



FRONTIER LITHIUM INC.
UNAUDITED CONDENSED CONSOLIDATED
INTERIM FINANCIAL STATEMENTS
FOR THE THREE AND SIX MONTHS ENDED
SEPTEMBER 30, 2025 AND 2024

Frontier Lithium Inc.

Notice to Reader:

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

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

(Unaudited - Expressed in thousands of Canadian dollars)

| | Notes | September 30, 2025 | (Audited) March 31, 2025 |
|--|-------------|-----------------------|--------------------------------|
| ASSETS | | | |
| Current assets | | | |
| Cash and cash equivalents | | \$ 14,949 | \$ 17,877 |
| Other receivables, prepaid expenses and other assets | 3 | 308 | 1,510 |
| Total current assets | | 15,257 | 19,387 |
| Non-current assets | | | |
| Exploration and evaluation assets | | 5,426 | 5,426 |
| Property, plant and equipment | 4 | 7,740 | 8,118 |
| Total assets | | \$ 28,423 | \$ 32,931 |
| LIABILITIES AND EQUITY | | | |
| Current liabilities | | | |
| Accounts payable and other liabilities | | \$ 7,076 | \$ 8,063 |
| Current portion of lease obligations | 5 | 169 | 146 |
| Put right liability | 8 | 23,478 | 23,478 |
| Current tax liability | | 34 | 34 |
| Convertible loan | 6, 11 | 3,465 | - |
| Total current liabilities | | 34,222 | 31,721 |
| Non-current liabilities | | | |
| Lease obligations | 5 | 1,922 | 1,999 |
| Convertible loan | 6, 11 | - | 3,368 |
| Total liabilities | | \$ 36,144 | \$ 37,088 |
| EQUITY (DEFICIT) | | | |
| Share capital | | \$ 88,537 | \$ 87,526 |
| Reserves | | 31,476 | 31,853 |
| Accumulated deficit | | (128,426) | (124,440) |
| Total shareholders' deficit | | (8,413) | (5,061) |
| Non-controlling interest | 8(b) | 692 | 904 |
| Total deficit | | \$ (7,721) | \$ (4,157) |
| Total liabilities and deficit | | \$ 28,423 | \$ 32,931 |

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

Going concern (Note 1)

Approved by the Board of Directors

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

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

FRONTIER LITHIUM INC.

Condensed Consolidated Interim Statements of Loss and Comprehensive Loss

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

| | Notes | Three months ended September 30, | | Six months ended September 30, | |
|---|-------|-------------------------------------|-------------------|-----------------------------------|---------------------|
| | | 2025 | 2024 | 2025 | 2024 (Note 2(e)) |
| EXPENSES | | | | | |
| Exploration and evaluation expenditures | 9 | \$ (551) | \$ (3,232) | \$ (1,813) | \$ (7,898) |
| General and administrative expenses | 10 | (1,332) | (1,743) | (2,461) | (4,162) |
| Interest income | | 165 | 326 | 281 | 663 |
| Interest expense | 6 | (48) | - | (97) | - |
| Accretion | 5 | (54) | (2) | (108) | (5) |
| Net loss and comprehensive loss | | \$ (1,820) | \$ (4,651) | \$ (4,198) | \$ (11,402) |
| Net loss and comprehensive loss attributable to: | | | | | |
| Common shareholders | | (1,786) | (4,390) | (3,986) | (10,332) |
| Non-controlling interest | | (34) | (261) | (212) | (1,070) |
| Net loss and comprehensive loss | | \$ (1,820) | \$ (4,651) | (4,198) | (11,402) |
| Net loss per share attributable to common shareholders | | | | | |
| Basic and diluted | | \$ (0.01) | \$ (0.02) | \$ (0.02) | \$ (0.05) |
| Weighted average number of shares outstanding | | | | | |
| Basic and diluted | | 228,710,997 | 227,627,041 | 228,369,019 | 227,627,041 |

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

FRONTIER LITHIUM INC.

Condensed Consolidated Interim Statements of Cash flows

(Unaudited - Expressed in thousands of Canadian dollars)

| | Notes | Three months ended September 30, | | Six months ended September 30, | |
|--|-------|-------------------------------------|------------|-----------------------------------|---------------------|
| | | 2025 | 2024 | 2025 | 2024 (Note 2(e)) |
| <i>Cash provided by (used in)</i> | | | | | |
| Operating cash flows | | | | | |
| Net loss | | \$ (1,820) | \$ (4,651) | \$ (4,198) | \$ (10,421) |
| Items not involving cash: | | | | | |
| Depreciation | 4 | 206 | 138 | 410 | 255 |
| Accretion expense on lease liabilities | 5 | 53 | 2 | 108 | 5 |
| Accrued interest expense | 6 | 49 | - | 97 | - |
| Share-based compensation | 7 | - | 590 | - | 893 |
| Accrued interest income | | - | 255 | - | (38) |
| Gain on sale of fixed assets | | - | (10) | - | (10) |
| Change in working capital balances: | | | | | |
| Accounts receivable, prepaid expenses and other assets | | 362 | (776) | 1,202 | (597) |
| Accounts payable and accrued liabilities | | 526 | (251) | (987) | (910) |
| Total cash used in Operations | | \$ (624) | \$ (4,703) | \$ (3,368) | \$ (10,823) |
| Investing cash flows | | | | | |
| Additions to property, plant and equipment | 4 | - | (129) | - | (224) |
| Proceeds from disposals of property, plant and equipment | | - | 20 | - | 20 |
| Total cash used in Investing | | \$ - | \$ (109) | \$ - | \$ (204) |
| Financing cash flows | | | | | |
| Proceeds from exercise of warrants | | - | - | - | - |
| Proceeds from exercise of stock options | | 634 | - | 634 | - |
| Repayment of lease obligation | 5 | (96) | (20) | (194) | (38) |
| Proceeds from Mitsubishi Investment | 8 | - | - | - | 25,000 |
| Financing costs | | - | - | - | (981) |
| Total cash provided by (used in) Financing | | \$ 538 | \$ (20) | \$ 440 | \$ 23,981 |
| Net change in cash and cash equivalents | | \$ (86) | \$ (4,832) | \$ (2,928) | \$ 12,954 |
| Cash and cash equivalents, beginning of period | | 15,035 | 30,360 | 17,877 | 12,574 |
| Cash and cash equivalents, end of period | | \$ 14,949 | \$ 25,528 | \$ 14,949 | \$ 25,528 |

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

FRONTIER LITHIUM INC.

Condensed Consolidated Interim Statements of Changes in Equity (Deficit)

(Unaudited - Expressed in thousands of Canadian dollars)

| | Notes | Share Capital | | Reserves | | | Total Shareholders' Equity (Deficit) (Note 2(e)) | Non-Controlling Interest | Total Equity (Deficit) (Note 2(e)) |
|---|-------|------------------|-----------|---------------------|----------------------------|---------------------------------|--|--------------------------|------------------------------------|
| | | Number of Shares | Amount | Contributed Surplus | Other Reserves (Note 2(e)) | Accumulated Deficit (Note 2(e)) | | | |
| March 31, 2024 | | 227,627,041 | \$ 87,328 | \$ 32,312 | \$ - | \$ (105,482) | \$ 14,158 | \$ - | \$ 14,158 |
| Net loss and comprehensive loss for the period | | - | - | - | - | (10,332) | (10,332) | (1,070) | (11,402) |
| Change in ownership interest | 8 | - | - | - | (943) | - | (943) | 2,465 | 1,522 |
| Share-based payments | 7 | - | - | 893 | - | - | 893 | - | 893 |
| September 30, 2024 | | 227,627,041 | \$ 87,328 | \$ 33,205 | \$ (943) | \$ (115,814) | \$ 3,776 | \$ 1,395 | \$ 5,171 |
| March 31, 2025 | | 228,027,041 | \$ 87,526 | \$ 32,796 | \$ (943) | \$ (124,440) | \$ (5,061) | \$ 904 | \$ (4,157) |
| Net loss and comprehensive loss for the period | | - | - | - | - | (3,986) | (3,986) | (212) | (4,198) |
| Shares issued for exercise of options | | 2,540,000 | 1,011 | (377) | - | - | 634 | - | 634 |
| September 30, 2025 | | 230,567,041 | \$ 88,537 | \$ 32,419 | \$ (943) | \$ (128,426) | \$ (8,413) | \$ 692 | \$ (7,721) |

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

FRONTIER LITHIUM INC.

Notes to Condensed Consolidated Interim Financial Statements

For the three and six months ended September 30, 2025 and 2024

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

1. NATURE OF OPERATIONS AND GOING CONCERN

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

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

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

To date, the Company has not earned revenue, has an accumulated deficit of \$128,426 as at September 30, 2025 (March 31, 2025 - \$124,440) and had a net loss of \$4,198 for the six months ended September 30, 2025 (September 30, 2024 - \$10,421). As at September 30, 2025, the Company had cash and cash equivalents of \$14,949 (March 31, 2025 - \$17,877) and negative working capital of \$18,965 (March 31, 2025 - \$12,334). The Company anticipates having sufficient funds to meet its corporate and administrative expenses for at least the next twelve months. The Company has historically relied on equity placements to fund its operations and repay its liabilities. Management is actively pursuing financing and alternative funding options and is minimizing discretionary expenditures where prudent. While the Company has been successful in the past, there can be no assurance that it will be able to raise sufficient funds in the future. These conditions and events indicate that a material uncertainty exists that may cast significant doubt about the Company's ability to continue as a going concern.

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

2. BASIS OF PREPARATION

(a) Statement of compliance

These unaudited condensed consolidated interim financial statements have been prepared in accordance with IAS 34 – Interim Financial Reporting as issued by the International Accounting Standards Board ("IASB"). Accordingly, certain disclosures included in annual financial statements prepared in accordance with IFRS Accounting Standards ("IFRS") as issued by the IASB have been condensed or omitted and these unaudited condensed consolidated interim financial statements should be read in conjunction with the Company's audited consolidated financial statements for the year ended March 31, 2025. The Company's interim results are not necessarily indicative of its results for a full year.

These unaudited condensed consolidated interim financial statements were approved by the Board of Directors on November 26, 2025.

FRONTIER LITHIUM INC.

Notes to Condensed Consolidated Interim Financial Statements

For the three and six months ended September 30, 2025 and 2024

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

(b) Basis of presentation and consolidation

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

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

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

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

On May 30, 2024, the IASB issued amendments to the classification and measurement of financial instruments to address matters identified during the post-implementation review of the classification and measurement requirements of IFRS 9. The IASB clarified the recognition and derecognition date of certain financial assets and liabilities, and amended the requirements related to settling financial liabilities using an electronic payment system. It also clarified how to assess the contractual cash flow characteristics of financial assets in determining whether they meet the solely payments of principal and interest criterion, including financial assets that have environmental, social and corporate governance-linked features and other similar contingent features. The IASB added disclosure requirements for financial instruments with contingent features that do not relate directly to basic lending risks and costs and amended disclosures relating to equity instruments designated at fair value through other comprehensive income. The amendments are effective for reporting periods beginning on or after January 1, 2026. Management is currently assessing the impact of the new standard on the Company's consolidated financial statements.

Several other new accounting standards and amendments to standards and interpretations have been issued but are not yet effective for the year ending March 31, 2026. None of these changes have been early adopted nor are they considered by management to likely have a material impact on the Company's consolidated financial statements.

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

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

Judgments, estimates and assumptions are periodically evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Revisions to estimates are recognized prospectively and actual outcomes can differ from these estimates.

The Company has consistently applied the accounting policies, judgement, estimates and assumptions set out in Note 2(d), Note 2(e), and Note 3 of the Company's audited consolidated financial statements for the year ended March 31, 2025, to these condensed consolidated interim financial statements.

FRONTIER LITHIUM INC.

Notes to Condensed Consolidated Interim Financial Statements

For the three and six months ended September 30, 2025 and 2024

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

(e) Restatement of comparative balances

During the three months ended June 30, 2024, the Company recognized \$21,554 within equity reserves associated with the Mitsubishi investment described in Note 8. Subsequent to the end of the three-month period ended June 30, 2024, the Company noted that the Put Right included in the Mitsubishi investment met the definition of a financial liability measured at fair value through profit or loss. As the liability was measured at fair value through profit or loss, the transaction costs incurred related to the issuance of the Put Right was to be measured in profit or loss in the period the investment was made.

As a result of the correction, the following adjustments were made retrospectively.

| | Six months ended September 30, 2024 | | |
|--|-------------------------------------|-------------------|-----------------|
| Loss and Comprehensive Loss | Previously Reported | Adjustment | Restated |
| General and administrative expense | \$ (3,181) | \$ (981) | \$ (4,162) |
| Net loss and comprehensive loss attributable to common shareholders | (9,351) | (981) | (10,332) |
| Net loss and comprehensive loss | (10,421) | (981) | (11,402) |
| Net loss per share attributable to common shareholders (basic and diluted) | (0.04) | (0.01) | (0.05) |

| | September 30, 2024 | | |
|---------------------------------------|----------------------------|-------------------|-----------------|
| Shareholders' Equity (Deficit) | Previously Reported | Adjustment | Restated |
| Other Reserves | \$ 21,554 | \$ (22,497) | \$ (943) |
| Accumulated Deficit | (114,834) | (981) | (115,815) |
| Total Shareholder's Equity | 27,254 | (23,748) | 3,776 |
| Total Equity (Deficit) | 28,648 | (23,478) | 5,170 |

3. OTHER RECEIVABLES, PREPAID EXPENSES AND OTHER ASSETS

| | September 30, 2025 | March 31, 2025 |
|--|-----------------------|-------------------|
| Other receivables and prepaid expenses | \$ 104 | \$ 134 |
| HST receivable | 204 | 1,376 |
| Total | \$ 308 | \$ 1,510 |

FRONTIER LITHIUM INC.

Notes to Condensed Consolidated Interim Financial Statements

For the three and six months ended September 30, 2025 and 2024

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

4. PROPERTY, PLANT AND EQUIPMENT

| | Buildings, plant and equipment | | Land | | Right-of-use assets | | Total |
|---------------------------------|--------------------------------|-------|------|-------|---------------------|-------|----------|
| Cost | | | | | | | |
| At March 31, 2024 | \$ | 3,155 | \$ | - | \$ | 289 | \$ 3,444 |
| Additions (Note 10) | | 279 | | 3,881 | | 2,207 | 6,367 |
| Disposals | | - | | - | | (81) | (81) |
| At March 31, 2025 | \$ | 3,434 | \$ | 3,881 | \$ | 2,415 | \$ 9,730 |
| Additions | | - | | - | | 32 | 32 |
| Disposal | | - | | - | | - | - |
| At September 30, 2025 | \$ | 3,434 | | 3,881 | | 2,447 | 9,762 |
| Accumulated depreciation | | | | | | | |
| At March 31, 2024 | \$ | 787 | \$ | - | \$ | 244 | \$ 1,031 |
| Depreciation | | 508 | | - | | 144 | 652 |
| Disposal | | - | | - | | (71) | (71) |
| At March 31, 2025 | \$ | 1,295 | \$ | - | \$ | 317 | \$ 1,612 |
| Depreciation | | 271 | | - | | 139 | 410 |
| Disposals | | - | | - | | - | - |
| At September 30, 2025 | \$ | 1,566 | | - | | 456 | 2,022 |
| Net book value | | | | | | | |
| At March 31, 2025 | \$ | 2,139 | \$ | 3,881 | \$ | 2,098 | \$ 8,118 |
| At September 30, 2025 | \$ | 1,868 | | 3,881 | | 1,991 | 7,740 |

5. LEASE OBLIGATIONS

The following tables show the movement in lease obligations:

| | September 30, 2025 | | March 31, 2025 | |
|--|--------------------|-------|----------------|-------|
| Balance, beginning of period | \$ | 2,145 | \$ | 66 |
| Additions (Note 11) | | 32 | | 2,207 |
| Accretion expense | | 108 | | 115 |
| Payments | | (194) | | (243) |
| Balance, end of period | | 2,091 | | 2,145 |
| Current portion of Lease obligations | | 169 | | 146 |
| Non-current portion of Lease obligations | | 1,922 | | 1,999 |
| Balance, end of period | \$ | 2,091 | \$ | 2,145 |

The Company recognized \$16 of expenses relating to short-term and low value leases during the six months ended September 30, 2025 (September 30, 2024 - \$13).

FRONTIER LITHIUM INC.

Notes to Condensed Consolidated Interim Financial Statements

For the three and six months ended September 30, 2025 and 2024

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

6. CONVERTIBLE LOAN

On February 28, 2025, the Company entered into an unsecured convertible loan agreement (the “Convertible Loan”) for total proceeds of \$3,350. The Convertible Loan matures 18 months from its date of issuance and the Company has the option repay all outstanding principal and accrued interest prior to its maturity date (the “Early Repayment Option”). The Convertible Loan bears interest at CORRA plus 3.0% per annum, compounded annually and payable at maturity (September 30, 2025 – 5.72%, and March 31, 2025 - 5.88%).

The principal amount of the Convertible Loan may be converted into common shares of the Company at the option of the issuer, any time after issuance, at a conversion price of \$0.65 per share. The Company determined that the Convertible Loan represented a hybrid financial instrument with a host financial liability and a conversion option that met the definition of an equity instrument. The Early Repayment Option was determined to be closely related to the host liability and therefore not separated accounted for as a derivative.

The proceeds of the Convertible Loan have been allocated based on the fair value of the host financial liability, which was determined to be \$3,350, with the residual value of \$Nil allocated to convertible option equity instrument.

| | September 30, 2025 | March 31, 2025 |
|------------------------|-----------------------|-------------------|
| Balance, beginning | \$ 3,368 | \$ - |
| Additions | - | 3,350 |
| Accrued interest | 97 | 18 |
| Balance, ending | \$ 3,465 | \$ 3,368 |

7. SHARE CAPITAL

(a) Warrants

The following table shows the movement in warrants:

| | Number of warrants | Weighted average exercise price |
|---|-----------------------|------------------------------------|
| At March 31, 2024 and March 31, 2025 | 5,232,500 | \$ 2.75 |
| Issued | - | - |
| Exercised | - | - |
| Expired | - | - |
| At September 30, 2025 | 5,232,500 | \$ 2.75 |

No warrants were issued during the six months ended September 30, 2025 (Year ended March 31, 2025 – nil). All 5,232,500 warrants outstanding at September 30, 2025 have an expiry date of November 10, 2025.

FRONTIER LITHIUM INC.

Notes to Condensed Consolidated Interim Financial Statements

For the three and six months ended September 30, 2025 and 2024

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

(b) Stock options

The following table shows the movement in stock options:

| | Number of options | Weighted average exercise price |
|------------------------------|----------------------|------------------------------------|
| At March 31, 2024 | 21,673,218 | \$ 1.20 |
| Exercised ¹ | (400,000) | 0.30 |
| Forfeited | (230,000) | 1.00 |
| Expired | (250,000) | 0.30 |
| At March 31, 2025 | 20,793,218 | \$ 1.23 |
| Exercised | (2,540,000) | 0.25 |
| Forfeited | - | - |
| Expired | (250,000) | 0.25 |
| At September 30, 2025 | 18,003,218 | \$ 1.39 |

1. The weighted average share price (fair value) on the date of exercise for options exercised during the nine months ended September 30, 2025 was \$0.50 per share (year ended March 31, 2025 - \$0.49 per share).

No stock options were granted during the six months ended September 30, 2025 (Year ended March 31, 2025 – Nil).

At September 30, 2025, the following stock options were outstanding and exercisable:

| Exercise Prices | Weighted Average Exercise Price | Outstanding Number of Options | Exercisable Number of Options | Weighted Average Remaining Life in Years |
|-------------------|---------------------------------------|-------------------------------------|-------------------------------------|---|
| \$ 0.74 - \$ 0.92 | \$ 0.83 | 5,950,717 | 5,950,717 | 1.53 |
| \$ 1.04 - \$ 1.86 | 1.19 | 6,852,501 | 6,852,501 | 1.00 |
| \$ 2.10 - \$ 2.73 | 2.28 | 5,200,000 | 5,200,000 | 2.05 |
| Total | \$ 1.39 | 18,003,218 | 18,003,218 | 1.48 |

8. MITSUBISHI INVESTMENT

On March 4, 2024, the Company entered into a definitive agreement with Mitsubishi Corporation (“Mitsubishi”) to establish a joint venture partnership for the PAK Lithium Project (the “PAK JV”). Under the terms of the definitive agreement, Mitsubishi would acquire a 7.5% equity interest in the PAK JV and have the right to increase its equity interest to 25%. Mitsubishi also has the right to provide pro-rata capital contributions for the ongoing development of the Pak JV.

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

On April 25, 2024, the Company entered into a Unanimous Shareholders Agreement (the “PAK JV USA”) with Mitsubishi, which acquired a 7.5% equity interest in FL Holdings in exchange for \$25,000 of cash contribution to FL Holdings (the “Tranche 1 Investment”). Under the terms of the PAK JV USA, upon completion of various project milestones, including a final definitive feasibility study, Mitsubishi has the right to increase its equity interest in FL Holdings up to 25%.

FRONTIER LITHIUM INC.

Notes to Condensed Consolidated Interim Financial Statements

For the three and six months ended September 30, 2025 and 2024

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

(a) Mitsubishi Put Right

Under the terms of the PAK JV USA, Mitsubishi was granted the right to put to Frontier Lithium all of its shares in FL Holdings (the "Put Right") for an amount equal to the lower of i) Mitsubishi's equity investment capital in FL Holdings, and ii) the fair market value of Mitsubishi's equity investment in FL Holdings. The Put Right is exercisable up until a final decision is approved in respect of whether to undertake construction activities at the PAK Lithium Project. If the Put Right is exercised, it may be settled by cash or by a 12 month promissory note which bears an annual interest rate of CORRA plus 3.0%. The Company determined that the Put Right represents a financial liability and, upon closing of the PAK JV USA, recognized a \$23,478 liability during the year ended March 31, 2025 based on its fair value estimate. As at September 30, 2025, the fair value estimate of the Mitsubishi Put Right liability was \$23,478 (March 31, 2025 - \$23,478).

(b) Non-controlling interest

Upon closing of the PAK JV USA, the Company recognized \$2,465 of non-controlling interest and \$(943) of reserves associated with Mitsubishi's investment in FL Holdings during the year ended March 31, 2025.

The following tables summarize the financial information related to the FL Holdings before intercompany eliminations.

| | September 30, 2025 | March 31, 2025 |
|---------------------------------------|-----------------------|-------------------|
| Current assets | \$ 7,253 | \$ 8,874 |
| Non-current assets | 10,986 | 11,196 |
| Current liabilities | (9,006) | (7,978) |
| Net assets | 9,234 | (12,091) |
| Net assets attributable to NCI | 692 | 904 |

| | Three months ended September 30, | | Six months ended September 30, | |
|--|-------------------------------------|-------------------|-----------------------------------|--------------------|
| | 2025 | 2024 | 2025 | 2024 |
| Net loss and comprehensive loss | \$ (1,786) | \$ (4,390) | \$ (3,986) | \$ (10,332) |
| Net loss and comprehensive loss attributable to NCI | (34) | (261) | (212) | (1,070) |

9. EXPLORATION AND EVALUATION EXPENDITURES

| | Three months ended September 30, | | Six months ended September 30, | |
|--|-------------------------------------|-----------------|-----------------------------------|-----------------|
| | 2025 ¹ | 2024 | 2025 ¹ | 2024 |
| Personnel cost | \$ 363 | \$ 510 | \$ 825 | \$ 1,037 |
| Consulting fees | 88 | 1,794 | 717 | 5,101 |
| Drilling | - | - | - | 244 |
| Assay and sampling | 14 | 170 | 86 | 243 |
| Research and development, net of government assistance | 18 | 151 | 70 | 336 |
| Camp and equipment expenses | 4 | 53 | 8 | 90 |
| Travel and transportation cost | 64 | 554 | 107 | 847 |
| Total exploration and evaluation expenditures | \$ 551 | \$ 3,232 | \$ 1,813 | \$ 7,898 |

1. During the three months ended September 30, 2025, the Company recognized \$909 of government subsidies as reimbursement of actual Exploration and evaluation expenditures incurred. The subsidies have been recorded as deduction against the related expenses.

FRONTIER LITHIUM INC.

Notes to Condensed Consolidated Interim Financial Statements

For the three and six months ended September 30, 2025 and 2024

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

FRONTIER LITHIUM INC.

Notes to Condensed Consolidated Interim Financial Statements

For the three and six months ended September 30, 2025 and 2024

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

10. GENERAL AND ADMINISTRATIVE EXPENSES

| | Three months ended September 30, | | Six months ended September 30, | |
|--|-------------------------------------|-----------------|-----------------------------------|-----------------|
| | 2025 | 2024 | 2025 | 2024 |
| Salaries, benefits and consulting | \$ 442 | \$ 462 | \$ 964 | \$ 966 |
| Share-based payments | - | 590 | - | 893 |
| Professional fees | 347 | 123 | 513 | 1,379 |
| Office, administration and other | 256 | 320 | 482 | 541 |
| Shareholder related fees | 81 | 110 | 92 | 128 |
| Depreciation | 206 | 138 | 410 | 255 |
| Total general and administrative expenses | \$ 1,332 | \$ 1,743 | \$ 2,461 | \$ 4,162 |

11. RELATED PARTY TRANSACTIONS

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

| | Three months ended September 30, | | Six months ended September 30, | |
|--|-------------------------------------|---------------|-----------------------------------|-----------------|
| | 2025 | 2024 | 2025 | 2024 |
| Compensation – salaries, benefits and consulting | \$ 481 | \$ 482 | \$ 481 | \$ 964 |
| Exploration and evaluation and other expenditures ¹ | - | 18 | - | 27 |
| Share-based compensation | - | 119 | - | 379 |
| Total | \$ 481 | \$ 619 | \$ 481 | \$ 1,370 |

In October 2024, the Company entered into an office lease agreement with a corporation controlled by a director of the Company. The non-cancellable period of the lease is 10 years and the Company has an option to extend the lease for up to four further terms of five years per additional term. \$2,207 of Right-of-use asset and corresponding Lease liability were recognized at inception of the lease during the year ended March 31, 2025. During the six months ended September 30, 2025, lease payments of \$88 were paid or accrued to a corporation controlled by a director (September 30, 2024 - \$5), of which \$53 of accretion expense was recognized as interest and accretion expense (September 30, 2024 - \$Nil). At September 30, 2025, the carrying value of the lease obligation was \$2,072 (March 31, 2025 - \$2,141).

In February 2025, the Company issued the Convertible Loan to a corporation controlled by a director of the Company (Note 6).

Included in accounts payable and other liabilities is \$33 (March 31, 2025 - \$Nil) owing to corporations controlled by a director of the Company and key management personnel of the Company.

12. CAPITAL AND FINANCIAL RISK MANAGEMENT

(a) Capital Management

The primary objectives of the Company's capital management policy are to ensure that the Company raises sufficient funds to execute its business designed to maximize shareholder value. The Company considers the following items as capital: Cash and cash equivalents, share capital and reserves in the amount of \$134,962 as at September 30, 2025 (March 31, 2025 - \$137,256).

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Notes to Condensed Consolidated Interim Financial Statements

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

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

There have been no changes in the Company’s capital management policies when compared to the prior year. Management continues to invest cash in high interest rate deposit accounts and Guaranteed Investment Certificate (“GIC”) accounts which would generate interest income and thereby offset operating costs. As of September 30, 2025, \$528 (March 31, 2025 - \$7,149) was invested in GICs. Management intends to optimize its cash management while continuing to fulfill its operating cash needs.

(b) Financial Risk Management

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

i. Market risk

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

Commodity price risk

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

Interest rate risk

Interest rate risk is the risk that the fair values and future cash flows of the Company’s financial instruments will fluctuate because of changes in market interest rates. The Company is exposed to interest rate risk primarily on its convertible loan which is subject to floating rate of interest. The Company closely monitors its exposure to interest rates to determine the appropriate course of action to be taken. At September 30, 2025, a 1% increase to the CORRA would result in an increase to the Company’s net loss of \$17 for the period ended September 30, 2025.

Currency risk

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

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

ii. Liquidity risk

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

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The following table shows the future undiscounted obligations:

| | Due within 1 year | Due between 1 and 3 years | Due between 3 and 5 years | Due more than 5 years | Total |
|---|----------------------|------------------------------|------------------------------|--------------------------|------------------|
| Accounts payable and accrued liabilities | \$ 7,076 | \$ - | \$ - | \$ - | \$ 7,076 |
| Current tax liability | 34 | - | - | - | 34 |
| Lease obligations | 350 | 700 | 700 | 1,400 | 3,150 |
| Put Right liability | 25,000 | - | - | - | 25,000 |
| Convertible loan | 3,465 | - | - | - | 3,645 |
| Total as at September 30, 2025 | \$ 35,925 | \$ 700 | \$ 700 | \$ 1,400 | \$ 38,725 |

(c) Credit risk

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

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