
LARGO PHYSICAL VANADIUM CORP.

CONDENSED INTERIM FINANCIAL STATEMENTS

FOR THE THREE AND SIX MONTHS ENDED
JUNE 30, 2026

(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)

As at,	June 30, 2026	December 31, 2025
Assets		
Current assets		
Cash and cash equivalents	\$ 818,646	\$ 233,138
Prepaid assets	46,455	62,702
Sales tax receivable	16,112	7,135
Total current assets	881,213	302,975
Non-current assets		
Vanadium (Notes 4 and 6)	20,078,150	17,744,700
Total assets	\$ 20,959,363	\$ 18,047,675
Liabilities and Shareholders' Equity		
Current liabilities		
Accounts payable and accruals (Note 6)	\$ 872,460	\$ 765,411
Total liabilities	872,460	765,411
Shareholders' equity		
Common shares (Note 5)	28,103,888	28,103,888
Deficit	(8,016,985)	(10,821,624)
Total shareholders' equity	20,086,903	17,282,264
Total liabilities and shareholders' equity	\$ 20,959,363	\$ 18,047,675

Going concern (Note 1)

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

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

	Three Months Ended June 30,		Six Months Ended June 30,	
	2026	2025	2026	2025
Income				
Net change in unrealized (losses) gains on vanadium (Note 4)	\$ (3,241,810)	\$ -	\$ 2,713,798	\$ (156,686)
Interest income	4	4,937	4	4,937
Realized gain on sale of vanadium (Note 4)	512,989	-	512,989	-
	(2,728,817)	4,937	3,226,791	(151,749)
Expenses				
Professional fees	61,542	4,817	168,814	115,222
Storage and customs	40,930	42,646	86,057	80,463
Management fees	44,015	37,492	88,042	75,425
Director fees (Note 6)	37,500	113,631	75,000	148,973
General and administrative	3,697	5,668	8,608	14,164
Bank charges	340	411	679	808
Total expenses	188,024	204,665	427,200	435,055
Net (loss) income before other income	(2,916,841)	(199,728)	2,799,591	(586,804)
Other income				
Foreign exchange gain	8,073	15,599	5,048	24,713
(Loss) Income for the period	\$ (2,908,768)	\$ (184,129)	\$ 2,804,639	\$ (562,091)
Earnings (Loss) per share - Basic and diluted	\$ (0.17)	\$ (0.01)	\$ 0.17	\$ (0.03)

The notes to the unaudited condensed interim financial statements are an integral part of these financial 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 (\$)
Balance at December 31, 2024	16,816,799	28,103,888	(10,513,315)	17,590,573
Loss and comprehensive loss for the period	-	-	(562,091)	(562,091)
Balance at June 30, 2025	16,816,799	28,103,888	(11,075,406)	17,028,482
Balance at December 31, 2025	16,816,799	28,103,888	(10,821,624)	17,282,264
Income and comprehensive income for the period	-	-	2,804,639	2,804,639
Balance at June 30, 2026	16,816,799	28,103,888	(8,016,985)	20,086,903

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

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

Six months ended June 30,	2026	2025
Cash flows from operating activities		
Net income (loss) for the period	\$ 2,804,639	\$ (562,091)
Non-cash items:		
Realized gain on sale of vanadium (Note 4)	(512,989)	-
Net change in unrealized (gains) losses on vanadium (Note 4)	(2,713,798)	156,686
	(422,148)	(405,405)
Changes in non-cash working capital:		
Accounts payable and accruals	107,049	(22,273)
Sales tax receivable	(8,977)	(9,571)
Prepaid expenses	16,247	(14,391)
Net cash used in operating activities	(307,829)	(451,640)
Cash flows from investing activities		
Proceeds on sale of vanadium (Note 4)	893,337	-
Net cash provided by investing activities	893,337	-
Change in cash and cash equivalents during the period	585,508	(451,640)
Cash and cash equivalents, beginning of the period	233,138	864,177
Cash and cash equivalents, end of the period	\$ 818,646	\$ 412,537

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

Largo Physical Vanadium Corp.
Notes to the Condensed Interim Financial Statements
For the three and six months ended June 30, 2026
(Expressed in United States Dollars)
(Unaudited)

1. Nature of operations and going concern

Largo Physical Vanadium Corp. (the "Company" or "LPV") 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" and on the OTCQX Best Market under the symbol "VANAF". The Company was formed by Largo, Inc. ("Largo"), the ultimate parent company of LPV to create 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.

Going Concern

These unaudited condensed interim 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 for the Company's vanadium may be substantially different from current fair values as shown due to changes in fair value in subsequent periods.

As at June 30, 2026, the Company had not generated any operating revenue. The Company has incurred a \$(2,908,768) and \$2,804,639 net (loss) income for the three and six months ended June 30, 2026 respectively (three and six months ended June 30, 2025 - \$184,129 and \$562,091 net loss respectively).

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 unaudited condensed interim 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. Such adjustments may be material.

2. Statement of compliance and basis of preparation

2.1 Statement of compliance

The Company applies IFRS® Accounting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations issued by the International Financial Reporting Interpretations Committee ("IFRIC"). These unaudited condensed interim financial statements of the Company have been prepared in accordance with International Accounting Standard 34, Interim Financial Reporting ("IAS 34"), as issued by the IASB, effective for the reporting period ended June 30, 2026.

The unaudited condensed interim financial statements were authorized for issuance by the board of directors of the Company on August 11, 2026.

2. Statement of compliance and basis of preparation (cont'd)

2.2 Basis of measurement

These unaudited condensed interim financial statements have been prepared on a historical cost basis except for vanadium which is carried at fair value.

2.3 Functional and presentation currency

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

2.4 New accounting standards issued and effective

The following amendments were effective for the Company from January 1, 2026:

- Classification and measurement of Financial Instruments - Amendments to IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosures
- Annual Improvements to IFRS Accounting Standards - Amendments to:
 - IFRS 7 Financial Instruments: Disclosures and its accompanying Guidance on implementing IFRS 7;
 - IFRS 9 Financial Instruments;
 - IFRS 10 Consolidated Financial Statements; and
 - IAS 7 Statement of Cash flows

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

Accounting Pronouncements Issued but not yet Effective

IFRS 18, Presentation and Disclosure in Financial Statements ("IFRS 18")

In April 2024, the IASB issued a new accounting standard, IFRS 18, *Presentation and Disclosure in Financial Statements* to improve the reporting of financial performance, which will replace IAS 1, while maintaining many of the existing requirements in IAS 1. IFRS 18 introduces new requirements to present specified categories and defined subtotals in the Consolidated Statements of Operations and Comprehensive Income, provide disclosures on management-defined performance measures in the notes to consolidated financial statements and adding new principles for the aggregation and disaggregation of information. In addition, some of the requirements in IAS 1 will be moved to IAS 8, Accounting Policies, Changes in Accounting Estimates and Errors and IFRS 7, as well as minor amendments to IAS 7 and IAS 33, Earnings per Share. IFRS 18 is effective for annual periods beginning on or after January 1, 2027, with early adoption permitted. The Company is currently evaluating the impact of the standard on its financial statements.

Largo Physical Vanadium Corp.
Notes to the Condensed Interim Financial Statements
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3. Significant accounting judgments, estimates and assumptions

The preparation of the unaudited condensed interim financial statements in conformity with IAS 34 requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the unaudited condensed interim 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.

4. Vanadium assets

Vanadium assets are held on the unaudited condensed interim financial statements at fair value, determined by multiplying the current market price on the period end date, by the quantity and associated purity at the date of the statements.

	Amount (\$)
Opening balance as at January 1, 2026	17,744,700
Cost of vanadium assets sold during the period	(380,348)
Change in fair value	2,713,798
Ending balance as at June 30, 2026	20,078,150

Change in fair value during 2026:

Change in unrealized appreciation during the period	2,713,798
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Segmented information is given in note 7.

	Amount (\$)
Opening balance as at January 1, 2025	17,304,612
Change in fair value	440,088
Ending balance as at December 31, 2025	17,744,700

Change in fair value during 2025:

Change in unrealized appreciation during the year	440,088
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During the year ended December 31, 2025, the Company entered into no new agreements relating to the purchase and sale of physical vanadium with Largo Commodities Trading Ltd. ("LCTL"), a Largo subsidiary. No new agreements entered during the three and six months ended June 30, 2026.

Sale of vanadium

During the three and six months ended June 30, 2026, the Company sold vanadium to LCTL for total consideration of \$893,337. The cost of the vanadium sold was \$380,348, the Company realized a gain of \$512,989.

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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 June 30, 2026, and June 30, 2025:

	Number	Amount (\$)
Balance as at December 31, 2024 and June 30, 2025	16,816,799	28,103,888
Balance as at December 31, 2025 and June 30, 2026	16,816,799	28,103,888

6. 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 three and six months ended June 30, 2026, the Company paid professional fees totaling \$23,119 and \$47,599 respectively (three and six months ended June 30, 2025 - \$19,187 and \$51,905 respectively), 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, (ii) corporate secretarial services and regulatory filing services, and (iii) transfer agent services.

During the three and six months ended June 30, 2026, the Company incurred \$37,500 and \$75,000 respectively (three and six months ended June 30, 2025 - \$113,631 and \$148,973 respectively) related to fees paid to the Board of directors.

Transactions entered with Largo and LCTL during the three and six months ended June 30, 2026 and June 30, 2025 were as follows:

- For the six months ended June 30, 2026, the Company entered into a sale of vanadium with LCTL, where it sold vanadium with an original weighted average cost of \$380,348 for \$893,337. For the six months ended June 30, 2025, the Company did not have any sales of vanadium with LCTL. See note 4.
- During the three and six months ended June 30, 2026, the Company incurred management fees of \$44,015 and \$88,042 respectively (three and six months ended June 30, 2025 - \$37,492 and \$75,425 respectively) to Largo, Term Oil Inc. (a subsidiary of the Company's parent company, Largo) and SCP Resource Finance in exchange for management services under the technical advisory agreement between the Company and Largo as well as the Company, Term Oil Inc. and SCP Resource Finance dated April 14, 2022, as amended November 16, 2023.
- As at June 30, 2026, the Company had accounts payable and accruals to Largo and related entities - including SCP Resource Finance and Term Oil Inc., of \$482,409 (December 31, 2025 - \$400,833).

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7. 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. The segmented information on a geographic basis as at June 30, 2026 and December 31, 2025 is as follows:

	South Korea	Netherlands	Canada	Total
June 30, 2026				
Current assets	\$ -	\$ -	\$ 881,213	\$ 881,213
Non-current assets - Vanadium	2,657,280	7,740,762	9,680,108	20,078,150
	South Korea	Netherlands	Canada	Total
December 31, 2025				
Current assets	\$ -	\$ -	\$ 302,975	\$ 302,975
Non-current assets - Vanadium	2,565,800	7,128,568	8,050,332	17,744,700