

LARGO PHYSICAL VANADIUM CORP.
INTERIM MANAGEMENT'S DISCUSSION AND ANALYSIS - QUARTERLY HIGHLIGHTS

For the three and nine months ended September 30, 2023

And

for the 3 months ended September 30, 2022, and period from date of incorporation, January 20, 2022, to September 30, 2022

BACKGROUND

The following interim Management's Discussion & Analysis ("**MD&A**") of Largo Physical Vanadium Corp. ("**we**", "**us**", "**our**", "**LPV**" or the "**Company**") for the nine months ended September 30, 2023 has been prepared to provide material updates to the business operations, liquidity and capital resources of the Company since its last annual management's discussion & analysis, being the Management's Discussion & Analysis ("**Annual MD&A**") for the period from the date of incorporation, January 20, 2022 to December 31, 2022. This Interim MD&A does not provide a general update to the Annual MD&A, or reflect any non-material events since the date of the Annual MD&A.

This Interim MD&A has been prepared in compliance with section 2.2.1 of Form 51-102F1, in accordance with National Instrument 51-102 - Continuous Disclosure Obligations. This discussion should be read in conjunction with the Company's Annual MD&A, audited annual financial statements for the period from date of incorporation, January 20, 2022 to December 31, 2022, together with the notes thereto, and unaudited interim financial statements for the nine months ended September 30, 2023, together with the notes thereto ("**financial statements**"). All dollar figures included herein and in the following MD&A are quoted in United States dollars ("**US dollars**"). The Company's unaudited interim financial statements and the financial information contained in this Interim MD&A are prepared in accordance with International Financial Reporting Standards ("**IFRS**") as issued by the International Accounting Standards Board and interpretations of the IFRS Interpretations Committee.

The unaudited interim financial statements have been prepared in accordance with International Standard 34, Interim Financial Reporting. Accordingly, information contained herein is presented as of November 27, 2023, unless otherwise indicated.

For the purposes of preparing this Interim MD&A, management, in conjunction with the Board of Directors (the "**Board**"), considers the materiality of information. Information is considered material if: (i) such information results in, or would reasonably be expected to result in, a significant change in the market price or value of LPV common shares; (ii) there is a substantial likelihood that a reasonable investor would consider it important in making an investment decision; or (iii) it would significantly alter the total mix of information available to investors. Management, in conjunction with the Board, evaluates materiality with reference to all relevant circumstances, including potential market sensitivity.

This MD&A was approved by the Board of Directors on November 27, 2023.

FORWARD LOOKING INFORMATION AND GOING CONCERN

This MD&A contains forward-looking information and future oriented financial information within the meaning of applicable Canadian securities laws ("**forward-looking information**"). All information other than statements of current and historical fact contained in this MD&A is forward-looking information and reflect management's expectations regarding the prospects, results of operations, performance and business of the Company based on information currently available to us. Forward-looking information is provided for the purpose of presenting information about management's current expectations and plans relating to the future and readers are cautioned that such statements may not be appropriate for other purposes. These statements use forward-looking words, such as "anticipate", "continue", "could", "expect", "may", "will", "intend", "estimate", "plan", "believe" or other similar words but the absence of these words does not mean that a statement is not forward-looking.

Forward-looking information in this MD&A includes, but is not limited to, information relating to the Company's future financial and business operations outlook as set in the section entitled "Outlook" herein, statements regarding the Company's business, future development, future financial position, our strategy and investment policies, demand for supply, and the prices, of vanadium, the

competitiveness of vanadium redox flow battery products (“VRFBs”) in the long-duration energy storage (“LDES”) market, the expected payment of storage fees under the safekeeping agreement (the “Safekeeping Agreement”) between the Company and Largo Inc. (“Largo”), the adoption of new use cases for vanadium, our intention to effect certain corporate changes, the impact of trading patterns on our share price, the impact of regulators’ actions and decisions on our business, the demand for our business and services, and general business and economic conditions. In developing the forward-looking information in this MD&A, we have applied several material assumptions, as set out herein, including those under the section “Outlook” and those related to general business and economic conditions.

Forward-looking information involves known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by the forward-looking information. Although the Company has attempted to identify important factors, in the section entitled “Risk Factors”, that could cause actual actions, events or results to differ materially from those described in forward-looking statements, there may be other factors that cause actions, events or results not to be as anticipated, estimated or intended. There can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements.

KEY PERFORMANCE INDICATORS (NON-IFRS MEASURES)

This MD&A refers to certain non-IFRS measures, which are used to provide investors with supplemental measures of the Company’s operating performance and highlight trends that may not otherwise be apparent when relying solely on IFRS measures. The Company also believes that providing such information to securities analysts, investors and other interested parties who frequently use non-IFRS measures in the evaluation of issuers will allow them to better compare the Company’s performance against others in its industry. Management also uses non-IFRS measures to facilitate operating performance comparisons from period to period, to prepare annual operating budgets and forecasts. These non-IFRS measures have been defined below:

“**Cash operating costs**” is calculated for the applicable period as total expenses per the unaudited statement of comprehensive income (loss) less non-cash listing fees, gain (loss) on revaluation of vanadium, and net of foreign exchange gains (losses).

“**Net asset value**” is equal to total assets, less total liabilities (or total equity) on the unaudited statement of financial position.

“**Net asset value per kg of vanadium**” is equal to total net asset value divided by total vanadium on hand (includes vanadium as well as prepaid assets).

“**Management expense ratio**” is calculated based on total expenses (including applicable Canadian taxes and excluding commissions) for the stated period and is expressed as an annualized percentage of average net asset value during the period.

COMPANY OVERVIEW

The Company was incorporated on January 20, 2022 under the *Business Corporations Act* (British Columbia). The Company was formed by Largo and Term Oil Inc. (“Term Oil”) with the aim of creating a publicly traded investment vehicle that would invest in and hold substantially all of its assets in vanadium in physical form. The Company aims to provide a secure, convenient and exchange-traded investment alternative for investors interested in direct investment exposure to physical vanadium and not to speculate with regard to short-term changes in vanadium prices.

The Company is listed on the TSX Venture Exchange (“TSX-V”) under the symbol “VAND”.

2023 HIGHLIGHTS

Statement of Net and Comprehensive Loss

	Three months ended September 30, 2023	Three months ended September 30, 2022	Nine months ended September 30, 2023	January 20, 2022 to September 30, 2022
Income				
Interest income	\$ -	\$ 156,037	\$ -	\$ 156,037
Loss on revaluation of vanadium	(2,322,103)	(394,193)	(4,826,786)	(394,193)
Expenses				
Bank charges	445	457	1,793	1,071
Professional fees	183,528	236,173	458,533	385,205
Listing fees	-	835,927	-	1,300,845
Management fees	50,165	19,040	172,213	19,040
General and administrative	125,115	6,538	217,718	14,853
Total expenses	359,253	1,098,135	850,257	1,721,014
Loss from operations	(2,681,356)	(1,336,291)	(5,677,043)	(1,959,170)
Other income and expense				
Foreign exchange gain (loss)	(1,769)	223,461	51,301	229,672
Loss before income taxes	(2,683,125)	(1,112,830)	(5,625,742)	(1,729,498)
Income tax recovery	-	-	(329,716)	-
Net Loss	(2,683,125)	(1,112,830)	(5,296,026)	(1,729,498)
Cumulative translation adjustment	-	(986,326)	-	(986,916)
Comprehensive Loss	\$ (2,683,125)	\$ (2,099,156)	\$ (5,296,026)	\$ (2,716,414)

SELECTED FINANCIAL INFORMATION

Statement of Financial Position

As at	September 30, 2023	December 31, 2022
Total assets	\$ 22,238,088	\$ 28,058,266
Total liabilities	268,322	792,474
Total shareholders' equity	\$ 21,969,766	\$ 27,265,792

Results of operations:

Three months ended September 30, 2023:

The Company's net and comprehensive loss for three months ended September 30, 2023 was \$2,683,125, (September 30, 2022: \$2,099,156) with basic and diluted loss per share of \$0.16/share (2022- \$0.37). Key operational highlights for the three-month period are as follows. The differences between the two periods relates to the fact that LPV had just begun operations in January of 2022, so by September of 2022, very few operational expenses had been incurred and the Company had less Vanadium on hand compared to 2023, which resulted in lower gains and losses related to Vanadium in 2022. Other expenses such as professional and listing fees were higher due to the added cost of legal and professional fees incurred on incorporation and start-up.

- The Company incurred certain legal, accounting and other professional fees of \$183,528 for the three months ended September 30, 2023.
- The Company incurred management fees of \$50,165 related to the Safekeeping Agreement for vanadium between the Company and Largo.
- The Company incurred director fees of \$37,397.
- The Company recorded a total loss of \$2,322,103 on the revaluation of vanadium due to a decrease in the price of vanadium. This balance is comprised of a \$2,322,103 on the revaluation of 1,100 MT of vanadium held as at September 30, 2023.
- The Company recorded an unrealized foreign exchange loss of \$1,769 in relation to transactions in currencies other than the Company's functional currency.
- The Company recognized a deferred income tax recovery of nil.

Nine months ended September 30, 2023:

The Company's net and comprehensive loss for the nine months ended September 30, 2023 was \$5,296,026, (September 30, 2022: \$2,716,414) with basic and diluted loss per share of \$0.31/share (2022 - \$1.39). Key operational highlights for the nine-month period are as follows. The differences between the two periods relates to the fact that LPV had just begun operations in January of 2022 so by September 2022 very few operational expenses had been incurred and the Company had less Vanadium on hand compared to 2023, which resulted in lower gains and losses related to Vanadium in 2022.

- The Company incurred certain legal, accounting and other professional fees of \$458,533 for the nine months ended September 30, 2023.
- The Company incurred management fees of \$172,213 related to the Safekeeping Agreement for vanadium between the Company and Largo.
- The Company incurred director fees of \$186,478.
- The Company recorded a total loss of \$ 4,826,786 on the revaluation of vanadium due to a decrease in the price of vanadium. This balance is comprised of \$5,029,380 on the revaluation of 1,100 MT of vanadium held as at September 30, 2023 offset by a realized gain on the sale of vanadium of \$202,594.
- The Company recorded an unrealized foreign exchange gain of \$51,301 in relation to transactions in currencies other than the Company's functional currency.
- The Company recognized a deferred income tax recovery of \$329,716 due to the loss on revaluation of vanadium.

Three months ended September 30, 2022:

The Company's net and comprehensive loss for the three-month period ended September 30, 2022, was \$2,099,156, with basic and diluted loss per share of \$0.37/share. Key operational highlights for the period are as follows:

- The Company incurred listing fees expense of \$835,927 for the three-month period ended September 30, 2022.
- The Company had certain legal, accounting and other professional fees of \$236,173 for the period ended September 30, 2022.
- The Company had a foreign currency translation loss of \$986,326 which was mainly due to the impact of the difference between the month-end foreign exchange rate used to translate the assets and liabilities of \$0.73, and the foreign exchange rate on September 15, 2022 of \$0.76 which was used to translate the share capital increase resulting from the qualifying transaction from Canadian to U.S. dollars. The translation difference is due to the Company's functional currency change from Canadian to U.S. dollars as at October 1, 2023.

Nine months ended September 30, 2022:

The Company's net and comprehensive loss for the nine-month period ended September 30, 2022, was \$ (2,716,414), with basic and diluted loss per share of \$1.39/share. Key operational highlights for the period are as follows:

- The Company incurred listing fees expense of \$1,300,845 for the nine-month period ended September 30, 2022.
- The Company incurred certain legal, accounting and other professional fees of \$385,205 for the nine months ended September 30, 2022.
- The Company's had a foreign currency translation loss of \$986,916 which was mainly due to the impact of the difference between the month-end foreign exchange rate used to translate the assets and liabilities of \$0.73, and the foreign exchange rate on September 15, 2022 of \$0.76 which was used to translate the share capital increase resulting from the qualifying transaction from Canadian to U.S. dollars. The translation difference is due to the Company's functional currency change from Canadian to U.S. dollars as at October 1, 2023.

Statement of Cash Flows

	For the nine months ended September 30, 2023	January 20, 2022, to September 30, 2022
Cash flows used in operating activities	\$(1,801,260)	\$(620,562)
Cash flows used in investing activities	(4,597,197)	112,978
Cash flows from financing activities	\$ -	\$22,910,579

At September 30, 2023, the Company had \$15,920 (December 31, 2022: \$6,357,417) in cash. At September 30, 2023, the Company held no cash equivalents (December 31, 2022: nil).

Operating Activities:

Cash flows used in operating activities were a result of the comprehensive loss for the nine-month period ended September 30, 2023 of \$5,296,026 (September 30, 2022: \$1,729,498), with the following adjustments:

- Non-cash adjustments of \$5,029,380 (September 30, 2022: \$394,193) for the unrealized gain on the change in fair value of vanadium held which is offset by a realized gain on sale of vanadium for \$202,594.
- Non-cash adjustment of \$40,405 (September 30, 2022: \$224,754) for unrealized foreign exchange gain incurred in the nine-month period.
- Non-cash adjustment of \$329,716 for the recognition of deferred tax recovery which resulted in a nil balance for the deferred tax liability at September 30, 2023.
- Change in the Company's working capital balance and non-cash adjustments resulted in a negative cash flow of \$1,801,260 (September 30, 2022: \$620,562).

Investing Activities:

For the nine months ended September 30, 2023, the Company completed the purchase of \$10,943,926 of vanadium, of which \$4,597,197 was paid in cash in the nine-month period (September 30, 2022: \$5,503,146 received as in-kind capital contribution), \$5,331,421 related to vanadium prepaid in prior periods (September 30, 2022: \$Nil), and \$1,015,308 (September 30 2022: \$Nil) was settled through the purchase and sale of vanadium inventories.

Financing Activities:

No cash flows were used or raised in the Company's financing activities for the period ended September 30, 2023 (September 30, 2022: \$22,910,579).

Quarterly financial information

Period	Income (loss) ¹	Net (loss) income	Basic earnings (loss) per share	Diluted loss per share	Total assets	Non-current liabilities
Q3 2023	\$ (2,322,103)	\$ (2,683,125)	\$ (0.16)	\$ (0.16)	\$22,238,088	-
Q2 2023	\$ (5,767,744)	\$ (5,990,868)	\$ (0.29)	\$ (0.29)	\$24,837,169	-
Q1 2023	\$3,263,061	\$2,241,768	\$0.13	\$0.13	\$31,047,482	\$1,136,199
Q4 2022	\$15,509	\$135,056	\$ (0.16)	\$ (0.16)	\$28,058,266	\$329,716
Q3 2022²	\$ (238,156)	\$ (1,112,830)	\$ (0.37)	\$ (0.37)	\$27,167,848	-
Q2 2022	-	\$ (277,478)	\$ (0.88)	\$ (0.88)	\$22,506,234	-
Q1 2022³	-	\$ (341,356)	\$ (1.08)	\$ (1.08)	\$485,238	-

¹ Income (loss) includes the gain or loss on revaluation of vanadium.

² Total Net and comprehensive loss and comprehensive loss, basic and diluted loss per share and non-current liabilities for the third quarter of 2022 has been adjusted in Q4 2022 to reflect the correction of the valuation of vanadium contributed by Largo at September 15, 2022, resulting in an overstatement

of the gain on revaluation of vanadium and related foreign exchange and tax impact. This correction will be reflected prospectively in future filings containing 3rd quarter 2022 financial information.

3 Q1 2022 is for the period from January 20, 2022, to March 31, 2022.

- For the three and nine months ended September 30, 2023, the Company had an unrealized loss on physical vanadium of \$2,322,103 and \$5,029,380, respectively (for the three and nine months ended September 30, 2022 - \$394,193).
- During the nine months ended September 30, 2023, the Company sold vanadium for \$1,031,862 to Largo which was originally purchased for \$829,269. This resulted in a difference of \$202,594 which was used to reduce cash payments to Largo Commodities Trading Limited (“LCTL”) for additional purchases. This transaction was done to swap trioxide for ferrovandium.
- The Company pays safekeeper fees, technical advisory fees, legal and accounting fees, management fees, general and administrative fees, filing and listing fees payable to applicable securities regulatory authorities and the TSX-V. During the three and nine months ended September 30, 2023 and September 30, 2022, the Company incurred expenses of \$359,253 and \$850,257 (2022-\$1,098,135 and \$1,721,014), respectively. This included \$50,165 and \$172,213 (for the three and nine months ended September 30, 2022 - \$19,040) in management fees payable to Largo, Sprott Capital Partners LP (“Sprott”) and Term Oil Inc. (“Term Oil”), and \$nil in transaction and/or technical advisory fees.
- The Company held 1,100MT of physical vanadium products comprised of ferrovandium, vanadium pentoxide and vanadium trioxide as at September 30, 2023. As at September 30, 2023, the spot price of physical vanadium was \$29.00 per kg V compared to the weighted average cost of \$33.33 per kg V.
- The Company’s common shares closed at \$1.33 per share (\$1.80 CAD) on the TSX-V on September 30, 2023.
- The Company’s cash operating costs for the three and nine months ended September 30, 2023 were \$359,253 and \$850,257 respectively, and amounted to approximately 1.64% and 3.87% of the average net assets respectively. Cash operating costs is a non-IFRS measure and is calculated for the applicable period as total expenses per the unaudited statement of comprehensive income less non-cash listing fees, gain (loss) on revaluation of vanadium, and net of foreign exchange gains (losses).

Ratios and Supplemental Data

Physical vanadium:

During the period ended September 30, 2023, the Company entered into various agreements relating to the purchase of physical vanadium as described below. A reconciliation of vanadium products, held by the Company as at September 30, 2023 is as follows:

	Volume (MT)	Amount (\$)
Opening balance as at January 1, 2023	600	\$16,226,389
Purchases during the period	540	10,943,926
Sales during the period	(40)	(829,269)
Change in fair value	-	(5,029,380)
Ending balance as at September 30, 2023	1,100	21,311,666

Other ratios and supplemental data:

	September 30, 2023	December 31, 2022
Total net asset value ¹	\$ 21,969,766	\$ 27,265,792
Number of common shares outstanding	16,816,799	16,816,799
Quarterly management expense ratio ²	1.64%	-%
Annual management expense ratio	3.87%	7.53%
Net asset value per share	\$ 1.31	\$ 1.62
Net asset value per kg of vanadium ³	\$ 19.97	\$ 45.44
Closing share price - TSX-V	\$ 1.33	\$ 1.47

¹ Net asset value is a non-IFRS measure and is equal to total assets, less total liabilities on the unaudited statement of financial position.

² Management expense ratio is a non-IFRS measure and is calculated based on total expenses (including applicable Canadian taxes and excluding commissions) for the stated period and is expressed as a percentage of average net asset value during the period.

³ Net asset value per kg of vanadium is a non-IFRS measure and is calculated as total net asset value divided by the amount of vanadium on hand (includes vanadium as well as prepaid inventory).

Total Net asset value

Net asset value is a non-IFRS measure and is equal to total assets, less total liabilities on the statement of financial position.

	September 30, 2023	December 31, 2022
Total assets	\$ 22,238,088	\$ 28,058,266
Total liabilities	(268,322)	(792,474)
Total net asset value	\$ 21,969,766	\$ 27,265,792

Management expense ratio

Management expense ratio is a non-IFRS measure and is calculated based on total expenses (including applicable Canadian taxes and excluding commissions) for the stated period and is expressed as a percentage of average net asset value during the period.

	Nine months ended September 30, 2023	January 20, 2022, to December 31, 2022
Total expenses	\$ 850,257	\$ 2,052,368
Average net assets	21,969,766	27,265,792
Management expense ratio	3.87%	7.53%

Net asset value per share

Net asset value is a non-IFRS measure and is equal to total net assets divided by the total number of shares outstanding.

	Nine months ended September 30, 2023	January 20, 2022, to December 31, 2022
Total net assets	\$ 21,969,766	\$ 27,265,792
Total shares outstanding	16,816,799	16,816,799
Net asset value per share	\$ 1.31	\$ 1.62

Net asset value per kg of vanadium

Net asset value per kg of vanadium is a non-IFRS measure and is calculated as total net asset value divided by the quantity of vanadium on hand (does not include prepaid inventory).

	Nine months ended September 30, 2023	January 20, 2022, to December 31, 2022
Total net assets	\$ 21,969,766	\$ 27,265,792
Total vanadium (KG)	1,100,000	600,000
Net asset value per KG	\$ 19.97	\$ 45.44

LIQUIDITY

As at September 30, 2023, the Company's operations have been financed from cash held. The cash was generated through the issuance of shares. The period from incorporation on January 20, 2022 to September 30, 2023 consisted of the issuance of shares as summarized below:

	Number	Amount (\$)
Issuance of shares	316,600	463,284
Private placement	15,110,000	21,653,998
Issuance of shares for in-kind contribution ¹	890,000	5,317,360
Shares issued in Qualifying Transaction	500,199	669,246
Total	16,816,799	28,103,888

¹ The in-kind contribution from Q3 2022 was adjusted in Q4 2022 to reflect the correction of the valuation of vanadium contributed by Largo at September 15, 2022, resulting in an overstatement of the gain on revaluation of vanadium and related foreign exchange and tax impact. This correction is reflected prospectively in filings containing 3rd quarter 2022 financial information.

Sources and uses of funds

As at September 30, 2023, the Company had cash of \$15,920 (December 31, 2022: \$6,357,417), which it expects to primarily use to fund operating costs and some small purchases of physical vanadium in accordance with the Company's business plan. It is intended that, after accounting for the costs of the Qualifying Transaction and amounts required to fund operating costs, the Company will expend substantially all funds raised on the purchase of physical vanadium. Pursuant to the Company's investment policy, 90% of the total net assets of the Company will be held in physical vanadium, provided however that in circumstances where the Company's Board believes that it is in the best interests of LPV, LPV may sell some or all of its holdings in physical vanadium, which circumstances may include where insufficient cash is available to fund operating costs.

At September 30, 2023, the Company had not generated any operating revenue with the exception of one sale to a related party and requires additional financing to meet its planned operations for the next twelve months. Both of these factors indicate the existence of material uncertainties that may cast significant doubt upon the Company's ability to continue as a going concern and, therefore, that it may be unable to realize its assets and discharge its liabilities in the normal course of business. The Company's ability to continue as a going concern is dependent upon the ability of the Company to generate positive cash flows from its operations, including through any sales of vanadium and to raise additional financing.

The MD&A does not give effect to any adjustments that would be necessary should the Company not be able to continue as a going concern.

As at September 30, 2023, 97% (December 31, 2022: 60%) of the total net assets are held in vanadium.

The following table sets forth the funds anticipated to be spent in the 21 months commencing immediately after the completion of the Amalgamation in accordance with the Filing Statement, as well as the funds expended for the year to date:

	Estimated amount per the Filing Statement	January 20, 2022 to September 30, 2023	Variance
Total available funds ¹	\$ 21,666,095	\$ 658,100	\$ (21,007,995)
Funds used:			
General and administrative expenses ²	1,683,600	2,113,494	429,894
Purchases of vanadium ³	19,836,066	20,971,001	1,134,935
Total funds used	\$ 21,519,666	\$ 23,084,495	\$ 1,564,829

1 Total available funds as at September 30, 2023 calculated as the difference between the Company's total current assets and current liabilities.

2 General and administrative expenses excludes the non-cash listing fees of \$780,618 related to the LPV Acquisition. Further, one-time legal and accounting fees related to the LPV Acquisition of \$816,741 have been included above.

3 Excludes purchase of 140MT of physical vanadium in-kind through the issuance of 890,000 common shares of the Company.

ADDITIONAL DISCLOSURES FOR VENTURE ISSUERS WITHOUT SIGNIFICANT REVENUE

The table below presents a breakdown of operating and general and administrative expenses:

	Nine months ended September 30, 2023	For the period from January 20, 2022 to September 30, 2022
Bank fees	\$ 1,793	\$ 1,071
Legal and accounting fees	400,400	385,205
Listing fees	-	1,300,845
Management fees	172,213	19,040
Directors fees	186,849	-
Recovery of storage and custom fees	(45,530)	-
Subscriptions	20,306	-
Other professional fees	84,556	-
Other expenses	29,670	14,853
Total	\$ 850,257	\$ 1,721,014

CAPITAL MANAGEMENT

The Company defines its managed capital as shareholders' equity, including common shares, and accumulated net and comprehensive loss. As at September 30, 2023, total managed capital was \$21,969,766 (December 31, 2022: \$27,265,792).

The Company's objective when managing capital is to maintain its ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders. Management continuously assesses its working capital needs to assess whether it will be able to meet its investment objectives. As at September 30, 2023, management believes that the going concern basis of accounting is appropriate, however material uncertainties exist.

The Company manages its capital structure under supervision of its board of directors. The Company makes adjustments to its capital structure based on changes in economic conditions and the Company's planned requirements. The Company has the ability to adjust its capital structure by issuing new equity or debt and controlling the amount it distributes to shareholders.

OFF-BALANCE SHEET ARRANGEMENTS

In the period from January 1, 2023 to September 30, 2023, the Company did not have nor was it subject to any off-balance sheet arrangements.

RELATED PARTY TRANSACTIONS

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company, comprised of the Company's directors and executive officers. During the nine-month period ended September 30, 2023, the Company paid professional fees totaling \$45,741 (September 30, 2022: \$14,987), to Marrelli Support Services Inc, and certain of its affiliates, together referred to as the "Marrelli Group" for: (i) Carmelo Marrelli, beneficial owner of the Marrelli Group, to act as the Chief Financial Officer of the Company, and (ii) corporate secretarial services and regulatory filing services. The Company also paid \$186,478 related to director fees to the directors for their service.

For the nine months ending September 30, 2023, the Company entered into various transactions relating to the purchase of vanadium from Largo. Additionally, the Company has entered into certain safekeeping and supply arrangements with Largo for the management and safekeeping of its physical vanadium. Transactions incurred with Largo during the nine-month and period ended September 30, 2023 were as follows:

- For the nine-month period ending September 30, 2023, the Company purchased 540MT of vanadium from LCTL with a total fair value of \$10,943,926 (2022: \$5,503,146 was acquired as in-kind capital contribution). 40MT of vanadium was subsequently sold to LCTL for \$1,031,863.
- During the nine-month period ended September 30, 2023, the Company incurred management fees of \$88,264 (2022: \$19,040) to Largo in exchange for management services. No transaction fees in relation to the supply agreements with Largo were incurred for the nine-months and period ended September 30, 2023. As at September 30, 2023, the Company had accounts payable and accrued liabilities payable to Largo of \$149,062.

SUBSEQUENT EVENTS

On October 1, 2023, the Company sold 33 MT of vanadium to Largo Commodities Trading Ltd., a related party, for total proceeds of \$932,948

CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The preparation of the financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting period. Management is required to apply judgment and estimates in determination of appropriate provisions. By their nature, these judgments and estimates are subject to measurement uncertainty and are reviewed periodically and adjustments, if necessary, are made in the period in which they are identified. Actual results could differ from those estimates.

RISK FACTORS

The Company's business is, and will be, subject to numerous risks and uncertainties. Investment in the Company should be undertaken only by investors who have the ability to assume these risks. Prospective investors should carefully consider the risk factors that have affected, and which in the future are reasonably expected to affect, the Company and its financial position. Please refer to the section entitled "Risk Factors" in the Company's Annual MD&A for the period from the date of incorporation, January 20, 2022, to December 31, 2022.