

LITHIUMBANK RESOURCES CORP.

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED MARCH 31, 2026

(Unaudited - Expressed in Canadian dollars)

NOTICE OF NO AUDITOR REVIEW
OF CONDENSED CONSOLIDATED INTERIM FINANCIAL 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 financial statements; they must be accompanied by a notice indicating that the condensed consolidated interim financial statements have not been reviewed by an auditor.

The accompanying unaudited condensed consolidated interim financial 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 financial statements as at March 31, 2026, and for the six months then ended are prepared in accordance with International Financial Reporting 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 financial statements.

LITHIUMBANK RESOURCES CORP.
Condensed Consolidated Statements of Financial Position
(Expressed in Canadian dollars)

	Notes	March 31, 2026 (unaudited) \$	September 30, 2025 (audited) \$
Assets			
Current assets			
Cash and cash equivalents	4	3,194,357	3,510,977
Goods and Services Tax receivable		64,373	25,689
Prepaid expenses, deposits and other receivables	5	139,702	143,133
Amounts receivable		13,649	-
Lease receivables	8	101,750	96,807
		3,513,831	3,776,606
Non-current assets			
Exploration and evaluation assets	6	4,938,218	4,360,372
Reclamation deposits	6	103,084	-
Lease receivables	8	-	52,141
Total Assets		8,555,133	8,189,119
Liabilities and Shareholders' Equity			
Liabilities			
Current liabilities			
Accounts payable and accrued liabilities	9	973,733	426,702
Flow-through premium liability	10	102,483	179,250
		1,076,216	605,952
Non-current liability			
Decommissioning liability	6	307,000	180,000
Total Liabilities		1,383,216	785,952
Shareholders' Equity			
Share capital	10	32,884,778	30,238,916
Reserves	10	6,739,939	6,767,579
Deficit		(32,452,800)	(29,603,328)
Total Shareholders' Equity		7,171,917	7,403,167
Total Liabilities and Shareholders' Equity		8,555,133	8,189,119

Nature of operations and going concern (Note 1)
Subsequent events (Note 14, 10(c) and 10(d))

These condensed consolidated interim financial statements were approved for issue by the Board of Directors May 28, 2026 and signed on its behalf by:

"Robert Shewchuk"
Director

"Christopher Murray"
Director

LITHIUMBANK RESOURCES CORP.

Condensed Consolidated Interim Statements of Loss and Comprehensive Loss

For the six months ended March 31, 2026 and 2025

(Unaudited - Expressed in Canadian dollars)

	Notes	Three Months Ended March 31, 2026 \$	Three Months Ended March 31, 2025 \$	Six Months Ended March 31, 2026 \$	Six Months Ended March 31, 2025 \$
Operating expenses					
Consulting fees		137,588	160,936	182,963	265,451
Directors' fees	9	27,000	27,000	54,000	54,000
Exploration and evaluation	6, 9	1,671,097	526,616	1,853,659	1,230,558
Finance fees		-	-	-	3,082
General and administration	9	27,818	38,259	84,949	79,694
Management fees	9	195,000	178,500	389,200	362,500
Marketing and communications		58,994	59,669	118,722	134,202
Professional fees		26,891	49,981	47,562	104,321
Regulatory and transfer agent		31,306	24,666	43,908	42,764
Share-based payments	9, 10	19,961	60,070	133,898	155,298
Travel		27,938	21,738	54,788	37,482
		(2,223,593)	(1,147,435)	(2,963,649)	(2,469,352)
Other income (expense)					
Impairment of advance on intangible assts		-	(4,027,847)	-	(4,027,847)
Impairment of exploration and evaluation assets		-	(916,534)	-	(916,534)
Recovery of flow-through liability	10	57,800	-	76,767	-
Interest income		21,646	24,701	40,354	57,853
Finance income		2,721	-	6,030	-
Foreign exchange loss (gain)		(3,644)	3,513	(3,974)	(2,256)
Part XII.6 tax recovery (expense)		(5,000)	4,420	(5,000)	4,420
		73,523	(4,911,747)	114,177	(4,884,364)
Net loss and comprehensive loss		(2,150,070)	(6,059,182)	(2,849,472)	(7,353,716)
Loss per share, basic and diluted		(0.03)	(0.12)	(0.04)	(0.15)
Weighted average number of common shares outstanding					
- Basic and diluted		65,348,727	49,882,939	64,581,311	49,882,939

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

LITHIUMBANK RESOURCES CORP.

Condensed Consolidated Interim Statements of Changes in Shareholders' Equity

(Unaudited - Expressed in Canadian dollars)

	Share Capital				Shareholders' Equity \$
	Number of	Amount \$	Reserves \$	Deficit \$	
	Shares #				
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
Issuance of common shares – private placement	8,250,199	1,847,270	1,040,299	-	2,887,569
Share issuance costs	-	(244,159)	-	-	(244,159)
Share issuance costs – compensation warrants	-	(59,529)	59,529	-	-
Issuance of flow-through shares	5,000,000	2,000,000	-	-	2,000,000
Flow-through share premium	-	(250,000)	-	-	(250,000)
Share-based payments	-	-	312,297	-	312,297
Loss for the period	-	-	-	(752,463)	(752,463)
Balance, September 30, 2025	63,133,138	30,238,916	6,767,579	(29,603,328)	7,403,167
Issuance of common shares – private placement	3,750,770	2,250,461	-	-	2,250,461
Share issuance costs	-	(20,047)	-	-	(20,047)
Option exercises	1,000,000	347,030	(147,030)	-	200,000
Warrant exercise	109,025	68,418	(14,508)	-	53,910
Share-based payments	-	-	133,898	-	133,898
Loss for the period	-	-	-	(2,849,472)	(2,849,472)
Balance, March 31, 2026	67,992,933	32,884,778	6,739,939	(32,452,800)	7,171,917

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

LITHIUMBANK RESOURCES CORP.

Condensed Consolidated Interim Statements of Cash Flows

For the six months ended March 31, 2026 and 2025

(Unaudited - Expressed in Canadian dollars)

	Six Months Ended March 31, 2026 \$	Six Months Ended March 31, 2025 \$
OPERATING ACTIVITIES		
Loss for the period	(2,849,472)	(7,353,716)
Add items not affecting cash:		
Lease finance income	(6,030)	-
Lease finance costs	-	3,082
Recovery of flow-through premium liability	(76,767)	-
Shared-based payments	133,898	155,298
Impairment of advance on intangible assets	-	4,027,847
Impairment of exploration and evaluation assets	-	916,534
Changes in non-cash working capital items:		
Account receivables	(13,649)	-
Goods and Services Tax receivable	(38,684)	340,100
Other amounts receivables	31,486	374,305
Prepaid expenses, deposits and other receivables	(131,139)	158,384
Accounts payable and accrued liabilities	547,032	(1,265,220)
Net cash used in operating activities	(2,403,325)	(2,643,386)
INVESTING ACTIVITIES		
Acquisition of exploration and evaluation assets	(450,846)	(184,144)
Receipts on lease receivables	53,228	-
Net cash used in investing activities	(397,618)	(184,144)
FINANCING ACTIVITIES		
Proceeds from private placement	2,230,414	-
Proceeds from exercise of warrant	53,909	-
Proceeds from exercise of share option	200,000	-
Repayment on lease liability	-	(249,765)
Net cash provided by (used in) financing activities	2,484,323	(249,765)
Change in cash and cash equivalents during the period	(316,620)	(3,077,295)
Cash and cash equivalents, beginning of the period	3,510,977	4,889,037
Cash and cash equivalents, end of the period	3,194,357	1,811,742
Non-cash investing and financing activities:		
ARO liabilities	127,000	-
Reversal of fair value of share options	147,030	-
Fair value of finders warrants	14,509	-

During the six months ended March 31, 2026 and 2025, the Company paid no interest or taxes.

LITHIUMBANK RESOURCES CORP.

Notes to the Condensed Consolidated Interim Statements

For the six months ended March 31, 2026 and 2025

(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 OTC 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 Hastings St W, Vancouver BC V6E 2J3.

The Company is a resource company with mineral properties in Alberta and Saskatchewan. 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 consolidated 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, 2026, the Company has accumulated a deficit of \$32,452,800 and has working capital of \$2,437,615. However, based on the Company’s 2026 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, equity financing or to generate operational cash flow from property sales. 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, 2026 and 2025

(Unaudited - Expressed in Canadian dollars)

2. BASIS OF PREPARATION

[a] Statement of compliance

These condensed consolidated interim financial statements, including comparatives, have been prepared using accounting policies consistent with IFRS Accounting Standards (“IFRS”), as issued by the International Accounting Standards Board (“IASB”).

The condensed consolidated interim statements of the Company as at March 31, 2026 and for the periods then ended were approved and authorized for issue by the Board of Directors on May 28, 2026.

[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 consolidated financial 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 consolidated financial statements.

[c] Basis of consolidation

The Company’s consolidated interim financial 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. As at March 31, 2026, 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 consolidated financial statements and reported amounts of expenses during the reporting period. Actual outcomes could differ from these estimates. These consolidated financial statements include estimates, which, by their nature, are uncertain. The impacts of such estimates are pervasive throughout the consolidated 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, 2026 and 2025

(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 consolidated 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 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.
- iv. Judgment is required in determining whether deferred tax assets are recognized in the consolidated statements of financial position. Deferred tax assets, including those arising from unutilized tax losses, require management to assess the likelihood that the Company will generate taxable earnings in future periods, in order to utilize recognized deferred tax assets.

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. Estimates of future taxable income are based on forecasted cash flows from operations and the application of existing tax laws in each jurisdiction. To the extent that future cash flows and taxable income differ significantly from estimates, the ability of the Company to realize the net deferred tax assets recorded at the date of the consolidated statements of financial position could be impacted.
- ii. 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.
- iii. Depreciation of equipment is charged to write-down the value of those assets to their residual value over their respective estimated useful lives. Management is required to assess the useful economic lives and residual values of the assets such that depreciation is charged on a systematic basis to the current carrying amount. The useful lives are estimated having regard to such factors as asset maintenance, rate of technical and commercial obsolescence, and asset usage. The useful lives of key assets are reviewed annually.

LITHIUMBANK RESOURCES CORP.

Notes to the Condensed Consolidated Interim Statements
For the six months ended March 31, 2026 and 2025
(Unaudited - Expressed in Canadian dollars)

2. BASIS OF PREPARATION (CONTINUED)

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

Estimation Uncertainty (continued)

- iv. 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.
- v. The Company estimates the recoverable amount of property, plant and equipment, which is the higher of fair value less costs of disposal and value in use. Determining whether impairment indicators exist and estimating the recoverable amount involves significant judgment, with key assumptions subject to uncertainty due to external market conditions and operational factors.
- vi. 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.

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 Financial Statements as at September 30, 2025 and for the year then ended, except as noted below.

Government assistance

Government assistances consist of grants receivable under the Emissions Reduction Alberta ("ERA") Program from the province of Alberta, Canada, to further advance the Boardwalk project. Government assistance is recorded in net income or loss upon cash receipt and when reasonable assurance exists that the Company has complied with the terms and conditions of the ERA funding program.

Future standard 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 consolidated financial statements.

LITHIUMBANK RESOURCES CORP.

Notes to the Condensed Consolidated Interim Statements
For the six months ended March 31, 2026 and 2025
(Unaudited - Expressed in Canadian dollars)

4. CASH AND CASH EQUIVALENTS

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

	March 31, 2026	September 30, 2025
	\$	\$
Cash	1,505,607	382,227
Term deposit	1,688,750	3,128,750
	3,194,357	3,510,977

As at March 31, 2026, the Company has one term deposit in the amount of \$28,750 (2025 - \$28,750) maturing on December 31, 2026 with interest at prime less 2.70%. As at March 31, 2026, the Company held \$1,688,750 (2025 - \$3,128,750) in a redeemable guaranteed investment certificate ("GIC") with a one-year term and an interest rate of 2.60% (2025: 4.65%).

5. PREPAID EXPENSES, DEPOSITS AND OTHER RECEIVABLES

Prepaid expenses, deposits and other receivables consist of:

	March 31, 2026	September 30, 2025
	\$	\$
Administration and insurance	54,184	24,525
Geological and drilling related advances	21,431	5,122
Deposits	28,963	17,913
Other receivables	-	81,054
GIC interest receivables	35,124	14,519
	139,702	143,133

6. EXPLORATION AND EVALUATION ASSETS

Boardwalk, Park Place and Peace Properties are located in northern Alberta and were acquired directly through the Alberta government by claim staking. The Saskatchewan properties were acquired by auction directly from the Saskatchewan government. The Kindersley properties are located in west-central Saskatchewan near the Alberta border and the South properties are located along the southern border of Saskatchewan with the United States. The Company is required to make annual payments to Alberta and Saskatchewan to maintain the rights to the wholly owned properties.

As of March 31, 2026, the Company has deposits totalling \$103,084 (June 30, 2025 - \$Nil) as reclamation bonds related to acquired wells.

On top of the existing decommissioning liability for the first well amounting to \$147,000. The Company recorded another decommissioning liability of \$160,000 related to acquisition of second well on the Boardwalk Property. The total undiscounted cash flow estimated to settle the obligations as at March 31, 2026 is \$307,000 (2025 - \$180,000), which was adjusted for inflation at a rate of 2.40% (2025 - 1.9%) and then discounted at a rate of 2.87% (2025 - \$2.84%). The related costs are expected to be incurred beginning in three years.

LITHIUMBANK RESOURCES CORP.

Notes to the Condensed Consolidated Interim Statements

For the six months ended March 31, 2026 and 2025

(Unaudited - Expressed in Canadian dollars)

6. EXPLORATION AND EVALUATION ASSETS (CONTINUED)

During the six months ended March 31, 2026 the Company completed the well license transfer of the suspended, past producing well 104/01-12-069-22W5/00 ("1-12") and now has 100% ownership of two wells. The 1-12 well was acquired for \$276,821 and is located in close proximity to the Company's 10-6 well, acquired in May 2024. Both wells are at the Boardwalk project.

The following table summarizes the Company's exploration and evaluation assets transactions for the six months ended March 31, 2026 and September 30, 2025:

	Balance, September 30 2024 \$	Acquisition \$	Balance, September 30 2025 \$	Acquisition \$	Balance, March 31 2026 \$
Boardwalk – AB	925,146	560,017	1,485,163	405,703	1,890,866
Park Place – AB	1,691,951	793,392	2,485,343	-	2,485,343
Peace – AB	105,750	48,720	154,470	-	154,470
Kindersley – SK	34,993	92,017	127,010	81,897	208,907
South – SK	18,142	90,244	108,386	90,246	198,632
	2,775,982	1,584,390	4,360,372	577,846	4,938,218

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 9[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.

Exploration Expenditures

The following table summarizes the Company's exploration expenditures:

	Three Months Ended March 31, 2026 \$	Three Months Ended March 31, 2025 \$	Six Months Ended March 31, 2026 \$	Six Months Ended March 31, 2025 \$
Geological consulting and related	265,306	317,447	267,636	409,712
Sampling and related	438,957	26,987	480,813	198,761
Warehouse, pilot plant and related	170,662	162,528	290,994	491,474
Well, drilling and related	796,172	19,654	814,216	130,611
Total	1,671,097	526,616	1,853,659	1,230,558

LITHIUMBANK RESOURCES CORP.

Notes to the Condensed Consolidated Interim Statements

For the six months ended March 31, 2026 and 2025

(Unaudited - Expressed in Canadian dollars)

7. RIGHT-OF-USE LEASE ASSET

The Company entered into 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 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.

8. LEASE RECEIVABLES

During the period ended March 31, 2026, the Company sub-leased the warehouse that has been presented as a lease receivable.

The following table sets out a maturity analysis of lease receivables showing the undiscounted lease payments to be received after March 31, 2026.

	\$
Less than one year	106,457
One to two years	-
Total undiscounted lease receivables	106,457
Unearned finance income	(4,707)
Net investment in lease and lease receivable	101,750

9. 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 six months ended March 31, 2026 and 2025 were as follows:

	Three Months Ended March 31, 2026 \$	Three Months Ended March 31, 2025 \$	Six Months Ended March 31, 2026 \$	Six Months Ended March 31, 2025 \$
Directors' fees	27,000	27,000	54,000	54,000
Exploration and evaluation	72,000	42,000	164,000	84,000
Management fees	195,000	204,000	390,000	414,000
Share-based payments	-	44,773	113,937	114,195
Total	294,000	317,773	721,937	666,195

LITHIUMBANK RESOURCES CORP.

Notes to the Condensed Consolidated Interim Statements

For the six months ended March 31, 2026 and 2025

(Unaudited - Expressed in Canadian dollars)

9. RELATED PARTY TRANSACTIONS AND BALANCES (CONTINUED)

[b] Amounts due to related parties

As at March 31, 2026, included in accounts payable and accrued liabilities is \$77,891 (September 30, 2025 - \$288,951) owed to related parties. These amounts are unsecured, non-interest-bearing and due on demand.

[c] Other related party transactions

During the period ended March 31, 2026, \$32,140 (March 31, 2025 - \$13,125) of general and administration expense was paid to Fehr & Associates, a corporation controlled by the CFO, that were attributable to costs directly associated with office space, accounting services and administration staff used by the Company.

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).

10. SHARE CAPITAL

[a] Authorized

The authorized share capital of the Company as at March 31, 2026 and September 30, 2025 consists of an unlimited number of common shares without par value.

[b] Common shares issued

During the six months ended March 31, 2026

On March 4, 2026, the Company has closed a non-brokered private placement (the "Private Placement") for gross proceeds of \$2,250,461 through the issuance of 3,750,770 Common shares of the Company (the "Shares") at an issue price of \$0.60 per Share.

On November 20, 2025, the Company granted 300,000 stock options with an exercise price of \$0.58 per share and an expiry of November 17, 2030.

On October 28, 2025, the Company issued 1,000,000 common shares pursuant to the exercise of stock options for proceeds of \$200,000. On December 15, 2025 and January 16, 2026, the Company issued a total of 109,025 common shares pursuant to the exercise of compensation warrants for proceeds of \$53,909.

During the year ended September 30, 2025

On April 4, 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 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. The allocation of the proceeds of \$2,000,000 was as follows: \$1,350,000 was assigned to share capital, \$400,000 was allocated to warrants using the residual value method and \$250,000 was assigned to flow-through liability.

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10. SHARE CAPITAL (CONTINUED)

On April 4, 2025 and April 8, 2025, the Company completed a further non-brokered private placement of 8,250,199 Listed Issuer Financing Exemption units of the Company ("LIFE Units") for gross proceeds of \$2,887,569. 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") The Company allocated the value of the share purchase warrant using the residual value method according to Company's accounting policy for a total of \$660,016. 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. In connection with the offering, the Company issued an additional 97,314 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.

Other share issue costs amounting to \$77,695 were paid for the above placements and together with cash finders' fees \$166,464 made total share issue cost \$244,159 incurred for the placements.

[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, 2024	6,760,019	1.87
Issued	6,625,099	0.54
Expired	(2,282,994)	2.00
Balance, September 30, 2025	11,102,124	1.05
Expired	(1,858,250)	1.50
Balance, March 31, 2026	9,243,874	0.97

Common share purchase warrants issued and exercisable as at March 31, 2026 are as follows:

Date of Expiry	Number of Warrants Outstanding and Exercisable	Exercise Price \$
May 15, 2026*	2,723,775	2.00
April 4, 2028	2,500,000	0.60
April 4, 2028	3,044,285	0.50
April 8, 2028	975,814	0.50
	9,243,874	

*Subsequent to March 31, 2026 the warrants expired unexercised

The weighted average remaining life of the common share purchase warrants at March 31, 2026 is 1.46 years.

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10. SHARE CAPITAL (CONTINUED)

[d] Compensation warrants

Compensation warrant transactions and the number of compensation warrants outstanding are summarized below:

	Number	Weighted Average Exercise Price \$
Balance, September 30, 2024	356,802	1.32
Issued	447,314	0.35
Expired	(124,140)	1.50
Balance, September 30, 2025	679,976	0.65
Exercised	(4,025)	1.50
Expired	(40,290)	1.00
Balance, March 31, 2026	635,661	0.69

Compensation warrants issued and exercisable as at March 31, 2026 are as follows:

Date of Expiry	Number of Warrants Outstanding and Exercisable	Exercise Price \$
May 15, 2026*	192,372	1.28
April 8, 2028	443,289	0.35
	635,661	

*Subsequent to March 31, 2026 the warrants expired unexercised

The weighted average remaining life of the compensation warrants as at March 31, 2026 is 1.34 years.

The fair value of the 447,314 finder Warrants issued during the year ended September 30, 2025 was determined using the Black-Scholes option pricing model under the following assumptions: a risk-free interest rate of 2.47%, annualized volatility of 80.06%, an expected life of 3 years, nil dividend yield, \$0.35 exercise price and a \$0.28 share price. Total finders' warrants were valued at \$59,529 during the year.

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10. SHARE CAPITAL (CONTINUED)

[e] Stock options

The Company adopted a fixed stock option plan, which was approved by shareholders on March 28, 2023. An aggregate of 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, 2024	7,089,625	0.90
Forfeited	(30,000)	(0.80)
Balance, September 30, 2025	7,059,625	0.37
Issued	352,000	0.64
Exercised	(1,000,000)	(0.20)
Expired	(100,000)	(0.40)
Balance, March 31, 2026	6,311,625	1.09

Stock options issued and exercisable as at March 31, 2026 are as follows:

Expiry Date	Exercise Price \$	Number of Options Granted	Number of Options Exercisable
September 6, 2026	0.40	659,625	659,625
January 27, 2028	0.40	3,250,000	3,250,000
April 2, 2028	0.40	200,000	200,000
April 27, 2028	0.40	100,000	100,000
April 28, 2028	0.40	100,000	100,000
April 7, 2029	0.40	400,000	400,000
April 8, 2029	0.40	1,250,000	1,250,000
November 17, 2030	0.58	300,000	300,000
May 9, 2031	1.00	52,000	52,000
		6,311,625	6,311,625

As at March 31, 2026, the weighted average remaining life for outstanding stock options was 2.17 years.

On March 9, 2026, the Company granted 52,000 to options with an exercise price of \$1.00 per share with an expiry of May 9, 2031.

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10. SHARE CAPITAL (CONTINUED)

The weighted average assumption used in option granted on March 9, 2026 was determined using the Black-Scholes option pricing model under the following assumptions: a risk-free interest rate of 2.95%, annualized volatility of 83.03%, an expected life of 5 years, nil dividend yield, \$1.00 exercise price and a \$0.68 share price.

On November 20, 2025, the Company granted 300,000 stock options with an exercise price of \$0.58 per share and an expiry of November 17, 2030. The value of the share based payment expense was determined using the Black-Scholes option pricing model under the following assumptions: a risk-free interest rate of 2.82%, annualized volatility of 88.30%, an expected life of 5 years, nil dividend yield, \$0.58 exercise price and a \$0.55 share price.

During the six months ended March 31, 2026, the Company recognized share-based payments of \$133,898 (2025 - \$155,298) related to stock options granted.

[f] Flow-through premium liability

As at March 31, 2026, the Company has a commitment to spend an estimated \$819,862 before December 31, 2026. The following is a continuity of the liability portion of the flow-through share issuances:

	\$
Balance, September 30, 2024	-
Flow-through premium liability additions	250,000
Settlement of flow-through share premium liability pursuant to qualifying expenditures	(70,750)
Balance, September 30, 2025	179,250
Flow-through premium liability additions	-
Settlement of flow-through share premium liability pursuant to qualifying expenditures	(76,767)
Balance, March 31, 2026	102,483

11. 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 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 financial 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 period ended March 31, 2026. The Company is not subject to externally imposed capital restrictions but does expect to spend proceeds from the flow-through financing during the balance of the year (Note 10[f]).

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12. 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 Company's financial instruments include cash and cash equivalents, amounts receivable, lease receivable, deposits, lease liabilities, accounts payable and accrued liabilities, all of which are measured at amortized cost.

The Company's financial instruments are exposed to certain financial risks, which include foreign currency 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 Goods and Services Tax is due from the Government of Canada.

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 is the cash and cash equivalents and receivables value of \$3,194,357 (September 30, 2025 - \$3,510,977).

[c] 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, 2026, the Company has a cash and cash equivalents balance of \$3,194,357 (September 30, 2025 - \$3,510,977). Management estimates these funds are sufficient to meet its current obligations. As of March 31, 2026, the Company has a working capital of \$2,437,615 (September 30, 2025 - \$3,170,654).

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12. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONTINUED)

[d] 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 2.6%. 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 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 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.

13. 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.

14. SUBSEQUENT EVENTS

Subsequent to March 31, 2026, the Department of Energy and Minerals of the Government of Alberta approved the deferral of the Company's 2026 annual rent obligations totaling approximately \$1.4 million. The deferred balance bears interest cost at a rate of 3% per annum.

Subsequent to March 31, 2026, the Company prepared a reimbursement request of approximately \$800,000 related to the \$3,900,000 in non-dilutive funding under the Emissions Reduction Alberta ("ERA") from the province of Alberta, to further advance Boardwalk. The ERA Program agreed to refund the Company 50% of eligible expenditures.