believes that the excluded amounts are not indicative of the performance of our core business and do not necessarily reflect the underlying operating results for the periods presented.

RECONCILIATION FROM NET LOSS TO ADJUSTED EBITDA

The following table presents the reconciliation from Net Loss to Adjusted EBITDA for the three and twelve months ended December 31, 2024 and 2023.

ADJUSTED EBITDA	For the three months ended December 31,		For the years ended December 31,	
	2024	2023	2024	2023
Net loss	\$ (278)	\$ (826)	\$ (2,659)	\$ (4,967)
Income tax (recovery)/expense	(848)	(653)	(1,440)	2,887
Finance (income)/loss	3	(54)	(92)	(1,329)
Depletion	139	279	585	935
EBITDA	\$ (984)	\$ (1,254)	\$ (3,606)	\$ (2,474)
Foreign exchange loss (gain)	3	(44)	45	(1,161)
One-time share-based compensation	104	603	748	2,009
One-time IPO costs	—	—	—	869
Impairment expense	—	—	1,063	—
Other non-recurring (income) loss	—	—	(750)	37
Exploration costs	—	—	—	414
Adjusted EBITDA	\$ (877)	\$ (695)	\$ (2,500)	\$ (306)

FORWARD-LOOKING INFORMATION

This MD&A contains "forward-looking information" within the meaning of applicable Canadian securities laws. Forward-looking information may be identified by the use of forward-looking terminology such as "plans", "targets", "expects", "is expected", "budget", "scheduled", "estimates", "outlook", "forecasts", "projection", "prospects", "strategy", "intends", "anticipates", "believes" or variations of such words and phrases or terminology which state that certain actions, events or results "may", "could", "would", "might", "will", "will be taken", "occur" or "be achieved". Our assessments of, and expectations for, future periods described in this MD&A are considered forward-looking information. In addition, any statements that refer to expectations, intentions, projections or other characterizations of future events or circumstances contain forward-looking information. Statements containing forward-looking information are not historical facts but instead represent management's expectations, estimates and projections regarding possible future events or circumstances. The forward-looking information included in this MD&A is based on our opinions, estimates and assumptions in light of our experience and perception of historical trends, current conditions and expected future developments, as well as other factors that LRC currently believes are appropriate and reasonable in the circumstances.

The forward-looking statements contained in this MD&A are also based upon the ongoing operation of the properties in which LRC holds a royalty or other similar 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; and the accuracy of publicly disclosed expectations for the development of underlying properties that are not yet in production. These assumptions include, but are not limited to, the following: assumptions in respect of current and future market conditions and the execution of our business strategies; that operations, or ramp-up where applicable, at properties in which LRC holds a royalty or other interest continue without further interruption throughout the period; and the absence of any other factors that could cause actions, events or results to differ from those anticipated, estimated, intended or implied. Despite a careful process to prepare and review the forward-looking information, there can be no assurance that the underlying opinions, estimates and assumptions will prove to be correct. Forward-looking information is also subject to known and unknown risks, uncertainties and other factors that may cause the

actual results, level of activity, performance or achievements to be materially different from those expressed or implied by such forward-looking information. Such risks, uncertainties and other factors include, but are not limited to, those set forth under "Risk Factors" in our Annual Information Form filed from time to time and available on SEDAR+. For clarity, mineral resources that are not mineral reserves do not have demonstrated economic viability and inferred resources are considered too geologically speculative for the application of economic considerations.

Although LRC has attempted to identify important risk factors that could cause actual results or future events to differ materially from those contained in forward-looking information, there may be other risk factors not presently known to LRC or that LRC presently believes are not material that could also cause actual results or future events to differ materially from those expressed in such forward-looking information. There can be no assurance that such information will prove to be accurate, as actual results and future events could differ materially from those anticipated in such information. Accordingly, readers should not place undue reliance on forward-looking information, which speaks only as of the date made. The forward-looking information contained in this MD&A represents our expectations as of the date of this MD&A and is subject to change after such date. LRC disclaims any intention or obligation or undertaking to update or revise any forward-looking information whether as a result of new information, future events or otherwise, except as required by applicable securities laws. All of the forward-looking information contained in this MD&A is expressly qualified by the foregoing cautionary statements.

TECHNICAL AND THIRD-PARTY INFORMATION

LRC does not own, develop or mine the underlying properties on which it holds royalty interests. As a royalty holder, LRC has limited, if any, access to the properties included in its asset portfolio. As a result, LRC is dependent on the owners or operators of the properties and their qualified persons to provide information to LRC or on publicly available information to prepare disclosure pertaining to properties and operations on properties on which LRC holds royalty interests. LRC generally has limited or no ability to independently verify such information. Although LRC does not believe that such information is inaccurate or incomplete in any material respect, there can be no assurance that such third-party information is complete or accurate.