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# LithiumArgentina

LITHIUM ARGENTINA AG

(FORMERLY LITHIUM AMERICAS (ARGENTINA) CORP.)

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**CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS  
FOR THE THREE AND SIX MONTHS ENDED JUNE 30, 2025**

**(Expressed in US Dollars)**

**LITHIUM ARGENTINA AG (FORMERLY LITHIUM AMERICAS (ARGENTINA) CORP.)**  
**CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**

(Unaudited)

(Expressed in thousands of US dollars)

	Note	June 30, 2025 \$	December 31, 2024 \$
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	4	68,028	85,543
Receivables from purchasers for lithium carbonate	8	24,036	17,436
Loans to Exar Capital	7	-	10,799
Other receivables, prepaids and deposits		2,171	3,631
		132,142	117,409
<b>NON-CURRENT ASSETS</b>			
Investment in Sal de la Puna Project	5	183,346	183,207
Loans to Exar Capital	7	399,734	369,616
Loans to Minera Exar	9	70,445	67,355
Investment in Cauchari-Olaroz Project	6	31,996	32,919
Long-term receivable from JEMSE	6	8,291	7,935
Property, plant and equipment	10	8,995	8,988
Exploration and evaluation assets	11	344,023	343,794
		1,008,923	1,013,814
<b>TOTAL ASSETS</b>		1,141,065	1,131,223
<b>CURRENT LIABILITIES</b>			
Accounts payable and accrued liabilities		5,459	8,375
Payable to Minera Exar for lithium carbonate purchases	8	24,036	21,152
Convertible notes interest and other liabilities		2,240	2,308
Equity-settleable convertible notes	12	219,073	208,437
		250,808	240,272
<b>NON-CURRENT LIABILITIES</b>			
Deferred income tax liability	20	1,827	-
Other liabilities		183	21
		2,010	21
<b>TOTAL LIABILITIES</b>		252,818	240,293
<b>EQUITY</b>			
Share capital		1,623	1,619
Capital reserve		1,508,265	1,499,682
Accumulated other comprehensive loss		(3,487)	(3,487)
Deficit		(680,843)	(669,540)
<b>TOTAL EQUITY ATTRIBUTABLE TO LITHIUM ARGENTINA'S SHAREHOLDERS</b>		825,558	828,274
Non-controlling interest	9	62,689	62,656
<b>TOTAL EQUITY</b>		888,247	890,930
<b>TOTAL LIABILITIES AND EQUITY</b>		1,141,065	1,131,223

Approved for issuance on August 8, 2025

On behalf of the Board of Directors:

"Robert Doyle"  
Director

"George Ireland"  
Director

**LITHIUM ARGENTINA AG (FORMERLY LITHIUM AMERICAS (ARGENTINA) CORP.)  
CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS**

(Unaudited)

(Expressed in thousands of US dollars, except for per share amounts; shares in thousands)

	Note	Three Months Ended June 30,		Six Months Ended June 30,	
		2025 \$	2024 \$	2025 \$	2024 \$
<b>EXPENSES</b>					
Exploration and evaluation expenditures	16	(2,198)	(2,756)	(4,009)	(5,841)
General and administrative	15	(4,231)	(3,035)	(8,031)	(7,085)
Equity compensation		(4,051)	(1,192)	(8,587)	(2,570)
Share of loss of Cauchari-Olaroz Project	6	(442)	(14,527)	(923)	(26,514)
Share of loss of Sal de la Puna Project	5	(47)	(31)	(114)	(303)
		(10,969)	(21,541)	(21,664)	(42,313)
<b>OTHER ITEMS</b>					
Transaction costs		(225)	(512)	(2,316)	(1,258)
Gain on financial instruments measured at fair value	12	97	6,083	536	10,826
Finance and other costs	17	(7,401)	(6,189)	(13,985)	(12,204)
Foreign exchange (loss)/gain		(80)	1,134	(193)	1,613
Finance and other income	18	14,478	12,449	28,179	24,668
		6,869	12,965	12,221	23,645
<b>LOSS BEFORE TAXES</b>		(4,100)	(8,576)	(9,443)	(18,668)
Deferred tax recovery/(expense)	20	-	10,751	(1,827)	10,659
<b>NET (LOSS)/INCOME</b>		(4,100)	2,175	(11,270)	(8,009)
<b>ATTRIBUTABLE TO:</b>					
Equity holders of Lithium Argentina		(4,089)	2,175	(11,303)	(8,009)
Non-controlling interest		(11)	-	33	-
<b>TOTAL COMPREHENSIVE (LOSS)/INCOME</b>		(4,100)	2,175	(11,270)	(8,009)
<b>BASIC (LOSS)/INCOME PER SHARE</b>		(0.03)	0.01	(0.07)	(0.05)
<b>DILUTED (LOSS)/INCOME PER SHARE</b>		(0.03)	0.01	(0.07)	(0.05)
Weighted average number of common shares outstanding - basic		161,999	161,194	161,971	160,981
Weighted average number of common shares outstanding - diluted		161,999	166,199	161,971	165,986

**LITHIUM ARGENTINA AG (FORMERLY LITHIUM AMERICAS (ARGENTINA) CORP.)**  
**CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY**  
(Unaudited)  
(Expressed in thousands of US dollars, shares in thousands)

	Share capital		Capital Reserve	Accumulated other comprehensive loss	Deficit	Shareholders' equity	Non-controlling interest	Total equity
	Number of shares	Amount \$						
Authorized share capital: Unlimited common shares without par value								
Balance, December 31, 2023	160,679	1,607	1,492,002	(3,487)	(661,190)	828,931	-	828,931
Shares issued on conversion of RSUs, DSUs, PSUs, and exercise of stock options	551	6	(6)	-	-	-	-	-
Equity compensation	-	-	3,033	-	-	3,033	-	3,033
Net loss	-	-	-	-	(8,009)	(8,009)	-	(8,009)
Balance June 30, 2024	161,230	1,612	1,495,029	(3,487)	(669,199)	823,955	-	823,955
Balance, December 31, 2024	161,932	1,619	1,499,682	(3,487)	(669,540)	828,274	62,656	890,930
Shares issued on conversion of RSUs, DSUs, PSUs, and exercise of stock options	428	4	(4)	-	-	(0)	-	(0)
Equity compensation	-	-	8,587	-	-	8,587	-	8,587
Net (loss)/income	-	-	-	-	(11,303)	(11,303)	33	(11,270)
Balance June 30, 2025	162,360	1,623	1,508,265	(3,487)	(680,843)	825,558	62,689	888,247

**LITHIUM ARGENTINA AG (FORMERLY LITHIUM AMERICAS (ARGENTINA) CORP.)**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**  
(Unaudited)  
(Expressed in thousands of US dollars)

	Note	Six Months Ended June 30,	
		2025 \$	2024 \$
<b>OPERATING ACTIVITIES</b>			
<b>Net loss</b>		<b>(11,270)</b>	<b>(8,009)</b>
Items not affecting cash and other items:			
Equity compensation		8,587	3,033
Depreciation	10	266	424
Deferred tax expense/(recovery)	20	1,827	(10,659)
Foreign exchange loss/(gain)		193	(1,613)
Share of loss of Cauchari-Olaroz Project	6	923	26,514
Share of loss of Sal de la Puna Project	5	114	303
Gain on financial instruments measured at fair value	12	(536)	(10,826)
Finance income		(26,685)	(21,667)
Finance costs		13,436	10,097
Payment of interest on the convertible notes and debt facilities		(2,264)	(2,264)
Changes in non-cash working capital items:			
Increase in receivables, prepaids and deposits		(5,140)	(11,198)
Decrease/(increase) in accounts payable and accrued liabilities		(31)	12,147
Decrease in net prepayments made for lithium carbonate		-	4,351
Net cash used in operating activities		(20,580)	(9,367)
<b>INVESTING ACTIVITIES</b>			
Loans to Exar Capital	7	-	(41,979)
Proceeds from repayment of loans and interest by Exar Capital	7	3,920	26,476
Contribution to Investment in Cauchari-Olaroz project	6	-	(858)
Contribution to Investment in Sal de la Puna Project	5	(253)	-
Additions to exploration and evaluation assets	11	(229)	(696)
Additions to property, plant and equipment		-	(825)
Net cash provided/(used) in investing activities		3,438	(17,882)
<b>FINANCING ACTIVITIES</b>			
Lease payments		(180)	(461)
Net cash used in financing activities		(180)	(461)
Effect of foreign exchange on cash		(193)	1,613
<b>CHANGE IN CASH AND CASH EQUIVALENTS</b>		<b>(17,515)</b>	<b>(26,097)</b>
<b>CASH AND CASH EQUIVALENTS - BEGINNING OF THE PERIOD</b>		<b>85,543</b>	<b>122,293</b>
<b>CASH AND CASH EQUIVALENTS - END OF THE PERIOD</b>		<b>68,028</b>	<b>96,196</b>

**LITHIUM ARGENTINA AG (FORMERLY LITHIUM AMERICAS (ARGENTINA) CORP.)  
NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS  
FOR THE THREE AND SIX MONTHS ENDED JUNE 30, 2025**

(Expressed in thousands of US dollars, except for per share amounts; shares and equity instruments in thousands)

**1. NATURE OF OPERATIONS**

Lithium Argentina AG (“Lithium Argentina”, the “Company” or “LAR”), formerly Lithium Americas (Argentina) Corp., is a Swiss- domiciled resource company with lithium projects located in Argentina.

On January 23, 2025, the Company completed a plan of arrangement under the laws of the province of British Columbia (the “Arrangement”) involving the Company’s continuation from the province of British Columbia under the name “Lithium Americas (Argentina) Corp.” into Zug, Canton of Zug, Switzerland, as a Swiss share corporation under the name “Lithium Argentina AG.” As a result, the Company ceased to be governed by the Business Corporations Act (British Columbia). Following the Arrangement, the shareholders of the Company prior to the Arrangement continued to hold all the issued and outstanding common registered shares of the Company (the “Continuation”) (Note 13). On January 27, 2025, the Company began trading under the new symbol “LAR” on the Toronto Stock Exchange (“TSX”) and the New York Stock Exchange (“NYSE”).

The Company is focused on the operations of the Cauchari-Olaroz project (“Cauchari-Olaroz”). Cauchari-Olaroz is a lithium brine operation located in the Salar de Olaroz and Salar de Cauchari in Jujuy province, north-western Argentina. The Company’s interest in Cauchari-Olaroz is held through a 44.8% ownership interest in Minera Exar S.A. (“Minera Exar”), a company incorporated under the laws of Argentina. Ganfeng Lithium Co. Ltd. (“Ganfeng”) owns 46.7% of Minera Exar with the remaining 8.5% interest held by Jujuy Energia y Minería Sociedad del Estado (“JEMSE”), a mining investment company owned by the provincial government of Jujuy. Cauchari-Olaroz is in the production stage and achieved commercial production effective October 1, 2024, and is accounted for using the equity method.

The Company also owns 85.1% interest in the Pastos Grandes lithium project (“Pastos Grandes”) acquired through the acquisition of Millennial Lithium Corp. (“Millennial”) on January 25, 2022, and a 65% ownership interest in the Sal de la Puna project (“Sal de la Puna”), held by the Company’s wholly-owned subsidiary Arena Minerals Inc. (“Arena Minerals”) which was acquired on April 20, 2023. Pastos Grandes and Sal de la Puna are lithium brine projects located in Salta province, in north-western Argentina. Pastos Grandes is fully consolidated in the Company’s financial statements, whereas Sal de la Puna is accounted for using the equity method.

The Company’s registered office is located at Dammstrasse 19, 6300 Zug, Switzerland.

**2. BASIS OF PREPARATION AND PRESENTATION**

These condensed consolidated interim financial statements of the Company (“Interim Financials”) have been prepared in accordance with IFRS Accounting Standards applicable to the preparation of interim financial statements, under International Accounting Standard 34, Interim Financial Reporting and were approved by the Board of Directors on August 8, 2025. The Interim Financials should be read in conjunction with the Company’s annual consolidated financial statements for the year ended December 31, 2024 (the “2024 Annual Financials”), which have been prepared in accordance with IFRS Accounting Standards.

The Interim Financials are expressed in United States dollars (“US\$”), the Company’s presentation currency. The same accounting policies and methods of computation have been used in the Interim Financials and 2024 Annual Financials other than those disclosed in Note 3.

**LITHIUM ARGENTINA AG (FORMERLY LITHIUM AMERICAS (ARGENTINA) CORP.)  
NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS  
FOR THE THREE AND SIX MONTHS ENDED JUNE 30, 2025**

(Expressed in thousands of US dollars, except for per share amounts; shares and equity instruments in thousands)

**3. SUMMARY OF MATERIAL ACCOUNTING POLICIES**

**Estimation Uncertainty and Accounting policy judgments**

The preparation of these Interim Financials in conformity with IFRS Accounting Standards applicable to the preparation of interim financial statements requires judgments, estimates, and assumptions that affect the amounts reported. Those estimates and assumptions concerning the future may differ from actual results. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The nature and number of significant estimates and judgments made by management in applying the Company's accounting policies and the key sources of estimation uncertainty are the same as those that management applied to the 2024 Annual Financials except as disclosed below.

***New IFRS Pronouncements***

***IFRS 18 Presentation and Disclosure in Financial Statements***

In April 2024, the International Accounting Standards Board ("IASB") issued IFRS 18, *Presentation and Disclosure in Financial Statements* which will replace IAS 1, *Presentation of Financial Statements*. IFRS 18 introduces new requirements on presentation within the statement of profit or loss, including specified totals and subtotals.

It also requires disclosure of management-defined performance measures and includes new requirements for aggregation and disaggregation of financial information based on the identified 'roles' of the primary financial statements and the notes.

In addition, there are consequential amendments to other accounting standards; some requirements previously included in IAS 1 have been moved to IAS 8 and limited amendments have been made to IAS 7 and IAS 34. IFRS 18 is effective for the reporting period beginning on or after January 1, 2027, with early application permitted. Retrospective application is required in both annual and interim financial statements. The Company is currently assessing the impact of this standard on its financial statements and has not yet applied it.

***Amendments to IFRS 9 and IFRS 7 – Amendments to the Classification and Measurement of Financial Instruments***

In May 2024, the IASB issued amendments to IFRS 9 and IFRS 7, *Amendments to the Classification and Measurement of Financial Instruments*. These amendments updated classification and measurement requirements in IFRS 9 *Financial Instruments* and related disclosure requirements in IFRS 7 *Financial Instruments: Disclosures*. 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 (ESG)-linked features and other similar contingent features. These amendments require additional disclosures 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.

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NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS  
FOR THE THREE AND SIX MONTHS ENDED JUNE 30, 2025**

(Expressed in thousands of US dollars, except for per share amounts; shares and equity instruments in thousands)

**3. SUMMARY OF MATERIAL ACCOUNTING POLICIES** *(continued)*

The amendments are effective for annual periods beginning on or after January 1, 2026. Early adoption is permitted, with an option to early adopt the amendments for contingent features only. The Company is currently assessing the impact of these amendments on its financial statements and has not yet applied it.

**4. CASH AND CASH EQUIVALENTS**

***Cash and cash equivalents***

	June 30, 2025	December 31, 2024
	\$	\$
Cash	1,516	11,460
Cash equivalents	66,512	74,083
	68,028	85,543

As at June 30, 2025, cash and cash equivalents included \$89 held in Canadian dollars (December 31, 2024 – \$156), \$67,844 in US dollars (December 31, 2024 – \$85,289), \$53 in Argentine Pesos (December 31, 2024 – \$98) and \$42 in Swiss Francs (December 31, 2024 – \$Nil). During the six months ended June 30, 2025, cash and cash equivalents generated an interest income of \$1,495 (2024 – \$2,183).

**5. SAL DE LA PUNA JOINT VENTURE**

On April 20, 2023, the Company completed the acquisition of Arena Minerals that owns 65% of Sal de la Puna through a joint venture interest in Sal de la Puna Holdings Ltd., the 100% owner of Argentine entity, Puna Argentina S.A.U. ("PASA"), the owner of the claims forming part of the Sal de la Puna Project.

The remaining 35% of PASA is owned by joint venture partner Ganfeng New Energy Technology Development (Suzhou) Co., Ltd. Therefore, after the acquisition of Arena Minerals, the Company holds a 65% ownership interest in the Sal de la Puna Project covering approximately 13,200 hectares of the Pastos Grandes Basin.

The Company's 65% ownership interest in Sal de la Puna is a joint venture and is accounted for using the equity method of accounting. Changes in the investment balance are summarized below:

	\$
Investment in Sal de la Puna, as at December 31, 2023	181,270
Contribution to investment in Sal de la Puna	2,113
Share of loss of Sal de la Puna	(176)
Investment in Sal de la Puna, as at December 31, 2024	183,207
Contribution to investment in Sal de la Puna	253
Share of loss of Sal de la Puna	(114)
Investment in Sal de la Puna, as at June 30, 2025	183,346

**6. INVESTMENT IN CAUCHARI-OLAROSZ PROJECT**

As at June 30, 2025, the Company, Ganfeng, and JEMSE hold 44.8%, 46.7%, and 8.5% equity interests, respectively, in Minera Exar, the company that holds all rights, title, and interest in the Cauchari-Olaroz project, located in the Jujuy province of Argentina.

**LITHIUM ARGENTINA AG (FORMERLY LITHIUM AMERICAS (ARGENTINA) CORP.)  
NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS  
FOR THE THREE AND SIX MONTHS ENDED JUNE 30, 2025**

(Expressed in thousands of US dollars, except for per share amounts; shares and equity instruments in thousands)

**6. INVESTMENT IN CAUCHARI-OLAROSZ PROJECT** *(continued)*

JEMSE acquired its 8.5% equity interest in Minera Exar in April 2021, which was divided as 4.2% from the Company and 4.3% from Ganfeng. The right to acquire this 8.5% interest was initially granted under a letter of intent signed in 2012, in compliance with the Province of Jujuy's regulations concerning government participation in mineral projects. As part of the closing of the JEMSE transaction, JEMSE has agreed to reimburse the Company and Ganfeng their pro-rata share of \$23,496 (8.5%) for the equity financing provided for the construction of the Cauchari-Olaroz project in prior years. This reimbursement will be made through the assignment of one-third of the dividends otherwise payable to JEMSE in future periods. Annual dividend distributions by Minera Exar to all shareholders, including JEMSE, will only be considered once Minera Exar has met all project debt commitments for the Cauchari-Olaroz project. As of June 30, 2025, the carrying value of the long-term receivable from JEMSE was \$8,291 (2024 – \$7,935).

The Company's operations related to Cauchari-Olaroz are conducted through its equity investees, Minera Exar and Exar Capital, which are governed by a shareholders' agreement between the Company and Ganfeng. The shareholders' agreement regulates key aspects of the governance of the project and provides the Company with significant influence over Minera Exar. Under this agreement, the Company and Ganfeng are entitled to the project's production offtake on a 49%/51% basis. Construction costs were also shared on the same 49%/51% pro rata basis between the Company and Ganfeng.

The Company and Ganfeng are 49% and 51% shareholders, respectively, in Exar Capital, a company that provides shareholder financing to Minera Exar. Minera Exar and Exar Capital are accounted for using the equity method of accounting (the investment in Minera Exar and investment in Exar Capital together, the "Investment in Cauchari-Olaroz project").

In Q2 2024, Lithium Argentina and Ganfeng, as the shareholders and lender of Exar Capital, provided an irrevocable commitment to Minera Exar that they would not seek repayment of the amounts advanced or loaned to the Company for a period of twelve months from July 1, 2025.

*Investment in Cauchari-Olaroz Project*

Changes in the Investment in Cauchari-Olaroz Project are summarized below:

	\$
Investment in Cauchari-Olaroz Project, as at December 31, 2023	59,581
Contribution to Investment in Cauchari-Olaroz Project	1,570
Share of loss of Cauchari-Olaroz Project	(17,374)
Elimination of the Company's portion of capitalized intercompany interest	(10,858)
Investment in Cauchari-Olaroz Project, as at December 31, 2024	32,919
Share of loss of Cauchari-Olaroz Project	(923)
<b>Investment in Cauchari-Olaroz Project, as at June 30, 2025</b>	<b>31,996</b>

As of October 1, 2024, Minera Exar determined that commercial production had been achieved for the Cauchari-Olaroz project after reaching elevated production levels for a sustained period. As a result, the Cauchari-Olaroz project's assets were considered ready for their intended use, and depreciation of these assets commenced on October 1, 2024.

**LITHIUM ARGENTINA AG (FORMERLY LITHIUM AMERICAS (ARGENTINA) CORP.)  
NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS  
FOR THE THREE AND SIX MONTHS ENDED JUNE 30, 2025**

(Expressed in thousands of US dollars, except for per share amounts; shares and equity instruments in thousands)

**6. INVESTMENT IN CAUCHARI-OLAROSZ PROJECT** *(continued)*

The following is the condensed financial information of Minera Exar on a 100% basis, as amended to reflect the Company's accounting policies.

	June 30, 2025	December 31, 2024
	\$	\$
Current assets:		
Cash and cash equivalents	24,995	11,190
Other current assets	320,451	301,164
Total current assets	345,446	312,354
Non-current assets	1,456,836	1,479,969
Current liabilities:		
Third-party loans	(208,103)	(161,059)
Loans from Exar Capital	-	(584,474)
Derivative liability on loans from Exar Capital	-	(53,211)
Other current liabilities	(52,897)	(72,824)
Non-current liabilities:		
Third-party loans	(49,434)	(49,315)
Loans from Exar Capital	(1,109,573)	(455,821)
Loans from PGC	(70,445)	(67,355)
Derivative liability on loans from Exar Capital and PGC	(4,051)	(47,352)
Other non-current liabilities	(99,820)	(88,997)
<b>Net assets</b>	<b>207,959</b>	<b>211,915</b>

As of June 30, 2025, Minera Exar's outstanding third-party debt amounted to \$257,537 (2024 – \$210,400), while its cash balance was \$24,995 (2024 – \$11,190). The total debt includes the following:

- Approximately \$135,000 from major international banks, secured by guarantees and standby letters arranged by Ganfeng. The Company has also provided a guarantee to Ganfeng for its 49% share, amounting to \$66,150, for these loans. The Company and Ganfeng have negotiated a three-year extension of the maturity of \$100,000 of these loans, which is subject to regulatory approvals.
- \$18,000 in loans secured by local bank guarantees arranged by Minera Exar, due in 2025.
- \$54,537 in third-party unsecured loans, due in 2025.
- Approximately \$50,000 in unsecured bonds issued by Minera Exar in November 2024, carrying a contractual interest rate of 8% with semi-annual interest payments. The bonds' principal will mature in two tranches: the first tranche of \$25,000 on May 11, 2027, while the second tranche of \$25,000 on November 11, 2027.

As of June 30, 2025, Minera Exar also had an undrawn balance of \$85,000 available under one of its bank debt facilities, of which \$23,000 was drawn subsequent to period end. This facility is secured by guarantees and standby letters of credit arranged by Ganfeng. The Company has also provided a guarantee to Ganfeng for its 49% share of the facility, amounting to \$11,270.

**LITHIUM ARGENTINA AG (FORMERLY LITHIUM AMERICAS (ARGENTINA) CORP.)**  
**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**  
**FOR THE THREE AND SIX MONTHS ENDED JUNE 30, 2025**

(Expressed in thousands of US dollars, except for per share amounts; shares and equity instruments in thousands)

**6. INVESTMENT IN CAUCHARI-OLAROS PROJECT** *(continued)*

	Three months ended June 30,		Six months ended June 30,	
	2025	2024	2025	2024
	\$	\$	\$	\$
Sales	63,683	48,497	121,461	73,895
Cost of sales	(63,270)	(38,992)	(117,055)	(62,416)
Gross profit	413	9,505	4,406	11,479
Other income/(loss)	83,331	(128,919)	(7,627)	(130,895)
<b>Net income/(loss)</b>	<b>83,744</b>	<b>(119,414)</b>	<b>(3,221)</b>	<b>(119,416)</b>

Minera Exar has to settle the loans provided by Exar Capital and PGC0 in US\$ with sufficient Argentine Pesos ("ARS\$") at the implied market exchange rate. This settlement mechanism requires Minera Exar to repay the loans with more US\$ at the official exchange rate. Since the repayment mechanism for the USD loans provided by Exar Capital and PGC0 to Minera Exar is linked to the implied market foreign exchange rate in Argentina rather than the official foreign exchange rate, it results in an embedded derivative in the loans payable by Minera Exar. The fair value of this embedded derivative fluctuates with changes in the spread between the implied market exchange rate and the official exchange rate. During the second quarter of 2025, changes in Argentine foreign exchange regulations caused the implied exchange rate to converge with the official rate, resulting in a gain of \$96,512, which was recognized in the other income line item in Minera Exar's condensed statement of comprehensive income/(loss). This gain partially offset derivative losses recognized in the first quarter of 2025. Other income for the second quarter of 2025 also includes a deferred tax expense of \$35,448.

As of January 1, 2025, the Company's investment in Minera Exar was \$Nil, and its investment in Exar Capital was \$32,919. For the six months ended June 30, 2025, the Company's share of the losses of Minera Exar and Exar Capital were \$1,036 and \$923, respectively. Since the Company's investment in Minera Exar was \$Nil as of January 1, 2025, it did not recognize its share of Minera Exar's losses for the period. The accumulated unrecognized share of Minera Exar's losses as of June 30, 2025, was \$27,079 (2024 – \$26,043).

As of June 30, 2025, the carrying value of the Company's investment in Minera Exar remained \$Nil, and its investment in Exar Capital was \$31,996.

**7. LOANS TO EXAR CAPITAL**

The Company has entered into loan agreements with Exar Capital. Changes in the balances of loans to Exar Capital are summarized below.

	\$
Loans to Exar Capital, as at December 31, 2023	320,869
Loans to Exar Capital	41,978
Repayment of loans and interest by Exar Capital	(26,476)
Accrued interest	44,044
Loans to Exar Capital, as at December 31, 2024	380,415
Loans to Exar Capital	-
Repayment of loans and interest by Exar Capital	(3,920)
Accrued interest	23,239
Loans to Exar Capital, as at June 30, 2025	399,734

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**7. LOANS TO EXAR CAPITAL** *(continued)*

The loans provided by the Company to Exar Capital are thereafter advanced to Minera Exar to finance the construction of Cauchari-Olaroz, and to support its working capital and other funding requirements. Each loan has a maturity of seven years from the date of drawdown. Loans advanced prior to January 1, 2022, carried an interest rate of London Interbank Offered Rate (“LIBOR”) plus 9.495%, while loans advanced on or after January 1, 2022, carry an interest rate of the Secured Overnight Financing Rate (“SOFR”) plus 10.305%.

During the six months ended June 30, 2025, the Company did not advance any new loans to Exar Capital. Exar Capital utilized its existing cash balance to repay a portion of its outstanding loan, amounting to \$3,920.

As of June 30, 2025, the total outstanding loans to Exar Capital, including accrued interest, amounted to \$399,734. The recoverability of these loans is dependent on the future cash flows and performance of Cauchari-Olaroz. The Company performed an expected credit loss assessment based on the anticipated future performance of Cauchari-Olaroz and its associated cash flows. The assessment did not indicate any significant credit risk or factors that would result in default.

As at June 30, 2025, a total of 49 loans had been advanced to Exar Capital by the Company, with maturities (inclusive of accrued interest to June 30, 2025) as follows: \$37,907 due in the second half of 2026, \$32,079 due in 2027, \$77,191 due in 2028, \$112,207 due in 2029, \$89,165 due in 2030, and \$51,185 due in 2031.

**8. PURCHASES AND SALES OF LITHIUM CARBONATE**

*Offtake Agreement with Ganfeng and Bangchak*

The Company and Ganfeng are entitled to a share of offtake from production at Cauchari-Olaroz. The Company is entitled to 49% of the offtake, which would amount to approximately 19,600 tonnes per annum (“tpa”) of lithium carbonate assuming full capacity is achieved. The Company has entered into an offtake agreement with each of Ganfeng and BCP Innovation PTE. LTD (“Bangchak”), a wholly-owned subsidiary of Bangchak Corporation Public Company Ltd., to sell a fixed amount of offtake production at market-based prices, with Ganfeng entitled to 80% of the first 12,250 tpa of lithium carbonate (9,800 tpa assuming full production capacity) and Bangchak entitled to up to 6,000 tpa of lithium carbonate (assuming full production capacity).

The balance of the Company’s offtake entitlement, amounting to up to approximately 3,800 tpa of lithium carbonate, is uncommitted, but for limited residual rights available to Bangchak to the extent production does not meet full capacity.

*Purchases and sales of lithium carbonate*

During the six months ended June 30, 2025, the Company purchased its 49% share of Minera Exar’s lithium carbonate shipped during the period. The Company sold the purchased lithium carbonate to Ganfeng and Bangchak and acted in the capacity of agent in such sales transactions, as the Company’s acquisition of title to lithium carbonate was simultaneous with the sale of lithium carbonate to Ganfeng and Bangchak and the Company was not directly exposed to inventory or price risk related to lithium carbonate.

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**8. PURCHASES AND SALES OF LITHIUM CARBONATE** *(continued)*

During the six months ended June 30, 2025, the Company made approximately \$59,265 worth of purchases of lithium carbonate from Minera Exar and sold an equivalent amount, totaling approximately \$59,265, to Ganfeng and Bangchak. Since there was no net commission earned by the Company, there was no impact on the Company's statement of comprehensive loss for six months ended June 30, 2025.

As at June 30, 2025, the Company had a payable of \$24,036 to Minera Exar for lithium carbonate purchases, and receivables totaling \$24,036 from Ganfeng for sales of lithium carbonate, as disclosed on the statement of financial position. The Company performed an expected credit loss assessment for these receivables, which did not indicate any significant credit risk or factors that would result in default, as the majority of the receivables were settled after June 30, 2025.

**9. PASTOS GRANDES**

On August 16, 2024, Proyecto Pastos Grandes S.A. ("PGCo"), a wholly-owned subsidiary of the Company holding the Pastos Grandes project in Salta, Argentina, issued common shares representing approximately 14.9% of PGCo to Ganfeng for a consideration of approximately \$70,000 (the "Pastos Grandes transaction"). As the Company retained control of PGCo, the transaction was accounted for as an equity transaction, resulting in the recognition of a non-controlling interest representing Ganfeng Lithium's 14.9% share in the net assets of PGCo.

In Q3 2024, PGCo utilized the proceeds from the Pastos Grandes transaction to enter into \$65,000 loan facility agreement with Minera Exar to fund its debt repayment, working capital and other requirements. The loan matures in five years and carries an interest rate of SOFR plus 4.0%.

	\$
Loans advanced by PGCo to Minera Exar, as at December 31, 2023	-
Loans to Minera Exar	65,000
Accrued interest	2,355
Loans advanced by PGCo to Minera Exar, as at December 31, 2024	67,355
Accrued interest	3,090
Loans to Exar Capital, as at June 30, 2025	70,445

**10. PROPERTY, PLANT AND EQUIPMENT**

	Buildings \$	Equipment and machinery \$	Other <sup>1</sup> \$	Total \$
<b>Cost</b>				
As at December 31, 2023	5,203	2,716	3,456	11,375
Additions	660	-	311	971
Disposals	-	-	(701)	(701)
As at December 31, 2024	5,863	2,716	3,066	11,645
Additions	-	-	273	273
Disposals	-	-	(660)	(660)
As at June 30, 2025	5,863	2,716	2,679	11,258

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**10. PROPERTY, PLANT AND EQUIPMENT** *(continued)*

	Buildings \$	Equipment and machinery \$	Other <sup>1</sup> \$	Total \$
<b>Accumulated depreciation</b>				
As at December 31, 2023	346	140	1,644	2,130
Depreciation for the period	80	27	651	758
Disposals	-	-	(231)	(231)
As at December 31, 2024	426	167	2,064	2,657
Depreciation for the period	35	13	218	266
Disposals	-	-	(660)	(660)
As at June 30, 2025	461	180	1,622	2,263

	Buildings \$	Equipment and machinery \$	Other <sup>1</sup> \$	Total \$
<b>Net book value</b>				
As at December 31, 2024	5,437	2,549	1,002	8,988
As at June 30, 2025	5,402	2,536	1,057	8,995

<sup>1</sup> The "Other" category includes right of use assets with a cost of \$273 and \$23 of accumulated depreciation as at June 30, 2025.

**11. EXPLORATION AND EVALUATION ASSETS**

Exploration and evaluation assets were as follows:

	Millennial Projects \$	Other Claims \$	Total \$
<b>Total exploration and evaluation assets</b>			
As at December 31, 2023	341,707	1,385	343,092
Additions	702	-	702
As at December 31, 2024	342,409	1,385	343,794
Additions	229	-	229
As at June 30, 2025	342,638	1,385	344,023

The Company has certain commitments for royalty and other payments to be made for Pastos Grandes as set out below. These amounts will only be payable if the Company continues to hold the subject claims in the future and the royalties will only be incurred if the Company starts production from the project.

Pastos Grandes:

- 1.5% royalty on the gross operating revenues from production from certain Pastos Grandes claims, payable to the original vendors of the project; and
- royalties to a maximum of 3% over net-back income, payable to the Salta Province.

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**12. EQUITY-SETTLEABLE CONVERTIBLE NOTES**

On December 6, 2021, the Company closed an offering (the “Offering”) of \$225,000 aggregate principal amount of 1.75% Convertible Notes due in 2027 (the “Convertible Notes”, “Notes”, or “equity-settleable convertible notes”). On December 9, 2021, the initial purchasers under the Offering exercised in full their option to purchase up to an additional \$33,750 aggregate principal amount of the Convertible Notes, increasing the total Offering size to \$258,750.

The Convertible Notes represent financial instruments that include a debt host accounted for at amortized cost and conversion option and redemption option derivatives, which are separated from the debt host and accounted for at fair value with changes in fair value recorded in the statement of comprehensive loss. These derivatives are accounted for together as a single derivative when separated from the debt host.

	Debt host \$	Convertible note derivative \$	Total \$
<b>Convertible notes</b>			
As at December 31, 2023	187,223	13,138	200,361
Gain on change in fair value of convertible notes derivative	-	(12,530)	(12,530)
Accrued Interest	25,134	-	25,134
Interest payment	(2,453)	-	(2,453)
Reclassification of short-term accrued interest to short-term liability	(2,075)	-	(2,075)
As at December 31, 2024	207,829	608	208,437
Gain on change in fair value of convertible notes derivative	-	(536)	(536)
Accrued Interest	13,436	-	13,436
Interest payment	(189)	-	(189)
Reclassification of short-term accrued interest to short-term liability	(2,075)	-	(2,075)
As at June 30, 2025	219,002	72	219,073

The fair value of the derivative as at June 30, 2025, was estimated using a partial differential equation method with Monte Carlo simulation with the following inputs: volatility of 62.00%, share price of \$2.08, a risk-free rate of 3.83%, an expected dividend of 0%, and a credit spread of 10.51%. Valuation of the embedded derivative is highly sensitive to changes in the Company’s share price and to a lesser extent to changes in the risk-free interest rate and the assumed volatility of the Company’s share price. A gain on change in fair value for the six months ended June 30, 2025, of \$536 (2024 – \$10,826) was recognized in the consolidated statement of comprehensive loss.

Interest expense for the six months ended June 30, 2025, of \$13,436 (2024 – \$12,172) was recognized as finance costs in the consolidated statement of comprehensive loss.

The Convertible Notes are convertible at the option of the holders upon satisfaction of certain conditions that are beyond the control of the Company. If such conditions are satisfied, the Convertible Notes would be convertible at the option of the holders and upon conversion, the Notes may be settled, at the Company’s election, in common shares of the Company, cash or a combination thereof. As a result, the Company does not have the right to defer settlement of the Convertible Notes for more than 12 months after the end of the reporting periods.

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**12. EQUITY-SETTLABLE CONVERTIBLE NOTES** *(continued)*

The Convertible Notes are unsecured and accrue interest payable semi-annually in arrears at a rate of 1.75% per annum payable on January 15<sup>th</sup> and July 15<sup>th</sup> of each year, beginning on July 15, 2022.

Prior to October 15, 2026, the Notes are convertible at the option of the holders during certain periods, upon the satisfaction of certain conditions including:

- (i) If the Notes' trading price for any five consecutive trading day period was, on each day, less than 98% of the conversion value of such Notes;
- (ii) if the Company elects to (a) issue equity instruments to all holders of the Company's common shares entitling them, for a period of not more than 45 calendar days after issue, to subscribe for or purchase common shares at a price per share that is less than the average reported sales prices of the common shares for the 10-trading day period ending the trading day before the announcement of such issuance of equity instruments; or (b) make a distribution to all holders of the Company's common shares, whether such distribution is of assets, securities, or rights to purchase the Company's securities, and has a per share value exceeding at least 10% of the trading price of the common shares on the date immediately preceding the announcement date of such distribution;
- (iii) upon the occurrence of certain significant business events;
- (iv) if, at any time after the calendar quarter ending on March 31, 2022 (and only during such calendar quarter), the last reported price of the Company's common shares for at least 20 trading days (whether or not consecutive) during the last period of 30 trading days of the immediately preceding calendar quarter is greater than or equal to 130% of the conversion price on each applicable trading day (this has not occurred during the six months ended June 30, 2025); or,
- (v) upon a call for redemption by the Company, or upon the Company's failure to pay the redemption price therefor.

Thereafter, the Convertible Notes will be convertible at any time until the close of business on the business day immediately preceding the maturity date. Upon conversion, the Convertible Notes may be settled, at the Company's election, in common shares of the Company, cash or a combination thereof.

The Convertible Notes mature on January 15, 2027, unless earlier repurchased, redeemed or converted. The Company may not redeem the Convertible Notes prior to December 6, 2024, except upon the occurrence of certain changes to the laws governing Canadian withholding taxes. After December 6, 2024, the Company has the right to redeem the Convertible Notes at its option in certain circumstances including:

- (i) on or after December 6, 2024, if the Company's share price for at least 20 trading days during any 30 consecutive trading day period ending on, and including, the last trading day of the immediately preceding calendar quarter is over 130% of the conversion price on each applicable trading day, at a redemption price equal to 100% of the principal plus accrued and unpaid interest; and
- (ii) if the Company becomes obligated to pay additional amounts as a result of its obligation to bear the cost of Canadian or non-Canadian withholding tax, if applicable.

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**12. EQUITY-SETTLEABLE CONVERTIBLE NOTES** *(continued)*

Redemption can result in exercisability of the conversion option. Holders of Convertible Notes have the right to require the Company to repurchase their Convertible Notes upon the occurrence of certain events.

Pursuant to the indenture governing the terms of the Convertible Notes, as amended by a first supplemental indenture to reflect the name change of the Company in connection with the Separation and a second supplemental indenture to reflect the effects of the Continuation (the "Indenture"), the holders of the Convertible Notes, at their election, were permitted to surrender the Convertible Notes for conversion (i) into common shares of the Company during the approximate 30-trading day period prior to the closing of the Continuation and (ii) into common shares of the Company during the period from and after the closing of the Continuation until approximately the 35th trading day after the closing of the Continuation.

The Conversion Rate (as defined in the Indenture) for the Convertible Notes was initially 21.2307 common shares per \$1,000 principal amount of the Convertible Notes. Pursuant to the terms and conditions of the Indenture, the Conversion Rate for the Convertible Notes was adjusted on October 17, 2023, to 52.6019 common shares of the Company per \$1,000 principal amount of the Convertible Notes based on the trading prices of the Company's common shares over the preceding 10-trading day period due to the Separation transaction. The Conversion Rate for the Convertible Notes was not adjusted as a result of the Continuation. None of the Convertible Notes were surrendered for conversion during the permitted conversion period in connection with the Continuation.

**13. SHARE CAPITAL AND EQUITY COMPENSATION**

On January 23, 2025, the Company completed the Continuation from Canada to Switzerland. As a result of the Continuation, Lithium Argentina's shares were established with a nominal par value of \$0.01 per share. The number of shares outstanding remained unchanged. The components of shareholders' equity have been retrospectively adjusted to reflect the Swiss capital structure in all periods presented.

The share capital is fully paid-in, meaning that the entire issue price of the shares has been fully paid to Lithium Argentina. Lithium Argentina has one class of shares outstanding, being the Common Shares. The Common Shares are not convertible into shares of any other class or series.

***Equity Incentive Plan***

The Company has an equity incentive plan (the "Plan") in accordance with the policies of the TSX whereby, from time to time at the discretion of the Board of Directors, eligible directors, officers, employees and consultants are awarded restricted share units ("RSUs") and performance share units ("PSUs") that, subject to a recipient's deferral right in accordance with the Income Tax Act (Canada), convert automatically into common shares upon vesting. In addition, independent directors are awarded deferred share units ("DSUs"), generally as partial compensation for their services as directors. DSUs may be redeemed by directors for common shares upon retirement or termination from the Board. The Plan also permits the grant of incentive stock options exercisable to purchase common shares of the Company ("stock options"). The Plan is a "rolling plan" pursuant to which the aggregate number of common shares to be issued shall not exceed 8% of the outstanding shares from time to time.

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**13. SHARE CAPITAL AND EQUITY COMPENSATION** *(continued)*

*Restricted Share Units*

During the six months ended June 30, 2025, the Company granted 4,484 RSUs (2024 – 1,883) to its employees and consultants. The total estimated fair value of the RSUs granted was \$12,425 (2024 – \$7,249), based on the market value of the Company's shares on the grant date. As at June 30, 2025, the total unamortized compensation cost related to unvested RSUs was \$13,985 (2024 – \$6,969). During the six months ended June 30, 2025, equity compensation expense related to RSUs of \$5,585 was recognized (2024 – \$695).

A summary of changes to the number of outstanding RSUs is as follows:

	<b>Number of RSUs (in 000's)</b>
Balance, RSUs outstanding as at December 31, 2023	2,247
Converted into shares	(615)
Granted	1,913
Forfeited	(267)
Balance, RSUs outstanding as at December 31, 2024	3,278
Converted into shares	(393)
Granted	4,484
Forfeited	(6)
Balance, RSUs outstanding as at June 30, 2025	7,363

*Deferred Share Units*

During the six months ended June 30, 2025, the Company granted 324 DSUs (2024 – 203) with a total estimated fair value of \$900 (2024 – \$780).

	<b>Number of DSUs (in 000's)</b>
Balance, DSUs outstanding as at December 31, 2023	438
Granted	203
Balance, DSUs outstanding as at December 31, 2024	641
Granted	324
Balance, DSUs outstanding as at June 30, 2025	965

*Stock Options*

During the six months ended June 30, 2025, no stock options were granted by the Company (2024 – 1,225). None of the stock options were exercisable as of June 30, 2025.

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**13. SHARE CAPITAL AND EQUITY COMPENSATION** *(continued)*

A summary of changes to outstanding stock options is as follows:

	<b>Number of Options (in 000's)</b>
Balance, stock options outstanding as at December 31, 2023	1,740
Granted	1,255
Forfeited	(280)
Balance, stock options outstanding as at December 31, 2024	2,715
Balance, stock options outstanding as at June 30, 2025	2,715

As at June 30, 2025, there was \$2,256 (2024 – \$4,179) of total unamortized compensation cost relating to unvested stock options. During the six months ended June 30, 2025, stock-based compensation expense related to stock options of \$1,923 (2024 – \$1,356) was recognized.

*Performance Share Units*

During the six months ended June 30, 2025, the Company did not grant any PSUs (2024 – none). As at June 30, 2025, there was \$244 (2024 – \$412) of total unamortized compensation cost relating to unvested PSUs. During the six months ended June 30, 2025, equity compensation expense related to PSUs of \$168 was charged to operating expenses (2024 – \$246).

A summary of changes to the number of outstanding PSUs is as follows:

	<b>Number of PSUs (in 000's)</b>
Balance, PSUs outstanding as at December 31, 2023	874
Converted into shares	(638)
Balance, PSUs outstanding as at December 31, 2024	236
Converted into shares	(35)
Balance, PSUs outstanding as at June 30, 2025	201

**14. RELATED PARTY TRANSACTIONS**

Any transactions between the Company and its equity-accounted investees Sal de la Puna, Minera Exar, and Exar Capital are considered related party transactions (refer Note 5, 6, 7 and 8).

Minera Exar, one of the Company's equity-accounted investees, has entered into the following transactions with companies controlled by the family of its President, who is also a director of Lithium Argentina:

- Option Agreement with Grupo Minero Los Boros S.A. on March 28, 2016, for the transfer to Minera Exar of title to certain mining properties that comprised a portion of the Cauchari-Olaroz project.
- Expenditures under the construction services contract for the Cauchari-Olaroz project with Magna Construcciones S.R.L. ("Magna") were \$39 for six months ended June 30, 2025.

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**14. RELATED PARTY TRANSACTIONS** *(continued)*

- Service agreement with a consortium owned 49% by Magna. The agreement entered into Q1 2022, is for servicing of the evaporation ponds at Cauchari-Olaroz over a five-year term, for total consideration of \$68,000 (excluding VAT). During the six months ended June 30, 2025, Minera Exar spent \$11,494 (excluding VAT) on the servicing of the evaporation ponds at Cauchari-Olaroz.
- During the six months ended June 30, 2025, Exar Capital facilitated the purchase of certain materials and supplies on behalf of Minera Exar amounting to \$12,352 (2024 – \$8,938). These transactions are settled by Minera Exar upon delivery of the goods and receipt of supplier documentation.
- In Q2 2025, Lithium Argentina and Ganfeng, as the shareholders and lender of Exar Capital, provided an irrevocable commitment to Minera Exar that they would not seek repayment of the amounts advanced or loaned to the Company for a period of twelve months from July 1, 2025.

The amounts due by Minera Exar to related parties arising from such transactions are unsecured, non-interest bearing and have no specific terms of payment.

***Compensation of Key Management***

Key management are the Company's board of directors, and the executive management team. The remuneration of directors and members of the executive management team and amounts due as of March 31, 2025, were as follows:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2025 \$	2024 \$	2025 \$	2024 \$
Equity compensation	4,052	1,831	8,106	3,192
Salaries, bonuses, benefits and directors' fees included in general & administrative expenses	793	508	1,586	968
Salaries, bonuses and benefits included in exploration expenditures	56	57	162	113
Salaries and benefits capitalized to Investment in Cauchari-Olaroz project	55	188	110	329
	4,956	2,584	9,964	4,602

	June 30, 2025 \$	December 31, 2024 \$
Total due to directors	145	111

As of January 23, 2025, the Company entered into new employment contracts with certain members of the executive management team. These contracts were implemented to ensure compliance with Swiss law and include amendments to provisions related to termination and termination upon a change of control.

In consideration for entering into these new employment agreements, the affected executive management team members were granted RSUs, with a total aggregate grant value of \$3,856 for all impacted individuals.

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**15. GENERAL AND ADMINISTRATIVE EXPENSES**

The following table summarizes the Company's general and administrative expenses:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	2024	2025	2024
	\$	\$	\$	\$
Salaries, benefits and directors' fees	2,031	925	3,985	2,413
Office and administration	673	792	1,456	1,414
Professional fees	926	597	1,675	2,079
Regulatory and filing fees	20	125	52	173
Travel	106	67	218	230
Investor relations	407	391	459	461
Depreciation	68	138	186	315
	4,231	3,035	8,031	7,085

**16. EXPLORATION AND EVALUATION EXPENDITURES**

The following table summarizes the Company's exploration and evaluation expenditures:

	Three Months Ended June 30,					
	2025			2024		
	Millennial Projects	Other	Total	Millennial Projects	Other	Total
	\$	\$	\$	\$	\$	\$
Consulting and salaries	740	383	1,123	1,025	416	1,441
Permitting and environmental	40	-	40	105	-	105
Field supplies and other	799	-	799	876	-	876
Depreciation	38	-	38	58	-	58
Drilling and geological expenses	198	-	198	276	-	276
Total exploration expenditures	1,815	383	2,198	2,340	416	2,756

	Six Months Ended June 30,					
	2025			2024		
	Millennial Projects	Other	Total	Millennial Projects	Other	Total
	\$	\$	\$	\$	\$	\$
Consulting and salaries	1,584	776	2,360	1,797	905	2,702
Permitting and environmental	66	-	66	186	-	186
Field supplies and other	966	-	966	2,014	-	2,014
Depreciation	80	-	80	117	-	117
Drilling and geological expenses	537	-	537	822	-	822
Total exploration expenditures	3,233	776	4,009	4,936	905	5,841

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**17. FINANCE AND OTHER COSTS**

The following table summarizes the Company's finance and other costs:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	2024	2025	2024
	\$	\$	\$	\$
Interest on convertible notes	6,854	6,176	13,436	12,172
Other	547	13	549	32
	7,401	6,189	13,985	12,204

**18. FINANCE AND OTHER INCOME**

The following table summarizes the Company's finance and other income:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	2024	2025	2024
	\$	\$	\$	\$
Interest on loans to Exar Capital	11,964	11,269	23,239	21,487
Interest on loans to Minera Exar	1,571	-	3,090	-
Interest on cash and cash equivalents	765	996	1,495	2,183
Other	178	184	355	998
	14,478	12,449	28,179	24,668

**19. SEGMENTED INFORMATION**

The Company is engaged in production, exploration and development of mineral properties in Argentina. Operating segments are reported in a manner consistent with the internal reporting to the executive leadership team who act as the operating decision-makers. The company has identified two operating segments which include Cauchari-Olaroz and Pastos Grandes Basin. The Company's reportable segments and corporate assets are summarized in the following tables:

	Cauchari- Olaroz	Pastos Grandes Basin	Corporate	Total
	\$	\$	\$	\$
<b>As at June 30, 2025</b>				
Property, plant and equipment	-	8,504	491	8,995
Exploration and evaluation assets	-	344,008	15	344,023
Total assets	440,022	608,039	93,004	1,141,065
Total liabilities	-	(670)	(252,148)	(252,818)
<b>For the six months ended June 30, 2025</b>				
Property, plant and equipment additions	-	-	273	273
Loss	(923)	(404)	(9,943)	(11,270)
Exploration expenditures	-	(3,768)	(241)	(4,009)
Interest expense	-	-	(13,436)	(13,436)
<b>For the three months ended June 30, 2025</b>				
Property, plant and equipment additions	-	-	273	273
Loss	(442)	(243)	(3,415)	(4,100)
Exploration expenditures	-	(2,092)	(106)	(2,198)
Interest expense	-	-	(6,854)	(6,854)

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**19. SEGMENTED INFORMATION** *(continued)*

	Cauchari- Olaroz \$	Pastos Grandes Basin \$	Corporate \$	Total \$
<b>As at December 31, 2024</b>				
Property, plant and equipment	-	8,584	404	8,988
Exploration and evaluation assets	-	343,779	15	343,794
Total assets	421,270	614,286	95,667	1,131,223
Total liabilities	-	(575)	(239,718)	(240,293)
<b>For the six months ended June 30, 2024</b>				
Property, plant and equipment additions	-	618	207	825
(Loss)/income	(26,514)	5,036	13,469	(8,009)
Exploration expenditures	-	(5,690)	(151)	(5,841)
Interest expense	-	-	(12,204)	(12,204)
<b>For the three months ended June 30, 2024</b>				
Property, plant and equipment additions	-	46	-	46
(Loss)/income	(14,527)	8,386	8,316	2,175
Exploration expenditures	-	(2,676)	(80)	(2,756)
Interest expense	-	-	(6,189)	(6,189)

The Company's non-current assets are segmented geographically as follows:

	Canada \$	Argentina \$	Total \$
<i>Non-current assets</i> <sup>(1)</sup>			
As at June 30, 2025	404	384,610	385,014
As at December 31, 2024	244	385,457	385,701

<sup>1</sup> Non-current assets attributed to geographical locations exclude financial and other assets.

**20. INCOME TAXES**

In January 2025, the Company completed its corporate continuation from Canada to Switzerland. As a result, the corporate headquarters is now subject to Swiss taxation, and the Canadian tax losses and other Canadian tax attributes are no longer available to offset future taxable income at the corporate level. The Company continues to be subject to income taxes in other jurisdictions, including Canada, Argentina, and the Netherlands, through its subsidiaries.

Following the Continuation, the Company remeasured the tax basis of its corporate level assets and liabilities under Swiss tax rules. This resulted in certain temporary differences arising from the Continuation, and the Company recognized a deferred tax liability of \$1,827, with a corresponding deferred tax expense for the six months ended June 30, 2025.

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**21. FINANCIAL INSTRUMENTS**

Financial instruments recorded at fair value on the consolidated statements of financial position and presented in fair value disclosures are classified using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities;

Level 2 – Inputs other than quoted prices that are observable for assets or liabilities, either directly or indirectly; and

Level 3 – Inputs for assets and liabilities that are not based on observable market data.

The fair value hierarchy requires the use of observable market inputs whenever such inputs are available. A financial instrument is classified at the lowest level of the hierarchy for which a significant input has been used in measuring fair value.

The Convertible Notes derivatives (Note 12) are classified at level 2 of the fair value hierarchy and are measured at fair value on the statement of financial position on a recurring basis. Cash and cash equivalents, receivables and payable associated with lithium carbonate sales and purchases, other receivables/payables, and the debt host of the Convertible Notes are measured at amortized cost on the statement of financial position. As at June 30, 2025, the fair value of financial instruments measured at amortized cost approximates their carrying value.

The Company manages risks to minimize potential losses. The primary objective of the Company's risk management process is to ensure that the risks are properly identified and monitored, and that the capital base maintained by the Company is adequate in relation to those risks. The principal risks impacting the Company's financial instruments are described below.

***Credit Risk***

Credit risk is the risk of loss associated with a counterparty's inability to fulfill its payment obligations. Financial instruments that potentially subject the Company to a concentration of credit risk consist primarily of cash, cash equivalents, receivables from Ganfeng for purchases of lithium carbonate, long-term receivable from JEMSE, and receivables related to loans advanced to Exar Capital and Minera Exar (refer Note 6, 7, 8 and 9).

The Company's maximum exposure to credit risk for cash, cash equivalents, receivables, long-term receivable from JEMSE, and loans to Exar Capital is the amount disclosed in the condensed consolidated statements of financial position. The Company limits its exposure to credit loss on cash and cash equivalents by placing its cash and cash equivalents with two major financial institutions and investing in only short-term obligations, with expected credit losses on cash and cash equivalents estimated to be de minimis. As of June 30, 2025, the Company holds a significant portion of its cash and cash equivalents with a single financial institution. This concentration exposes the Company to credit risk in the event that the financial institution encounters liquidity or credit issues.

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**21. FINANCIAL INSTRUMENTS** *(continued)*

The Company has assessed the creditworthiness of this institution and believes that the risk of default is minimal, given its credit rating. However, the Company intends to further mitigate this risk by diversifying its cash holdings to additional financial institutions subsequent to June 30, 2025. This strategy is designed to reduce concentration risk and enhance overall liquidity management.

The Company and its subsidiaries and investees, including Minera Exar, may from time to time make short-term investments in Argentine government securities, financial instruments guaranteed by Argentine banks, and other Argentine securities. These investments may or may not result in short-term gains or losses.

The Central Bank of Argentina maintains certain currency controls that limit the Company's ability to remit cash to and from Argentina. Blue chip swaps are trade transactions that effectively allow companies to transfer US dollars into and out of Argentina at market exchange rates. The Company used this mechanism to transfer funds to Argentina, which resulted in foreign exchange gain due to the divergence between the Blue Chip Swap market exchange rate and the official Argentine Central Bank rate.

***Liquidity Risk***

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity is to evaluate current and expected liquidity requirements under both normal and stressed conditions, in order to estimate and maintain sufficient reserves of cash and cash equivalents to meet its liquidity requirements in both the short and long-term. The Company prepares annual budgets, which are regularly monitored and updated as considered necessary.

As at June 30, 2025, the Company had \$75,000 available under its undrawn limited recourse loan facility with Ganfeng. As at June 30, 2025, the Company had a cash and cash equivalents balance of \$68,028 and receivables from purchasers for lithium carbonate of \$24,036 to settle current liabilities of \$31,735 (excluding equity-settleable convertible notes).

The following table summarizes the contractual maturities of the Company's financial liabilities on an undiscounted basis:

	Years ending December 31,			Total
	2025	2026	2027 and later	
	\$	\$	\$	\$
Convertible senior notes	2,264	4,528	261,014	267,806
Accounts payable and accrued liabilities	29,495	-	-	29,495
Obligations under office leases <sup>1</sup>	116	120	116	352
<b>Total</b>	<b>31,875</b>	<b>4,648</b>	<b>261,130</b>	<b>297,653</b>

<sup>1</sup>Include principal and interest/finance charges.

The Convertible Notes were classified as current liabilities as at June 30, 2025, since the Notes are convertible at the option of the holders upon satisfaction of certain conditions that are beyond the control of the Company. If such conditions are satisfied, the Notes would be convertible at the option of the holders and upon conversion, the Notes may be settled, at the Company's election, in common shares of the Company, cash or a combination thereof (Note 12).

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**21. FINANCIAL INSTRUMENTS** *(continued)*

The above table summarizes the contractual maturities as at June 30, 2025, with respect to the Convertible Notes assuming such conditions will not be satisfied before the due date.

***Market Risk***

Market risk encompasses a range of risks. Movement in risk factors, such as market price risk, the Company's share price, and currency risk, can affect the fair values of financial assets and liabilities. The Company is exposed to foreign currency risk, as described below.

***Foreign Currency Risk***

The Company's operations in foreign countries are subject to currency fluctuations, which may affect its financial results.

The Company and its subsidiaries and associates have a US dollar functional currency, and it incurs expenditures in Canadian dollars ("CDN\$"), Argentine Pesos ("ARS\$"), Swiss francs ("CHF") and US\$, with the majority of the expenditures being incurred in US\$ by the Company's subsidiaries and investees. As at June 30, 2025, the Company held nominal amounts of cash and cash equivalents denominated in CDN\$, ARS\$, and CHF.