

NEWS RELEASE

Toronto, August 08, 2024

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

Lithium Royalty Corp. Reports Q2 2024 Results

- Revenue increased by 85% year-on-year, driven by volume growth despite 72% year-on-year decline in spodumene concentrate prices
- Lower-cost business model contributed to positive Adjusted EBITDA for the quarter
- Public guidance by LRC portfolio partners suggests three new projects expected to start production in 2H24, with Zijin Mining's Tres Quebradas project start-up imminent, supporting robust organic growth

Lithium Royalty Corp. (TSX: LIRC) ("LRC" or the "Company") is pleased to report its second quarter results for 2024. "LRC continues to benefit from its diversified royalty exposure as we were able to nearly double revenue compared to last year, despite spodumene concentrate prices declining by more than 70%. This diversification should only grow as three projects in the LRC portfolio are expected to start production in 2H24. LRC is prudently managing its SG&A expenses and is continuing to evaluate additional royalty opportunities," stated LRC's CEO, Ernie Ortiz.

LRC is reporting 106 Lithium Carbonate Equivalent Tonnes (LCETs) or 1,297 Spodumene Concentrate Equivalent Tonnes (SCETs) in the quarter¹, compared to 45 LCETs or 597 SCETs last quarter and 24 and 201 respectively in the same period last year.

¹LRC calculates LCETs by dividing royalty revenue for the quarter by the average spot market price of \$14,548 during the quarter for 99.5% lithium carbonate, delivered in China, and calculates SCETs by dividing royalty revenue for the quarter by the average spot market price of \$1,194 during the quarter for 6% spodumene concentrate, delivered to China. Spot market prices were based on Asian Metal data on Bloomberg.

Financial Highlights

	3 months ended June 30,				6 months ended June 30,			
	2024	2023	Variance	%	2024	2023	Variance	%
Royalty Revenue	1,549	838	711	85%	2,180	1,546	634	41%
Depletion	(210)	(147)	(63)	43%	(352)	(384)	32	(9)%
Gross Profit	1,339	691	648	94%	1,828	1,162	666	57%
Net income (loss)	317	(891)	1,208		(728)	(2,627)	1,899	
Income taxes	284	299	(15)		121	1,137	(1,006)	
Finance income	(34)	(797)	763		(96)	(1,074)	978	
Depletion	210	147	63		352	384	(32)	
EBITDA	777	(1,242)	2,019		(351)	(2,180)	1,829	
Foreign exchange loss (gain)	7	(61)	68		37	(864)	901	
One time IPO share-based compensation (SBC)	104	603	(499)		540	804	(264)	
One-time IPO costs	-	-	-		-	869	(869)	
Other non-recurring income	(750)	-	(750)		(750)	-	(750)	
Exploration costs	-	-	-		-	414	(414)	
Decrease in fair value of financial assets	-	-	-		-	37	(37)	
Adjusted EBITDA	138	(700)	838		(524)	(920)	396	

Royalty revenue increased from \$838 to \$1,549 (85%) for the three months ended June 30, 2024, compared to the same period last year. The increase in royalty revenue is attributable to increases in production volumes from underlying producing projects, as well as having one more producing royalty in the current period compared to the prior year period. The increase in volume was partially offset by the decline in lithium prices, which declined 72% on a year-over-year (y/y) basis for spodumene concentrate.

Adjusted EBITDA was \$138 in the quarter, as compared to a loss of \$700 in the same period last year. The increase in Adjusted EBITDA was largely attributable to the increase in aggregate royalty revenue during the quarter while maintaining the same level of operating costs when compared to the prior year.

At quarter-end, LRC held \$9.1 million of cash.

LRC Royalty Updates

Core Lithium Finniss Royalty: In June 2024, Core Lithium reported a cash balance of A\$87.6 million following the depletion of stockpiles and putting the Finniss Project on operational care and maintenance. In addition, Core Lithium reported having 5,178 tonnes of spodumene concentrate and up to 75,000 tonnes of lithium fines available for sale, which Core estimated to have a market value of ~A\$14.8 million. Core has commented that it is in a state of operational readiness to restart, with a current focus on care and maintenance to reduce costs in the organization. The company disclosed its intention to be in a position to restart or release plans for a restart in the first half of calendar year 2025. LRC holds a 2.5% GOR royalty on the Finniss Project.

Zijin Tres Quebradas Royalty: In June 2024, Zijin shared an update on their Tres Quebradas project via social media, announcing that production at Tres Quebradas is expected to commence in 2H24, with Phase 1 targeting an annual output of 20,000 tonnes of lithium carbonate. This follows capital expenditures of over \$700 million for the project. LRC holds a net 1.4% GOR royalty on the Tres Quebradas Project.

Sigma Lithium Grota do Cirilo Royalty: In May 2024, Sigma Lithium increased its proven and probable reserve balance by 40% to 77.0 million tonnes at 1.4% Li₂O based on a cut-off grade of 0.3% Li₂O, from 54.8 million tonnes at 1.44% Li₂O. Notably, Sigma believes that the entire reserve is feasible through open pit mining, which will allow it to remain a low-cost producer of lithium spodumene. Sigma Lithium estimates the increased reserves lengthen operations to 25 years based on a processing capacity of 520,000 tonnes per annum, including the Phase 2 line currently under construction. LRC holds a net 0.90% NSR royalty on the Grota do Cirilo Project.

Atlas Lithium Das Neves Royalty: In May 2024, Atlas Lithium announced that its modular dense media separation (DMS) lithium processing plant is now in the final stages of fabrication and trial assembly in South Africa, ahead of the anticipated shipment of the plant to the Das Neves Project site in Brazil's Lithium Valley. Atlas Lithium has commented that it remains on track for lithium concentrate production commencing in Q4 2024. LRC holds a 3.0% GOR royalty on the Das Neves Project.

Winsome Resources Adina Royalty: In May 2024, Winsome Resources upgraded the mineral resource at the Adina Project to 61.4Mt indicated mineral resource at 1.14% Li₂O and 16.5Mt inferred mineral resource at 1.19% Li₂O, based on a cut-off grade of 0.6% Li₂O. The new mineral resource incorporates 57,756 meters of drilling and projects a strike length of 3.1km, which remains open to the east and west along strike, up-dip to the north, and at depth. Notably, Winsome believes that 48.7Mt of the resource estimate at 1.20% Li₂O exists within the top 150 meters from surface, allowing it to be mined by open pit methods. The new mineral resource update and current metallurgical test work will underpin both greenfield and brownfield ("Renard") project studies, targeted for completion in 2H24. LRC holds a 4.0% GOR and a 2.0% NSR royalty on certain claims of the Adina Project.

Sayona Mining Moblan Royalty: In May 2024, Sayona published the final drill results from their 2023 drilling campaign at the Moblan Project and is incorporating these results into 3D geological modeling for an updated mineral resource estimate. Sayona commented that its drill results illustrate a potential connection between the Main, South, New South, Inter and Moleon sectors within a single extensive lithium mineralized system, demonstrating the potential to increase the mineral resource base at Moblan and supporting the potential conversion of some of the inferred resources to the indicated category within the MRE pit shells. Sayona plans to complete a further drilling program of 80,000 meters through 2024. LRC holds a 2.5% GOR royalty on the Moblan Project.

Orion Resource Partners Litigation Update

In August 2023, the Ontario court ruled in LRC's favour, finding that in January 2021 LRC entered into a binding and enforceable contract to buy an 85% interest in the Thacker Pass royalty from Orion Resource Partners for \$18.7 million total consideration. 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 the remaining 40% interest in the Thacker Pass royalty held by Orion Resource Partners, that would hinder the delivery 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 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. Orion Resource

Partners has commenced an appeal of the Ontario court's August decision that found the contract to be binding and enforceable. LRC does not recognize this litigation as an asset in its financial statements and expects that resolution of this matter may be subject to further delays. Orion Resource Partners has not asserted any claims against LRC.

Lithium Market

The quarter saw diverging trends across the various end markets driving demand for lithium-ion batteries. Within the mobility sector, electric vehicle (EV) sales in China continue to outperform expectations, offset by more moderate EV sales growth in Europe and the United States. The energy storage sector (ESS) experienced an acceleration in growth, with installations in the first half of 2024 surpassing expectations.

In China, the world's largest EV market, new energy vehicle (NEV) sales grew by 31% y/y in the quarter, with YTD-June sales also growing by 31% y/y. Growth was led by new EV models and robust performance from extended-range electric vehicle (EREV) platforms within the country. The EV market in China remains robust, with 17 NEV models launched in 2Q24 compared to only four new ICE models. Chinese NEV sales are benefiting from affordable EV platforms and recent trade-in programs introduced in early 2Q24, with further enhancements on July 25th. The revised program has increased the subsidy from 10,000 RMB to 20,000 RMB per unit, with an estimated 14 million cars eligible for the program.

European EV sales have moderated, with variations by region. In the UK, 2Q24 EV sales increased by 14% y/y, and the Tesla Model Y was the third best-selling car across all models in June. German sales of EVs declined by approximately 12% in the quarter, as the removal of EV subsidies in late 2023 continued to cause weakness in the sector. In the first half of 2024, trends among European countries showed significant divergence. EV registrations increased by 21% y/y in Denmark, 16% in the UK, and 7% in France, but declined by 9% in Germany. Several new EV models are set to be introduced in 2H24 in the European region, which could improve growth rates given the more affordable offerings. Key new models include Fiat e-Panda, Renault R5, and Citroen eC3. In addition, Germany's 2025 draft

budget includes a special depreciation allowance for companies on newly registered EVs, effective from July 2024 through December 2028.

In the US, Kelley Blue Book estimates EV sales grew by 11% y/y in the quarter. EV sales accounted for 8% of total new vehicle sales in the quarter. According to Kelley Blue Book, Ford's EV sales increased by 61%, Kia's by 135%, and Cadillac's by 441% during the same period. Competition is intensifying as EV manufacturers are refreshing their product lines with the introduction of more affordable EV models. In early July, Tesla released a refreshed Model 3 with a price of \$36,000 after EV tax credits. Similarly, GM released the Equinox EV late in 2Q24, priced at approximately \$35,000 after EV tax credits. Additional offerings presenting improved affordability are expected in the second half of 2024 and into 2025.

Within the energy storage sector, volumes continue to outperform expectations, driven by economies of scale for battery manufacturing and lower battery costs. BloombergNEF estimates that the cost of lithium-iron-phosphate (LFP) battery cells declined by 44% y/y to \$53/KWh in China. At a pack price of \$75/KWh or lower, many EVs can be priced at a discount to internal combustion engines (ICE) irrespective of subsidies. This also encourages the proliferation of battery storage globally. BloombergNEF forecasts that global stationary storage installations will increase by 155GWh, or 61% y/y. Tesla recently reported that 2Q24 storage deliveries rose by 158% y/y.

In addition, several large-scale energy projects were announced recently supporting continued momentum for the battery storage sector. Namely, Saudi Arabia's Alghazal Holdings, signed a contract for a 7.8GWh system which according to media reports is the world's largest grid-scale storage order. In the United States, Intersect Power secured \$837 million to boost its storage portfolio by approximately 1GWh.

The lithium market remains on track to grow by more than 25% in 2024, driven by strength in Chinese EVs and global energy storage markets. Supply is expected to grow in 2024, driven by the ramp up of projects in Africa, and increased production from Chinese brine producers. For supply beyond 2024,

several lithium companies have curtailed spending and delayed growth projects due to the reduction in lithium prices over the last 18 months.

SMM reported spodumene concentrate prices in 2Q24 of \$1,118/tonne CIF China, relative to \$1,001/tonne in 1Q24 and \$3,965/tonne in 2Q23. Given the current depressed economic conditions and subdued returns for new greenfield projects, we expect supply growth to be more limited, which we believe will help support a recovery in lithium prices.

LRC Acquisition Activity in 2023 and 2024

Operator	Project	%	Acquisition Date
M4E Lithium	Whitebushes, Mt. Elephant – Brazil	1.5% GOR ²	March 2024
Q2 Metals	Mia – Québec, Canada	1.0% NSR ³	November 2023
Pinnacle Minerals ⁴	Adina East – Québec, Canada	2.0% GOR	October 2023
Zijin Mining	Tres Quebradas – Catamarca, Argentina	0.5% GOR	July 2023
Power Metals Corp.	Case Lake – Ontario, Canada	2.0% GOR	May 2023
Atlas Lithium	Das Neves – Minas Gerais, Brazil	3.0% GOR	May 2023
Allkem Limited	James Bay – Québec, Canada	1.5% NSR	March 2023
Ganfeng Lithium Co. Ltd.	Mariana – Salta, Argentina	0.45% NSR	February 2023
Winsome Resources Ltd.	Adina – Québec, Canada	2.0% NSR	January 2023

²Gross Overriding Revenue (GOR) royalties are based on the total revenue stream from the sale of production from a property with few, if any, deductions.

³Net Smelter Return (NSR) royalties are based on the value of production or net proceeds received by the operator from the smelter or refinery that treats the operator's mineral production. These proceeds are usually subject to deductions or charges for transportation, insurance, smelting and refining costs as set out in the royalty agreement, but may also be subject to other deductions or charges.

⁴Pinnacle Minerals' acquisition of the underlying mineral claims closed in December 2023. LRC holds a pre-existing royalty on those claims.

Important Dates and Events

Date	Event
November 11, 2024	LRC Reports Q3 2024 Results
November 12, 2024	LRC Q3 2024 Earnings Call. Click here for call details
November 18, 2024	LRC at Swiss Mining Institute Conference
November 19, 2024	LRC at 3 rd Argentina & LATAM Summit
December 03, 2024	LRC at 26 th Annual Scotiabank Mining Conference

Shareholder Information

The Consolidated Financial Statements and Management's Discussion & Analysis for Q2 2024 are available on our [website](#) and [SEDAR+](#).

Qualified Persons

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

About Lithium Royalty Corp.

LRC is a lithium-focused royalty company organized in Canada, which has established a globally diversified portfolio of 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.

Contact Information for Inquiries:

Jonida Zaganjori
Investor Relations
(647) 792-1100
jonida@lithiumroyaltycorp.com

Forward Looking Statements

This press release contains "forward-looking information" and "forward-looking statements" within the meaning of applicable Canadian securities laws, which may include, but are not limited to, statements with respect to future events or future performance, management's expectations regarding LRC's growth, results of operations, estimated future revenues, performance guidance, carrying value of assets and requirements for additional capital, mineral resource and mineral reserve estimates, production estimates, production costs and revenue, future demand for and prices of commodities, expected mining sequences, business prospects and opportunities, the performance and plans of third party operators and the expected exposure for current and future assessments and available remedies. In addition, statements relating to resources and reserves and mine life are forward-looking statements, as they involve implied assessment, based on certain estimates and assumptions, and no assurance can be given that the estimates and assumptions are accurate and that such resources and reserves or mine life will be realized. Often, but not always, forward-looking statements can be identified by the use of words such as "plans", "expects", "is expected", "budgets", "potential for", "scheduled", "estimates", "forecasts", "predicts", "projects", "intends", "targets", "aims", "anticipates" or "believes" or variations (including negative variations) of such words and phrases or may be identified by statements to the effect that certain actions "may", "could", "should", "would", "might" or "will" be taken, occur or be achieved. Forward-looking statements involve known and unknown risks, uncertainties and other factors, which may cause the actual results, performance or achievements of LRC to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. Forward-looking information is based on management's beliefs and assumptions and on information currently available to management. The forward-looking statements herein are made as of the date of this press release only and LRC does not assume any obligation to update or revise them to reflect new information, estimates or opinions, future events or results or otherwise, except as required by applicable law.

A number of factors could cause actual events or results to differ materially from any forward-looking statement, including, without limitation: fluctuations in the prices of the primary commodities that drive royalty revenue (including various lithium products); fluctuations in the value of the Canadian and Australian dollar and any other currency in which revenue is generated, relative to the U.S. dollar; changes in national and local government legislation, including permitting and licensing regimes and taxation policies and the enforcement thereof; the adoption of a global minimum tax on corporations; regulatory, political or economic developments in any of the countries where properties in which LRC holds a royalty or other interest are located or through which they are held; risks related to the operators of the properties in which LRC holds a royalty or other interest, including changes in the ownership and control of such operators; relinquishment or sale of mineral properties; influence of macroeconomic developments; business opportunities that become available to, or are pursued by LRC; reduced access to debt and equity capital; litigation; title, permit or license disputes related to interests on any of the properties in which LRC holds a royalty or other interest; whether or not the Company is determined to have "passive foreign investment company" ("PFIC") status as defined in Section 1297 of the United States Internal Revenue Code of 1986, as amended; excessive cost escalation as well as development, permitting, infrastructure, operating or technical difficulties on any of the properties in which LRC holds a royalty or other interest; actual mineral content may differ from the resources and reserves contained in technical reports; rate and timing of production differences from resource estimates, other technical reports and mine plans; risks associated with the solvency of operators of projects that LRC has royalties over; risks and hazards associated with the business of development and mining on any of the properties in which LRC holds a royalty or other interest, including, but not limited to unusual or unexpected geological and metallurgical conditions, slope failures or cave-ins, sinkholes, flooding and other natural disasters, terrorism, civil unrest or an outbreak of contagious disease; and the integration of acquired assets. The forward-looking statements contained in this press release are based upon assumptions management believes to be reasonable, including, without limitation: the ongoing operation of the properties in which LRC holds a royalty or other interest by the owners or operators of such properties in a manner consistent with past practice; the accuracy of public statements and disclosures made by the owners or operators of such underlying properties; no material adverse change in the market price

of the commodities (including various lithium products) that underlie the asset portfolio; the Company's ongoing income and assets relating to determination of its PFIC status; no material changes to existing tax treatment; the expected application of tax laws and regulations by taxation authorities; no adverse development in respect of any significant property in which LRC holds a royalty or other interest; the solvency of project operators; the accuracy of publicly disclosed expectations for the development of underlying properties that are not yet in production; integration of acquired assets; and the absence of any other factors that could cause actions, events or results to differ from those anticipated, estimated or intended. However, there can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Investors are cautioned that forward-looking statements are not guarantees of future performance. LRC cannot assure investors that actual results will be consistent with these forward-looking statements. Accordingly, investors should not place undue reliance on forward-looking statements due to the inherent uncertainty therein.

For additional information with respect to risks, uncertainties and assumptions, please refer to LRC's most recent Annual Information Form dated March 27, 2024 and filed with the Canadian securities regulatory authorities on www.sedarplus.com. These risks and uncertainties include, but are not limited to, those described under "Risk Factors" in the Annual Information Form, and in particular risks summarized under the "Risks Related to Mining Operations" heading.

Non-IFRS Measures

This earnings release 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.

EBITDA and Adjusted EBITDA

EBITDA is a non-IFRS financial measure, which excludes the following from net earnings:

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

EBITDA is a common metric used by investors and analysts for assist in their valuation of the Company. In addition to EBITDA, we have determined that additional adjustments are necessary to arrive at a more accurate indicator of the Company's ongoing operational performance – Adjusted EBITDA:

- 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 charges.

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.

	3 months ended June 30,			6 months ended June 30,		
	2024	2023	Variance	2024	2023	Variance
Net income (loss)	317	(891)	1,208	(728)	(2,627)	1,899
Income taxes	284	299	(15)	121	1,137	(1,006)
Finance income	(34)	(797)	763	(96)	(1,074)	978
Depletion	210	147	63	352	384	(32)
EBITDA	777	(1,242)	2,019	(351)	(2,180)	1,829
Foreign exchange loss (gain)	7	(61)	68	37	(864)	901
One time IPO share-based compensation (SBC)	104	603	(499)	540	804	(264)
One-time IPO costs	-	-	-	-	869	(869)
Other non-recurring income	(750)	-	(750)	(750)	-	(750)
Exploration costs	-	-	-	-	414	(414)
Decrease in fair value of financial assets	-	-	-	-	37	(37)
Adjusted EBITDA	138	(700)	838	(524)	(920)	396