

---

**LARGO PHYSICAL VANADIUM CORP.**

**CONDENSED INTERIM FINANCIAL STATEMENTS**

***THREE AND NINE MONTHS ENDED***  
***SEPTEMBER 30, 2024***

**(EXPRESSED IN UNITED STATES DOLLARS)**

**(UNAUDITED)**

---

**Notice to Reader**

The accompanying unaudited condensed interim financial statements of Largo Physical Vanadium Corp. (the "Company") have been prepared by and are the responsibility of management. The unaudited condensed interim financial statements have not been reviewed by the Company's auditors.

---

**Largo Physical Vanadium Corp.**  
**Condensed Interim Statement of Financial Position**  
**(Expressed in United States Dollars)**  
**(Unaudited)**

	September 30, 2024	December 31, 2023
<b>Assets</b>		
<b>Current assets</b>		
Cash and cash equivalents	\$ 998,157	\$ 781,713
Prepaid assets (note 7)	32,384	34,718
Sales tax receivable	7,420	895,780
<b>Total current assets</b>	<b>1,037,961</b>	<b>1,712,211</b>
<b>Non-current assets</b>		
Vanadium (notes 4,7)	16,806,903	19,084,323
<b>Total non-current assets</b>	<b>16,806,903</b>	<b>19,084,323</b>
<b>Total assets</b>	<b>\$ 17,844,864</b>	<b>\$ 20,796,534</b>
<b>Liabilities and Shareholders' Equity</b>		
<b>Current liabilities</b>		
Accounts payable and accruals	\$ 390,026	\$ 448,981
<b>Total current liabilities</b>	<b>390,026</b>	<b>448,981</b>
<b>Total liabilities</b>	<b>390,026</b>	<b>448,981</b>
<b>Shareholders' Equity</b>		
Common shares (notes 1,5)	28,103,888	28,103,888
Deficit	(10,649,050)	(7,756,335)
<b>Total shareholders' equity</b>	<b>17,454,838</b>	<b>20,347,553</b>
<b>Total liabilities and shareholders' equity</b>	<b>\$ 17,844,864</b>	<b>\$ 20,796,534</b>

Going concern (note 1)

Commitments (note 8)

The notes to the condensed interim financial statements are an integral part of these statements.

**Largo Physical Vanadium Corp.**  
**Condensed Interim Statement of Net Loss and Comprehensive Loss**  
**(Expressed in United States Dollars)**  
**(Unaudited)**

	<b>Three Months Ended September 30,</b>		<b>Nine Months Ended September 30,</b>	
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
<b>Income</b>				
Interest Income	\$ -	\$ -	\$ 12,865	\$ -
Loss on revaluation of vanadium (note 4)	(1,171,355)	(2,322,103)	(2,181,962)	(4,826,786)
Realized loss on sale of vanadium	(144,465)	-	(144,465)	-
<b>Total revenue</b>	<b>(1,315,820)</b>	<b>(2,322,103)</b>	<b>(2,313,562)</b>	<b>(4,826,786)</b>
<b>Expenses</b>				
Bank charges	372	445	1,062	1,793
Professional fees	23,557	183,528	189,024	458,533
Management fees (note 7)	39,511	50,165	122,416	172,213
General and administrative (note 6)	100,826	125,115	265,894	217,718
<b>Total expenses</b>	<b>164,266</b>	<b>359,253</b>	<b>578,396</b>	<b>850,257</b>
<b>Loss for the period</b>	<b>(1,480,086)</b>	<b>(2,681,356)</b>	<b>(2,891,958)</b>	<b>(5,677,043)</b>
<b>Other income and expenses</b>				
Foreign exchange (loss) / gain	24,574	(1,769)	(757)	51,301
Income tax expense/(recovery)	-	-	-	(329,716)
<b>Net loss and comprehensive loss for the period</b>	<b>\$ (1,455,512)</b>	<b>\$ (2,683,125)</b>	<b>\$ (2,892,715)</b>	<b>\$ (5,296,026)</b>
<b>Loss per share attributable to equity holders</b>				
Basic (note 9)	\$ (0.09)	\$ (0.16)	\$ (0.17)	\$ (0.31)
Diluted (note 9)	(0.09)	(0.16)	(0.17)	(0.31)

The notes to the condensed interim financial statements are an integral part of these statements.

**Largo Physical Vanadium Corp.**  
**Condensed Interim Statement of Changes in Shareholders' Equity**  
**(Expressed in United States Dollars)**  
**(Unaudited)**

	Common shares (#)	Common shares	Deficit	Shareholders' equity
<b>Balance at January 1, 2023</b>	16,816,799	\$ 28,103,888	\$ (838,096)	\$ 27,265,792
Comprehensive loss for the period	-	-	(5,296,026)	(5,296,026)
<b>Balance at September 30, 2023</b>	<b>16,816,799</b>	<b>\$ 28,103,888</b>	<b>\$ (6,134,122)</b>	<b>\$ 21,969,766</b>
<b>Balance at January 1, 2024</b>	16,816,799	\$ 28,103,888	\$ (7,756,335)	\$ 20,347,553
Comprehensive loss for the period	-	-	(2,892,715)	(2,892,715)
<b>Balance at September 30, 2024</b>	<b>16,816,799</b>	<b>\$ 28,103,888</b>	<b>\$ (10,649,050)</b>	<b>\$ 17,454,838</b>

The notes to the condensed interim financial statements are an integral part of these statements.

**Largo Physical Vanadium Corp.**  
**Condensed Interim Statement of Cash Flows**  
**(Expressed in United States Dollars)**  
**(Unaudited)**

Nine Months Ended September 30,	2024	2023
<b>Cash flows provided by (used in) operating activities</b>		
Net loss for the period	\$ (2,892,715)	\$ (5,296,026)
<b>Non-cash items:</b>		
Unrealized foreign exchange gain	-	(40,405)
Realized loss on sale of vanadium	144,465	-
Loss on revaluation of vanadium (note 4)	2,181,962	4,826,786
Deferred tax liability	-	(329,716)
	(566,288)	(839,361)
<b>Changes in working capital balance:</b>		
Prepaid assets	2,334	16,308
Sales tax receivable	888,360	(783,771)
Accounts payable and accrued liabilities	(58,955)	(194,436)
	265,451	(1,801,260)
<b>Net cash provided by (used in) operating activities</b>	<b>265,451</b>	<b>(1,801,260)</b>
<b>Cash flows used in investing activities</b>		
Net of purchase and sale of vanadium	(49,007)	(4,597,197)
	(49,007)	(4,597,197)
<b>Net cash used in investing activities</b>	<b>(49,007)</b>	<b>(4,597,197)</b>
Foreign exchange on cash	-	56,960
<b>Net change in cash</b>	<b>216,444</b>	<b>(6,341,497)</b>
<b>Cash and cash equivalents, beginning period</b>	<b>781,713</b>	<b>6,357,417</b>
<b>Cash and cash equivalents, end of period</b>	<b>\$ 998,157</b>	<b>\$ 15,920</b>

The notes to the condensed interim financial statements are an integral part of these statements.

---

**Largo Physical Vanadium Corp.**  
**Notes to Condensed Interim Financial Statements**  
**Nine Months Ended September 30, 2024**  
**(Expressed in United States Dollars)**  
**(Unaudited)**

---

**1. Nature of operations and going concern**

Largo Physical Vanadium Corp. (the "Company") was incorporated on January 20, 2022, under the Business Corporations Act (British Columbia). The Company's registered office is located at 666 Burrard Street, Suite 1700, Park Place, Vancouver, British Columbia, V6C 2X8. The Company is listed on the TSX Venture Exchange ("TSX-V") under the symbol "VAND.V".

The Company was formed by Largo, Inc. ("Largo"), the ultimate parent company of LPV 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 speculate with regard to short-term changes in vanadium prices.

These financial statements have been prepared on a going concern basis, which assumes that the Company will be able to meet its obligations and continue its operations for the next twelve months. Realization values may be substantially different from carrying values as shown and these financial statements do not give effect to adjustments that would be necessary to the carrying values and classification of assets and liabilities should the Company be unable to continue as a going concern. Such adjustments could be material.

Going Concern

As at September 30, 2024, the Company had not generated any operating revenue with the exception of sale to a related party in calendar 2023 and Q3 (2024), have incurred significant losses and negative operating cash flows from inception. We have incurred a \$2,892,715 net loss and cash flows of \$216,444 for the nine months ended September 30, 2024 (nine months ended September 30, 2023 - \$5,296,026 net loss and negative cash flows of \$6,341,497).

Our ability to continue as a going concern and realize our assets and discharge our liabilities in the normal course of operations is dependent on the ability to successfully execute our business plan and generate positive cash flows from operations, including through the sale of any vanadium and the ability to raise additional financing at acceptable terms in order to meet its planned operations for the next twelve months. 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.

These financial statements do not give effect to any adjustments that would be necessary should the Company not be able to continue as a going concern.

**1.1 Significant events and transactions**

There were no significant events and transactions for 2023 other than the Company announcing initiatives to reduce expenses. On November 16, 2023, the Company announced amendments to the Technical Advisory Agreement and the advisory services agreement among the Company, Term Oil and SCP Resource Finance LP ("SCP") dated April 14, 2022 (the "Advisory Services Agreement"), which included removing the requirement for the Company to pay any "transaction fees" to the applicable counterparty and removing the requirement to pay a portion of the Company's storage fee profits to the applicable counterparty, in each case including as part of the calculation of the applicable termination fee under each agreement.

Quarterly Vanadium transactions

On August 28, 2024, the Company completed a swap transaction of purchase and sale of vanadium with Largo. The Company purchased 40 metric tons ("MT") of vanadium for \$550,350 of which \$49,007 was paid in cash and sold 25MT of vanadium for \$501,345.

---

**Largo Physical Vanadium Corp.**  
**Notes to Condensed Interim Financial Statements**  
**Nine Months Ended September 30, 2024**  
**(Expressed in United States Dollars)**  
**(Unaudited)**

---

## **1.1 Significant events and transactions (continued)**

### *Previous year comparative*

As at March 31, 2023, the Company paid \$865,291 in advance for the purchase of 60 metric tons ("MT") of vanadium. As at March 31, 2023, the Company had not taken legal title of this vanadium and the Company sold 40MT of vanadium for \$1,031,863 to Largo.

As at June 30, 2023, the Company completed the purchase of \$10,943,926 of vanadium, of which \$4,597,197 was paid in cash, \$1,015,308 was settled through the purchase and sale of vanadium inventories and the remainder related to vanadium prepaid in prior periods.

## **2. Basis of preparation**

### **2.1 Statement of compliance**

These unaudited condensed interim financial statements ("financial statements") of the Company have been prepared in accordance with International Accounting Standard 34, Interim Financial Reporting ("IAS 34"), as issued by the International Accounting Standards Board ("IASB"), effective for the reporting period ended September 30, 2024.

The financial statements were authorized for issuance by the board of directors of the Company on October 28, 2024.

The financial statements have been prepared following the same accounting policies and methods of computation as the annual audited financial statements for the year ended December 31, 2023. Certain information and disclosures normally required under IFRS have been condensed or have been disclosed on an annual basis only. Accordingly, the condensed interim financial statements should be read in conjunction with the annual audited financial statements and the notes thereto for the year ended December 31, 2023.

### **2.2 Basis of measurement**

These financial statements have been prepared on a historical cost basis except for vanadium balances which are carried at fair value. In addition, these financial statements have been prepared using the accrual basis of accounting.

### **2.3 Functional and presentation currency**

These financial statements are presented in United States Dollars, which is also the Company's functional currency and presentation currency.

IFRS requires that the functional currency be determined using the currency of the primary economic environment in which the Company operates. Effective October 1, 2022, the Company's functional currency changed from Canadian dollars to United States dollars ("U.S. dollars") as a result of the commencement of its strategy of vanadium purchases for the purpose of long-term price appreciation in the fourth quarter of 2022. As all vanadium purchases are made in U.S. dollars, this is the currency that best reflects the underlying transactions, events and conditions relevant to the Company. The change in functional currency from Canadian dollars to U.S. dollars is accounted for prospectively from October 1, 2022.

---

**Largo Physical Vanadium Corp.**  
**Notes to Condensed Interim Financial Statements**  
**Nine Months Ended September 30, 2024**  
**(Expressed in United States Dollars)**  
**(Unaudited)**

---

**3. Summary of significant accounting policies**

**3.1 Significant accounting judgments and estimates**

The preparation of the financial statements in conformity with IAS 34 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 accounting for the classification of physical vanadium and any 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.

**3.2 New standards, amendments and interpretations**

The following amendments were effective for the Company from January 1, 2024:

- IFRS 16 Leases (Amendment – Liability in a Sale and Leaseback)
- IAS 1 Presentation of Financial Statements (Amendment – Classification of Liabilities as Current or Non-current)
- IAS 1 Presentation of Financial Statements (Amendment – Non-current Liabilities with Covenants)

There was no significant impact on the financial statements as a result of their adoption.

**4. Vanadium assets**

During the three and nine months ended September 30, 2024, the Company has not entered into any new agreement relating to the purchase and sale of physical vanadium. A continuity of vanadium held by the Company during the three and nine months ended September 30, 2024 and year ended December 31, 2023 is as follows:

	<b>Volume (MT)</b>	<b>Amount (\$)</b>
Opening balance as at January 01, 2024	1,060	19,084,323
Purchases during the period	40	550,350
Sales during the period	(25)	(645,808)
Change in fair value	-	(2,181,962)
<b>Ending balance as at September 30, 2024</b>	<b>1,075</b>	<b>16,806,903</b>

Segmented information is given in note 10.

**Largo Physical Vanadium Corp.**  
**Notes to Condensed Interim Financial Statements**  
**Nine Months Ended September 30, 2024**  
**(Expressed in United States Dollars)**  
**(Unaudited)**

**4. Vanadium assets (continued)**

	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	(80)	(1,918,219)
Change in fair value	-	(6,167,773)
<b>Ending balance as at December 31, 2023</b>	<b>1,060</b>	<b>19,084,323</b>

Purchases of vanadium

On August 28, 2024, the Company completed a swap transaction of purchase and sale of vanadium with Largo. The Company purchased 40 metric tons ("MT") of vanadium for \$550,350.

For the year ended December 31, 2023, the Company purchased 540 MT of vanadium from Largo Commodities Trading Ltd. ("LCTL"), a Largo subsidiary, with a total fair value of \$10,943,926.

Sale of vanadium

On August 28, 2024, as part of the swap transaction of purchase and sale of vanadium with Largo, the Company sold 25MT of vanadium costing \$645,808 for \$501,345.

During the year ended December 31, 2023, the Company sold 80 MT of vanadium for \$1,964,810 which was originally purchased for \$1,918,219. Of this, 40 MT of vanadium was sold to LCTL on January 18, 2023 for \$1,031,863 which was originally purchased on January 16, 2023 for \$829,269. The difference of \$202,593 resulting from the transaction was used to reduce cash payments owed to LCTL for additional purchases. The purpose of the transaction was done to swap vanadium trioxide for ferrovandium. The purchase and sale of vanadium to LCTL is considered a related party transaction. Additionally, the Company sold 40MT of vanadium to Glencore International AG on October 2, 2023 for \$932,948 which was originally purchased for \$1,088,950.

Prepaid vanadium

The Company had \$nil prepayments of as at September 30, 2024 for the purchase of vanadium from Largo (December 31, 2023 - \$ nil).

**5. Share capital**

Authorized

The Company is authorized to issue an unlimited number of common shares without par value.

Issued

The following table represents the common shares issued by the Company as at September 30, 2024, and December 31, 2023:

	Number	Amount (\$)
Balance as at January 1, 2023 and December 31, 2023	16,816,799	28,103,888
<b>Balance as at September 30, 2024</b>	<b>16,816,799</b>	<b>28,103,888</b>

**Largo Physical Vanadium Corp.**  
**Notes to Condensed Interim Financial Statements**  
**Nine Months Ended September 30, 2024**  
**(Expressed in United States Dollars)**  
**(Unaudited)**

**6. General and administrative expenses**

Nine months ended	September 30, 2024	September 30, 2023
Director fees	\$ 111,781	\$ 186,849
Income taxes	-	74
Investor relations	62	-
Listing fees	-	27,782
Storage and customs	125,428	(46,889)
Subscriptions	17,749	20,306
Travel	5,904	9,436
Website design and maintenance	4,970	20,160
<b>Total general and administrative expenses</b>	<b>\$ 265,894</b>	<b>\$ 217,718</b>

**7. 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 months ended September 30, 2024, the Company paid professional fees totaling \$71,802 (September 30, 2023 - \$45,741), 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.

During the nine months ended September 30, 2024, the Company incurred \$111,781 (September 30, 2023 - \$186,849) related to fees paid to the Board.

Transactions entered with Largo and LCTL during the nine months ended September 30, 2024 and September 30, 2023 were as follows:

- For the nine months ended September 30, 2024, the Company entered into a swap transaction of purchase and sale of vanadium with Largo, where it purchased 40 metric tons ("MT") of vanadium for \$550,350 and sold 25MT of vanadium costing \$645,808 for \$501,345. For the nine months ended September 30, 2023, the Company purchased 540MT of vanadium from LCTL with a total fair value of \$10,943,926. 40MT of vanadium was subsequently sold to LCTL for \$1,031,863. See note 4.
- During the nine months ended September 30, 2024, the Company incurred management fees of \$61,488 (September 30, 2023: \$88,264) to Largo in exchange for management services under the technical advisory agreement between the Company and Largo dated April 14, 2022, as amended November 16, 2023. No transaction fees in relation to the supply agreements with Largo were incurred for the nine months ended September 30, 2024. As at September 30, 2024, the Company had accounts payable and accrued liabilities payable to Largo of \$146,034 (September 30, 2023 - \$149,062).

**8. Commitments**

As at September 30, 2024, the Company did not hold any commitments.

**Largo Physical Vanadium Corp.**  
**Notes to Condensed Interim Financial Statements**  
**Nine Months Ended September 30, 2024**  
**(Expressed in United States Dollars)**  
**(Unaudited)**

**9. Loss per share**

The Company presents basic and diluted earnings per share data for its common shares (note 5). Basic earnings per share is calculated by dividing the profit or loss attributable to common shareholders of the Company by the weighted average number of common shares outstanding during the period, adjusted for treasury shares held. Diluted loss per share is determined by dividing the profit or loss attributable to common shareholders by the weighted average number of shares outstanding, adjusted for the effects of all dilutive potential common shares. As the Company is in a net and comprehensive loss position in the current period, and has no other equity instruments with dilutive properties, basic loss per share equals diluted loss per share.

Basic and diluted earnings per share

<b>Nine months ended</b>	<b>September 30, 2024</b>	<b>September 30, 2023</b>
Net loss for the period	\$ (2,892,715)	\$ (5,296,026)
Weighted average shares outstanding	16,816,799	16,816,799
<b>Loss per share</b>		
<b>Basic</b>	\$ (0.17)	\$ (0.31)
<b>Diluted</b>	(0.17)	(0.31)

**10. Segmented Disclosure**

The Company has determined that it has one reportable segment. The Company's operations are substantially related to its investment in vanadium. Substantially all of the Company's revenues, costs and assets of the business that support these operations are derived or located in Canada except for its inventory in vanadium. During the nine months ended September 30, 2024 and year ended December 31, 2023, the segmented information on a geographic basis is as follows;

	<b>South Korea</b>	<b>Netherlands</b>	<b>Canada</b>	<b>Total</b>
<b>September 30, 2024</b>				
Current Assets	\$ -	\$ -	\$ 1,037,961	\$ 1,037,961
Non-current Assets -Vanadium	2,260,866	6,940,219	7,605,818	16,806,903
<b>December 31, 2023</b>				
Current Assets	\$ -	\$ -	\$ 1,712,211	\$ 1,712,211
Non-current Assets -Vanadium	2,558,686	8,416,272	8,109,365	19,084,323