

LITHIUMBANK RESOURCES CORP.

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED MARCH 31, 2025

(Unaudited - Expressed in Canadian dollars)

NOTICE OF NO AUDITOR REVIEW
OF CONDENSED CONSOLIDATED INTERIM STATEMENTS

Under National Instrument 51-102, Part 4, subsection 4.3(3) (a), if an auditor has not performed a review of the unaudited condensed consolidated interim statements; they must be accompanied by a notice indicating that the condensed consolidated interim statements have not been reviewed by an auditor.

The accompanying unaudited condensed consolidated interim statements of LithiumBank Resources Corp. (the "Company") have been prepared by and are the responsibility of the Company's management. These unaudited condensed consolidated interim statements as at March 31, 2025 and for the six months then ended are prepared in accordance with IFRS Accounting Standards and reflect management's best estimates and judgment based on information currently available.

The Company's independent auditor has not performed a review of these condensed consolidated interim statements.

LITHIUMBANK RESOURCES CORP.

Condensed Consolidated Interim Statements of Financial Position

(Expressed in Canadian dollars)

		March 31, 2025 (unaudited) \$	September 30, 2024 (audited) \$
	Notes		
Assets			
Current assets			
Cash and cash equivalents	5	1,811,742	4,889,037
Goods and Services Tax receivable		239,016	579,116
Prepaid expenses, deposits and other receivables	6	74,571	232,955
Amount receivables	7	-	374,305
		2,125,329	6,075,413
Non-current assets			
Advance on intangible assets	8	-	4,027,847
Exploration and evaluation assets	7	2,043,592	2,775,982
Total Assets		4,168,921	12,879,242
Liabilities and Shareholders' Equity			
Liabilities			
Current liabilities			
Accounts payable and accrued liabilities	11	538,998	1,804,218
Decommissioning liability	7	180,000	180,000
Lease liability	10	-	246,683
Total Liabilities		718,998	2,230,901
Shareholders' Equity			
Share capital	12	26,945,334	26,945,334
Reserves	12	5,355,454	5,200,156
Deficit		(28,850,865)	(21,497,149)
Total Shareholders' Equity		3,449,923	10,648,341
Total Liabilities and Shareholders' Equity		4,168,921	12,879,242

Nature of operations and going concern (Note 1)

Subsequent Events (Note 16)

These condensed consolidated interim statements were approved for issue by the Board of Directors on May 28, 2025 and signed on its behalf by:

"Robert Shewchuk"
Director

"Christopher Murray"
Director

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

LITHIUMBANK RESOURCES CORP.

Condensed Consolidated Interim Statements of Loss and Comprehensive Loss

For the six months ended March 31, 2025 and 2024

(Unaudited - Expressed in Canadian dollars)

	Notes	Three Months Ended March 31, 2025 \$	Three Months Ended March 31, 2024 \$	Six Months Ended March 31, 2025 \$	Six Months Ended March 31, 2024 \$
Operating expenses					
Consulting fees	11	160,936	131,925	265,451	236,513
Directors' fees	11	27,000	60,000	54,000	120,000
Exploration and evaluation	7, 11	526,616	1,661,393	1,230,558	2,335,125
Finance fees		-	13,623	3,082	28,644
General and administration	11	38,259	63,877	79,694	126,019
Management fees	11	178,500	841,250	362,500	1,451,300
Marketing and communications		59,669	94,728	134,202	311,566
Professional fees		49,981	53,123	104,321	133,867
Regulatory and transfer agent		24,666	40,534	42,764	79,252
Share-based payments	11, 12	60,070	226,950	155,298	542,547
Travel		21,738	46,766	37,482	84,292
		(1,147,435)	(3,234,169)	(2,469,352)	(5,449,125)
Other income (expense)					
Gain on sale of exploration and evaluation assets	4	-	9,755,119	-	10,118,338
Cancellation fees paid on sale	4	-	(3,000,000)	-	(3,000,000)
Impairment of advance on intangible assts	8	(4,027,847)	-	(4,027,847)	-
Impairment of exploration and evaluation assets	7	(916,534)	-	(916,534)	-
Recovery of flow-through liability		-	471,775	-	786,722
Interest income		24,701	79,519	57,853	136,764
Foreign exchange loss (gain)		3,513	(7,417)	(2,256)	(12,957)
Part XII.6 tax recovery (expense)		4,420	(50,000)	4,420	(50,000)
		(4,911,747)	7,248,996	(4,884,364)	7,978,867
Net Income(Loss) and comprehensive income(loss)		(6,059,182)	4,014,827	(7,353,716)	2,529,742
Earnings (loss) per share, basic		0.12	0.08	0.15	0.05
Earnings (loss) per share, diluted		0.12	0.08	0.15	0.05
Weighted average number of common shares outstanding					
- Basic		49,882,939	49,882,939	49,882,939	48,382,264
- Diluted		49,882,939	50,819,679	49,882,939	49,319,005

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

LITHIUMBANK RESOURCES CORP.

Condensed Consolidated Interim Statements of Changes in Shareholders' Equity

(Unaudited - Expressed in Canadian dollars)

	Share Capital		Reserves	Deficit	Shareholders' Equity
	Number of	Amount			
	Shares #	\$	\$	\$	\$
Balance, September 30, 2023	42,376,439	19,827,867	3,235,931	(16,744,985)	6,318,813
Share issuance costs – private placement	-	(86,550)	-	-	(86,550)
Issuance of common shares – private placement	3,506,500	3,261,045	245,455	-	3,506,500
Share issuance costs – compensation warrants	-	(17,028)	17,028	-	-
Issuance of shares to acquire DLE Technology	4,000,000	3,960,000	-	-	3,960,000
Share-based payments	-	-	542,547	-	542,547
Loss for the period	-	-	-	2,529,742	2,529,742
Balance, March 31, 2024	49,882,939	26,945,334	4,040,961	(14,215,243)	16,771,052
Share-based payments	-	-	1,159,195	-	1,159,195
Loss for the period	-	-	-	(7,281,906)	(7,281,906)
Balance, September 30, 2024	49,882,939	26,945,334	5,200,156	(21,497,149)	10,648,341
Share-based payments	-	-	155,298	-	155,298
Loss for the period	-	-	-	(7,353,716)	(7,353,716)
Balance, March 31, 2025	49,882,939	26,945,334	5,355,454	(28,850,865)	3,449,923

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

LITHIUMBANK RESOURCES CORP.

Condensed Consolidated Interim Statements of Cash Flows

For the six months ended March 31, 2025 and 2024

(Unaudited - Expressed in Canadian dollars)

	Six Months Ended March 31, 2025 \$	Six Months Ended March 31, 2024 \$
OPERATING ACTIVITIES		
Net income (loss) for the period	(7,353,716)	2,529,742
Add items not affecting cash:		
Shared-based payments	155,298	542,547
Lease finance costs	3,082	-
Impairment of advance on intangible assets	4,027,847	-
Impairment of exploration and evaluation assets	916,534	-
Gain on sale of exploration and evaluation assets	-	(7,041,338)
Recovery of flow-through premium liability	-	(786,722)
Changes in non-cash working capital items:		
Goods and Services Tax receivable	340,100	(266,167)
Prepaid expenses and advances and other receivable	158,384	52,219
Other amounts receivable	374,305	-
Accounts payable and accrued liabilities	(1,265,220)	(206,720)
Deposit related to asset disposition	-	(250,000)
Net cash used in operating activities	(2,643,386)	(5,426,439)
INVESTING ACTIVITIES		
Acquisition of exploration and evaluation assets	(184,144)	(392,613)
Acquisition of property, plant and equipment	-	(309,468)
Sale of option on assets held for sale, net	-	11,549,623
Advance for acquisition of DLE Technology	-	(67,847)
Net cash provided by (used in) investing activities	(184,144)	10,779,695
FINANCING ACTIVITIES		
Proceeds from issuance of shares, net	-	3,419,950
Repayment on line of credit	-	(250,000)
Repayment on lease liability	(249,765)	-
Net cash provided by (used in) financing activities	(249,765)	3,169,950
Change in cash and cash equivalents during the period	(3,077,295)	8,523,206
Cash and cash equivalents, beginning of the period	4,889,037	6,496,928
Cash and cash equivalents, end of the period	1,811,742	15,020,134
Supplemental disclosures with respect to cash flows		
Non-cash investing and financing activities:		
Share issuance to acquire intangible assets	-	3,960,000
Fair value of compensation warrants	-	17,028

During the six months ended March 31, 2025 and 2024, the Company paid \$nil (2024 - \$15,021) in interest and \$nil taxes (2024- \$nil).

LITHIUMBANK RESOURCES CORP.

Notes to the Condensed consolidated interim Statements

For the six months ended March 31, 2025 and 2024

(Unaudited - Expressed in Canadian dollars)

1. NATURE OF OPERATIONS AND GOING CONCERN

LithiumBank Resources Corp. (the “Company”) was incorporated under the *Business Corporations Act* (British Columbia) on May 31, 2019 and is a public company listed on the TSX Venture Exchange (the “TSXV”) under the symbol “LBNK”. In addition, the Company trades on the OTCQX Market trading platform in the United States under the trading symbol “LBNKF”. The Company’s registered and records office is located at 15th Floor, 1111 West Hastings Street, Vancouver, British Columbia, V6E 2J3.

The Company is a resource company with mineral properties in Alberta and Saskatchewan, Canada. The Company is in the process of exploring and developing its mineral properties. The recoverability of the amounts shown for mineral properties is dependent upon the existence of economically recoverable reserves, successful permitting, the ability of the Company to obtain necessary financing to complete exploration and development, and upon future profitable production or proceeds from disposition of each mineral property. Furthermore, the acquisition of title to mineral properties is a complicated and uncertain process, and while the Company has taken steps in accordance with normal industry standards to verify its title to the mineral properties in which it has an interest, there can be no assurance that such title will ultimately be secured. The carrying amounts of exploration and evaluation assets are based on costs incurred to date, and do not necessarily represent present or future values.

These condensed consolidated interim financial statements have been prepared under the assumption that the Company will continue as a going concern. The going concern basis of presentation assumes that the Company will be able to meet its obligations and continue its operations for the foreseeable future and be able to realize its assets and discharge its liabilities and commitments in the normal course of business. Realization values may be substantially different from the carrying values as shown. These condensed consolidated interim financial statements do not give effect to adjustments that would be necessary to the carrying values and classifications of assets and liabilities should the Company be unable to continue as a going concern. Those adjustments could be material.

The Company has incurred losses since its inception and the ability of the Company to continue as a going concern depends upon its ability to raise adequate financing and to develop profitable operations. As of March 31, 2025, the Company has accumulated a deficit of \$28,850,865 and working capital of \$1,406,331. However, based on the Company’s 2025 budget, the Company will require further financing to meet its financial obligations and sustain its operations in the normal course of business. These factors indicate the existence of a material uncertainty that may cast significant doubt about the Company’s ability to continue as a going concern. The Company’s ability to meet its long-term business strategy depends on its ability to obtain additional equity debt or equity financing and to generate operational cash flow from product sales and commercial services revenue. The Company may not be able to raise additional financing on terms agreeable to the Company, or at all.

The Company’s business may be affected by changes in political and market conditions, such as interest rates, availability of credit, inflation rates, changes in laws, and national and international circumstances. Recent geopolitical events, trade and tariff policies, pandemics, relations between NATO and the Russian Federation regarding the situation in Ukraine, and potential economic global challenges, such as the risk of higher inflation and the energy crises, may create further uncertainty and risk with respect to the prospects of the Company’s business. To date, the impact on the Company’s operations has been minimal; however, management continues to monitor the situation.

LITHIUMBANK RESOURCES CORP.

Notes to the Condensed consolidated interim Statements

For the six months ended March 31, 2025 and 2024

(Unaudited - Expressed in Canadian dollars)

2. BASIS OF PREPARATION

[a] Statement of compliance

These unaudited condensed interim consolidated financial statements have been prepared in accordance with IFRS Accounting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") applicable to the preparation of interim financial statements including IAS 34, Interim Financial Reporting. The condensed interim consolidated financial statements should be read in conjunction with the annual audited financial statements for the year ended September 30, 2024.

The unaudited condensed consolidated interim statements of the Company as at March 31, 2025 and 2024 and for the periods then ended were approved and authorized for issue by the Board of Directors on May 28, 2025.

[b] Basis of measurement

These condensed consolidated interim financial statements have been prepared on a historical cost basis, except for the revaluation of certain financial assets and financial liabilities to fair value. In addition, these condensed consolidated interim statements have been prepared using the accrual basis of accounting, except for cash flow information. The accounting policies set out below have been applied consistently to all years presented in these condensed consolidated interim statements.

[c] Basis of consolidation

The Company's condensed consolidated interim statements include the accounts of the Company and its subsidiaries. Subsidiaries are entities controlled by the Company, where control is achieved by the Company being exposed, or having rights, to variable returns from its involvement with the entity and having the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is obtained by the Company and are deconsolidated from the date that control ceases. As at September 30, 2024 and March 31, 2025, the Company's wholly owned subsidiary is 2277445 Alberta Ltd.

All intercompany transactions, balances, income and expenses are eliminated on consolidation.

[d] Critical accounting judgments, estimates and assumptions

The preparation of these condensed consolidated interim financial statements requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the condensed consolidated interim financial statements and reported amounts of expenses during the reporting period. Actual outcomes could differ from these estimates. These condensed consolidated interim financial statements include estimates, which, by their nature, are uncertain. The impacts of such estimates are pervasive throughout the condensed consolidated interim financial statements and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised and future periods if the revision affects both current and future periods. These estimates are based on historical experience, current and future economic conditions, and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

LITHIUMBANK RESOURCES CORP.

Notes to the Condensed consolidated interim Statements

For the six months ended March 31, 2025 and 2024

(Unaudited - Expressed in Canadian dollars)

2. BASIS OF PREPARATION (CONTINUED)

[d] Critical accounting judgments, estimates and assumptions (continued)

Critical Judgments

The following are critical judgments that management has made in the process of applying accounting policies and that have the most significant effect on the amounts recognized in the condensed consolidated interim financial statements:

- i. The assessment of the Company's ability to continue as a going concern and whether there are events or conditions that may give rise to significant uncertainty (Note 1).
- ii. Although the Company has taken steps to verify title to mineral properties in which it has an interest, these procedures do not guarantee the Company's title. Such properties may be subject to prior agreements or transfer and title may be affected by undetected defects.
- iii. Management is required to assess exploration and evaluation assets and other assets for impairment. As part of this assessment, management must make an assessment as to whether there are indicators of impairment. The Company considers both internal and external sources of information when assessing whether there are indications of impairment for the Company's exploration and evaluation assets. If there are indicators, management performs an impairment test on the major assets within this balance.

Estimation Uncertainty

The following are key assumptions concerning the future and other key sources of estimation uncertainty that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the current and next fiscal financial years:

- i. The inputs used in valuing share-based payments are subject to estimation uncertainty. The Company uses the fair value method to account for all share-based awards granted, modified or settled, and the Black-Scholes option pricing model to determine the fair value of stock options granted. As such, a share-based payment is recorded based on the estimated fair value of options with a corresponding credit to reserves. Significant estimates in the Black-Scholes option pricing model include the risk-free interest rate, estimated annualized volatility and the expected life.
- ii. Recorded costs of exploration and evaluation assets are not intended to reflect present or future values of these properties. The recorded costs are subject to measurement uncertainty, and it is reasonably possible, based on existing knowledge, that a change in future conditions could require a material change in the recognized amount.
- iii. Upon retirement of the Company's exploration and evaluation assets, decommissioning costs will be incurred. Estimating these costs involves significant uncertainty related to the methods, timing, and scope of future decommissioning activities. The decommissioning liability, associated asset, and related expenses are subject to estimation uncertainties concerning the expected costs and timing of decommissioning. Additionally, the Company must estimate the inflation and discount rates applied in valuing the decommissioning liability.

LITHIUMBANK RESOURCES CORP.

Notes to the Condensed consolidated interim Statements

For the six months ended March 31, 2025 and 2024

(Unaudited - Expressed in Canadian dollars)

3. MATERIAL ACCOUNTING POLICIES

These condensed consolidated interim financial statements follow the same accounting principles and methods of application as those disclosed in Note 3 of the Company's annual consolidated financial statements for the year ended September 30, 2024.

New standards, interpretations and amendments

Classification of Liabilities as Current or Non-current (Amendments to IAS 1 Presentation of Financial Statements)

The amendments to IAS 1 provide a more general approach to the classification of liabilities based on the contractual arrangements in place at the reporting date. These amendments are effective for reporting periods beginning on or after January 1, 2024. Implementation of this new standard did not significantly impact the consolidated financial statements.

Future standards not yet adopted

IFRS 18 Presentation and Disclosure in Financial Statements

In April 2024, the IASB issued IFRS 18 which replaces IAS 1. This standard aims to improve how companies communicate in their financial statements, with a focus on information about financial performance in the statement of profit or loss, in particular additional defined subtotals, disclosures about management-defined performance measures and new principles for aggregation and disaggregation of information. IFRS 18 is accompanied by limited amendments to the requirements in IAS 7 Statement of Cash Flows. IFRS 18 is effective from January 1, 2027. Companies are permitted to apply IFRS 18 before that date. The Company is currently assessing the impact the new standard will have on its condensed consolidated interim financial statements.

4. ASSET DISPOSTIONS

On July 28, 2023 the Company entered into a definitive assets purchase agreement with Pristine Lithium Corp. ("Pristine"), whereby the Company would sell to Pristine the Company's three lithium brine projects located in Saskatchewan. The definitive asset purchase agreement with Pristine was terminated and the Company paid to Pristine a break-fee of \$3,000,000 on December 20, 2023.

On December 20, 2023, the Company entered into an option agreement with an arms length party whereby the Company granted the optionee the option to purchase one or more of the Company's three lithium brine projects in Saskatchewan. Concurrently with entering into the option agreement, the optionee paid the Company a non-refundable deposit of \$8,000,000. The optionee had the right to exercise one or more of the options by paying the applicable purchase price as set out in the option agreement, less the deposit, to the Company at any time until March 31, 2024, upon which time the options automatically terminated.

LITHIUMBANK RESOURCES CORP.

Notes to the Condensed consolidated interim Statements

For the six months ended March 31, 2025 and 2024

(Unaudited - Expressed in Canadian dollars)

4. ASSET DISPOSTIONS (CONTINUED)

On March 28, 2024, the optionee elected to exercise its option to purchase one of the three properties included in the option agreement. The Company's Estevan lithium brine project was sold and the Company received \$7,000,000 in addition to the \$8,000,000 non-refundable deposit paid to the Company by the optionee in December 2023.

	March 31, 2024 \$
Proceeds from option agreement for Saskatchewan properties	15,000,000
Less: Assets held for sale balance	(4,508,285)
Asset sale transaction related costs	(373,377)
Gain on sale of exploration and evaluation assets	10,118,338

5. CASH AND CASH EQUIVALENTS

Cash and cash equivalents include cash held in banks and a term deposit as follows:

	March 31, 2024 \$	September 30, 2024 \$
Cash	1,782,992	1,360,287
Term deposit	28,750	3,528,750
	1,811,742	4,889,037

As at March 31, 2025, the Company has one term deposit in the amount of \$28,750 (September 30, 2024 - \$28,750) maturing on January 20, 2026 with interest at prime less 2.70% (September 30, 2024-2.85%). As at September 30, 2024, the Company held \$3,500,000 in a redeemable GIC with a one-year term and an interest rate of 4.65%.

6. PREPAID EXPENSES, DEPOSITS AND OTHER RECEIVABLES

Prepaid expenses and advances consist of:

	March 31, 2024 \$	September 30, 2024 \$
Administration and insurance	36,796	72,930
Geological and drilling related advances	19,862	36,837
Deposits	17,913	17,913
Guaranteed investment certificate interest receivable	-	105,275
	74,571	232,955

LITHIUMBANK RESOURCES CORP.

Notes to the Condensed consolidated interim Statements

For the six months ended March 31, 2025 and 2024

(Unaudited - Expressed in Canadian dollars)

7. EXPLORATION AND EVALUATION ASSETS

The Company owns a 100% interest in the following mineral claims. The following table summarizes the Company's exploration and evaluation assets transactions for the six months ended March 31, 2024 and year ended September 30, 2024:

	Balance, September 30, 2023 \$	Acquisition, net of Recoveries \$	Impairment \$	Balance, September 30, 2024 \$	Acquisition, net of Recoveries \$	Impairment \$	Balance, March 31, 2024 \$
Boardwalk – AB	15,500	909,646	-	925,146	1,882	-	927,028
Park Place – AB	46,625	1,645,326	-	1,691,951	-	(860,684)	831,267
Peace – AB	2,500	103,250	-	105,750	-	(55,850)	49,900
Simonette – AB	2,594	1,939	(4,533)	-	-	-	-
Kindersley – SK	-	34,993	-	34,993	92,017	-	127,010
South – SK	-	18,142	-	18,142	90,245	-	108,387
	67,219	2,713,296	(4,533)	2,775,982	184,144	(916,534)	2,043,592

The Company recorded a decommissioning liability of \$180,000 related to the acquisition of an existing oil and gas well on the Boardwalk property. The total undiscounted cash flow estimated to settle the obligations as at March 31, 2024 is \$186,000 (September 30, 2024 - \$nil), which was adjusted for inflation at a rate of 1.90% and then discounted at a rate of 2.84%. The related costs are expected to be incurred beginning in three years

On July 31, 2020 and amended on November 26, 2021 and March 28, 2024, in connection with certain consulting services, the Company granted, to a related party (Note 11[c]), an overriding revenue royalty ("ORR") equal to 2% of the gross proceeds realized from the sale of all products produced on select claims. The agreement contains a buy-back right whereby the Company has the option to purchase from the Royalty Holder, and to require the Royalty Holder to sell to the Company, half of the Royalty Holder's royalty (1%) to the Company for aggregate consideration of \$2,000,000.

Subsequent to March 31, 2025, the Company relinquished certain claims in its Park Place and Peace properties. As a result, the Company recognized an impairment of \$916,534 using a fair value less cost of disposal measure.

Exploration Expenditures

The following table summarizes the Company's exploration expenditures:

	Three Months Ended March 31, 2025 \$	Three Months Ended March 31, 2024 \$	Six Months Ended March 31, 2025 \$	Six Months Ended March 31, 2024 \$
Geological consulting and related	317,447	342,794	409,712	588,169
Sampling and related	26,987	604,211	198,761	687,150
Warehouse, Pilot Plant and related	162,528	155,378	491,474	210,198
Well, drilling and related	19,654	559,010	130,611	849,608
Total	526,616	1,661,393	1,230,558	2,335,125

LITHIUMBANK RESOURCES CORP.

Notes to the Condensed consolidated interim Statements

For the six months ended March 31, 2025 and 2024

(Unaudited - Expressed in Canadian dollars)

8. ADVANCE ON INTANGIBLE ASSETS

On September 8, 2023, G2L Greenview Resources Inc. ("G2L"), a subsidiary of Go2Lithium Inc., entered into an agreement with the Company to grant a license to use G2L technology in Alberta and Saskatchewan for a full suite of continuous ion exchange technologies. The Direct Lithium Extraction ("DLE") technology can be used to extract lithium salts from enriched brines present at the Company's lithium development projects. In consideration for the License, the Company agreed to issue 14,000,000 common shares in the capital of the Company to G2L upon achievement a number of defined milestones.

Upon issuance of the consideration shares pursuant to the License agreement, G2L granted the Company a royalty-free, perpetual and non-transferrable license (the "License") to use and exploit the Licensed Intellectual Property in the Alberta and Saskatchewan, in any manner whatsoever, including the right to grant sublicenses in accordance with the agreement. The Company had not acquired all of the rights to the license, and as such all payments were recorded as an advance payment on the acquisition, including legal and filing fees amounting to \$67,847 incurred in connection with the license agreement.

In March 2025, the G2L equipment was removed from the Company's warehouse and the Company recognized a \$4,027,847 impairment of its Advance on intangible assets. Subsequent to March 31, 2025 the Company and G2L entered into a termination and release agreement to terminate the license agreements, the intellectual property agreement, technology services agreement and all statement of services pursuant to a technology services agreement.

9. RIGHT-OF-USE LEASE ASSET

The Company entered a three-year warehouse lease agreement commencing on April 1, 2024 for which the warehouse was used for pilot plant operation. During the year ended September 30, 2024, the Company identified indicators of impairment and performed an impairment assessment to estimate the recoverable amount of the related assets. The Company applied the fair value less costs of disposal (FVLCD) method and concluded that no economic benefits could be realized from the pilot plant. Consequently, the recoverable amount was determined to be nil, leading to the full impairment of the related property, plant, and equipment balances and right of use lease asset during the year ended September 30, 2024. Pilot plant testing continued through to December then the plant closed by March 31, 2025. Effective June 1, 2025, the Company entered into an agreement to sublease the warehouse to March 31, 2027 at a rate of \$8,871 per month.

10. LEASE LIABILITY

	\$
Balance, September 30, 2023	-
Addition	470,540
Interest expense	17,718
Lease payments	(241,575)
Balance, September 30, 2024	246,683
Interest expense	3,082
Lease payments	(249,765)
Balance, March 31, 2025	-

The Company's lease agreement for its Calgary's warehouse (note 9) commenced on April 1, 2024. Pursuant to this agreement, the Company was obligated to pay basic rent in total of \$491,340 for three years. The Company is also required to pay operating costs, property tax and management fee. On April 12, 2024, the Company prepaid 18 months rent totalling \$241,575 and the remaining base rent of \$249,765 was paid in November 2024.

LITHIUMBANK RESOURCES CORP.

Notes to the Condensed consolidated interim Statements

For the six months ended March 31, 2025 and 2024

(Unaudited - Expressed in Canadian dollars)

11. RELATED PARTY TRANSACTIONS AND BALANCES

[a] Key management compensation

Key management personnel include those persons having authority and responsibility for planning, directing and controlling the activities of the Company as a whole. The Company has determined that key management personnel consist of executive and non-executive members of the Company's Board of Directors and corporate officers. Compensation to key management during the periods were as follows:

	Three Months Ended March 31, 2025 \$	Three Months Ended March 31, 2024 \$	Six Months Ended March 31, 2025 \$	Six Months Ended March 31, 2024 \$
Consulting fees	-	15,000	-	63,500
Directors' fees	27,000	60,000	54,000	120,000
Exploration and evaluation	42,000	62,500	84,000	100,000
Management fees	204,000	841,250	414,000	1,451,300
Share-based payments	44,773	159,850	114,195	369,405
Total	317,773	1,138,600	666,195	2,104,205

[b] Amounts due to related parties

As at March 31, 2025, included in accounts payable and accrued liabilities is \$81,050 (September 30, 2024 - \$111,882) owed to related parties. These amounts are unsecured, non-interest-bearing and due on demand.

[c] Other related party transactions

The Company granted a 2% ORR to 2271603 Alberta Ltd., a Company owned by the chief executive officer. The fair value of the ORR was determined to be \$nil (Note 7).

During the six months ended March 31, 2025, the Company paid \$13,125 (2024 - \$24,160) to a corporation owned by an officer for administration and accounting work which was expensed as office and administration.

12. SHARE CAPITAL

[a] Authorized: Unlimited number of common shares without par value.

[b] Issued:

On October 19, 2023, the Company completed a non-brokered private placement at price of \$1.00 per unit for 3,506,500 units, for aggregate gross proceeds of \$3,506,500. Each unit consisted of one common share of the Company and one-half of one common share purchase warrant ("Warrant"). Each Warrant entitles the holder to purchase an additional share at a price of \$1.50 for a period of 24 months from the date of issuance. The Company paid the following finders' fees to certain eligible finders in connection with the offering: (i) a cash commission in the aggregate amount of \$41,640, and (ii) 40,290 non-transferable common share purchase warrants of the Company ("Finder Warrants"). Each Finder Warrant is exercisable to acquire one unit of the Company (a "Finder Unit") at a price of \$1.00. Each Finder Unit is comprised of one share and one-half of one Warrant, with each Warrant entitling the holder thereof to purchase an additional share at a price of \$1.50 for a period of 24 months from the date of issuance with a fair value of \$17,028. Share issuance costs of \$86,550 were incurred in this private placement.

LITHIUMBANK RESOURCES CORP.

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For the six months ended March 31, 2025 and 2024

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12. SHARE CAPITAL (CONTINUED)

[b] Issued (continued):

On November 21, 2023, the Company issued 4,000,000 common shares to G2L (Note 8).

[c] Common share purchase warrants

Common share purchase warrant transactions and the number of common share purchase warrants outstanding are summarized below:

	Number	Weighted Average Exercise Price \$
Balance, September 30, 2023	5,006,769	2.00
Issued	1,753,250	1.50
Balance, September 30, 2024	6,760,019	1.87
Expired	(2,282,994)	2.00
Balance March 31, 2025	4,477,025	1.80

Common share purchase warrants issued and exercisable as at March 31, 2025 are as follows:

Date of Expiry	Number of Warrants Outstanding and Exercisable	Exercise Price \$
October 19, 2025	1,753,250	1.50
May 15, 2026	2,723,775	2.00
	4,477,025	

The weighted average remaining life of the common share purchase warrants at March 31, 2025 is 0.90 years.

[d] Compensation warrants

Compensation Warrant transactions and the number of Compensation Warrants outstanding are summarized below:

	Number	Weighted Average Exercise Price \$
Balance, September 30, 2023	557,650	1.42
Issued	40,290	1.00
Expired	(241,138)	1.50
Balance, September 30, 2024	356,802	1.32
Expired	(124,140)	1.50
Balance, March 31, 2025	232,662	1.23

LITHIUMBANK RESOURCES CORP.*Notes to the Condensed consolidated interim Statements**For the six months ended March 31, 2025 and 2024**(Unaudited - Expressed in Canadian dollars)***12. SHARE CAPITAL (CONTINUED)**

Compensation Warrants issued and exercisable as at March 31, 2025 are as follows:

Date of Expiry	Number of Warrants Outstanding and Exercisable	Exercise Price \$
October 19, 2025	40,290	1.00
May 15, 2026	192,372	1.28
	232,662	

The weighted average remaining life of the compensation warrants as at March 31, 2025 is 1.02 years.

During the period ended September 30, 2024, the Company paid (i) a cash commission in the aggregate amount of \$41,640, being up to 6% of the gross proceeds raised under the private placement from investors introduced to the Company by such finders; and (ii) 40,290 non-transferable common share purchase warrants of the Company ("Finder Warrants"), being equal to 6% of the units sold under the private placement from investors introduced to the Company by such finders. Each Finder Warrant is exercisable to acquire one unit of the Company (a "Finder Unit") at a price of \$1.00.

Each Finder Unit is comprised of one share and one-half of one warrant, with each warrant entitling the holder thereof to purchase an additional share at a price of \$1.50 for a period of 24 months from the date of issuance. The Finder Warrants recorded a fair value of \$17,028. The fair value of the Finder Warrants was determined using the Black-Scholes option pricing model under the following assumptions: a risk-free interest rate of 4.88%, annualized volatility of 84.08%, an expected life of 2 years, nil dividend yield, \$1.00 exercise price and a \$0.93 share price.

[e] Stock options

The Company adopted a fixed stock option plan that was approved by shareholders on March 28, 2023. An aggregate 7,700,000 common shares of the Company are reserved, set aside and allotted for issuance under the fixed option plan, representing 20% of the total number of issued and outstanding shares as of the date of implementation of the fixed option plan.

Each option agreement with the grantee sets forth, among other things, the number of options granted, the exercise price and the vesting conditions of the options. The options can be granted for a maximum term of 10 years and vest at the discretion of the Board of Directors. The options are required to have an exercise price of no less than the closing market price of the Company's shares on the day on which the Company announces the grant of options, less the applicable discount, if any, and approved by the Board of Directors.

A continuity of stock options is as follows:

	Number	Exercise Price \$
Balance, September 30, 2023	5,639,625	0.92
Granted	1,650,000	0.90
Expired	(200,000)	1.50
Balance, September 30, 2024	7,089,625	0.90
Forfeited	(30,000)	0.80
Balance, March 31, 2025	7,059,625	0.90

LITHIUMBANK RESOURCES CORP.

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12. SHARE CAPITAL (CONTINUED)

[e] Stock options (Continued)

Stock options issued and exercisable as at March 31, 2025 are as follows:

Expiry Date	Exercise Price \$	Number of Options Issued	Number of Options Exercisable
October 28, 2025	0.20	1,000,000	1,000,000
December 1, 2025	0.80	100,000	100,000
September 6, 2026	0.80	659,625	659,625
January 27, 2028	1.10	3,250,000	3,216,667
April 2, 2028	1.29	200,000	200,000
April 27, 2028	1.23	100,000	66,667
April 28, 2028	1.26	100,000	100,000
April 7, 2029	0.90	400,000	387,500
April 8, 2029	0.90	1,250,000	1,250,000
		7,059,625	6,980,459

As at March 31, 2025, the weighted average remaining life for outstanding stock options was 2.64 years.

There were no options granted during the six months ended March 31, 2025 and March 31, 2024. During the six months ended March 31, 2025, the Company recognized share-based payments of \$155,298 (2024 - \$542,547) related to options vesting during the periods.

[f] Shares in escrow

As at March 31, 2025, the Company had 1,375,750 common shares held in escrow. The escrow agreement provides for 10% of such securities to be released on the date on which the common shares are listed on the TSXV and 15% of such securities to be released every six months after the listing date (for a total 36-month release period). Subsequent to March 31, 2025 all shares in escrow were released.

13. CAPITAL MANAGEMENT

The Company's objectives when managing capital are to ensure its ability to continue as a going concern in order to pursue the acquisition and development of mineral property interests. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business.

The Company is largely dependent upon external financings to fund activities. To carry out planned acquisition and development and pay for administrative costs, the Company will spend its existing working capital and raise additional funds as needed. The Company will continue to assess new properties and seek to acquire an interest in additional properties if it feels there is sufficient geologic or economic potential and if it has adequate financing resources to do so. Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable. There were no changes to the Company's approach to capital management during the six months ended March 31, 2025.

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14. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

[a] Fair value

IFRS 13 *Fair Value Measurement* establishes a fair value hierarchy for financial instruments measured at fair value that reflects the significance of inputs used in making fair value measurements as follows:

- Level 1 – quoted prices in active markets for identical assets or liabilities;
- Level 2 – inputs other than quoted prices included in Level 1 that are observable for the asset or liabilities, either directly (i.e., as prices) or indirectly (i.e., from derived prices); and
- Level 3 – inputs for the asset or liability that are not based upon observable market data.

The fair value of cash and cash equivalents is based on Level 1 inputs. Amounts Receivables, other receivables, accounts payable, accrued liabilities and lease liabilities approximate fair values due to their short-term nature.

The Company's financial instruments are exposed to certain financial risks, which include foreign currency exchange risk, interest rate risk, credit risk, liquidity risk and other price risk. The Company's risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Company's financial performance. The Company's exposure to these risks and its methods of managing the risks remain consistent.

[b] Credit risk

Credit risk is the risk of a financial loss to the Company if a counterparty to a financial instrument fails to meet its contractual obligations. Credit risk arises for the Company from its cash and cash equivalents. Concentration of credit risk exists with respect to the Company's cash and cash equivalents, as all amounts are held at a major Canadian financial institution. Management believes credit risk is nominal, as cash is held in Canadian financial institutions and account receivable are due from Canadian government bodies.

The credit risk associated with cash and cash equivalents is minimized by ensuring that substantially all dollar amounts are held with a major financial institution with strong investment-grade ratings by a primary rating agency. The maximum credit risk related to cash and cash equivalents has a value of \$1,811,742 (September 30, 2024 - \$4,889,037).

[a] Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with its financial liabilities. The Company is reliant upon equity issuances as its sole source of cash. The Company manages liquidity risk by maintaining an adequate level of cash and cash equivalents to meet its ongoing obligations. The Company continuously reviews its actual expenditures and forecasted cash flows and matches the maturity dates of its cash equivalents to capital and operating needs. The Company normally maintains sufficient cash to meet the Company's business requirements. As at March 31, 2025, the Company has a cash and cash equivalents balance of \$1,811,742 (September 30, 2024 - \$4,889,037). Management estimates these funds with the subsequent financing (note 16) are sufficient to meet its current obligations. As of March 31, 2025, the Company has a working capital of \$1,406,331. (September 30, 2024 - \$3,844,512).

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14. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONTINUED)

[b] Market risk

Interest rate risk

Interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate due to changes in the market interest rates. The Company's term deposit earns interest at prime less 2.4%. Fluctuations in the prime lending rate would have an insignificant impact on profit or loss in the period.

Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in foreign exchange rates. The Company does not hold financial instruments in a foreign currency. As such, currency risk is considered insignificant.

Price risk

Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market prices, other than those arising from interest rate risk or currency exchange risk. The Company's ability to raise capital to fund exploration activities is subject to risks associated with fluctuations in the market price of lithium. The Company closely monitors commodity prices to determine appropriate courses of action to be taken.

15. SEGMENTED INFORMATION

The Company operates in one reportable segment, being the exploration and evaluation of mineral properties. All the Company's exploration and evaluation assets are located in Canada.

16. SUBSEQUENT EVENTS

- [a] Subsequent to March 31, 2025 the Company completed a non-brokered private placement and issued 5,000,000 flow-through units at a price of \$0.40 per unit for gross proceeds of up to \$2,000,000. Each unit consists of one flow-through common share of the Company issued as a "flow-through share" and one-half of one common share purchase warrant (each whole common share purchase warrant, a "FT Warrant"). Each FT Warrant entitles the holder to purchase one common share of the Company at a price of \$0.60 within 36 months of the date of issue. In connection with the offering, the Company paid cash finder's fee of \$140,000 and issued 350,000 finders' warrants, where the warrant is exercisable into one common share of the Company at a price of \$0.35 on or before 36 months from the date of issue.
- [b] Subsequent to March 31, 2025 the Company completed a further non-brokered private placement of 8,250,199 units of the Company ("LIFE Units") for gross proceeds of \$2,887,570. Each LIFE Unit consists of one common share in the capital of the Company and one-half of one common share purchase warrant of the Company (each whole warrant, a "Warrant"). Each Warrant entitles the holder to purchase one Share for a period of 36 months from the date of issue at an exercise price of \$0.50. The Units were issued on a private placement basis pursuant to the Listed Issuer Financing Exemption.
- [c] On April 30, 2025, the Company's shareholders approved the re-pricing of stock options at the Company's Annual General and Special Meeting of the shareholders. At the meeting agreements related to 6,059,625 stock options were amended and the related exercise price was changed to \$0.40.