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**Largo Physical Vanadium Corp.**

**Interim Management's Discussion and**

**Analysis – Quarterly Highlights**

**Nine Months ended September 30, 2024**

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## **BACKGROUND**

The following interim management's discussion and analysis ("MD&A") of the financial condition and results of the operations of Largo Physical Vanadium Corp. ("we", "us", "our", "LPV" or the "Company") constitutes management's review of the factors that affected the Company's financial and operating performance for the nine months ended September 30, 2024 and 2023. This MD&A has been prepared in compliance with the requirements of National Instrument 51-102 – Continuous Disclosure Obligations. This discussion should be read in conjunction with the audited financial statements of the Company for the years ended December 31, 2023, and 2022, and the unaudited condensed interim financial statements for the three and nine months ended September 30, 2024, together with the notes thereto. Results are reported in United States dollars, unless otherwise noted. The unaudited condensed consolidated interim financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB"). Information contained herein is presented as of October 28, 2024, unless otherwise indicated.

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

Further information about the Company and its operations can be obtained from the offices of the Company or from [www.sedarplus.ca](http://www.sedarplus.ca).

## **FORWARD LOOKING INFORMATION AND GOING CONCERN**

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

Forward-looking information in this MD&A includes, but is not limited to, information relating to the Company's future financial and business operations outlook as set forth in the section entitled "Outlook" herein, statements regarding the Company's business, future development, future financial position, strategy and investment policies, demand for, supply and the prices of vanadium, the competitiveness of vanadium redox flow battery products ("**VRFBs**") in the long-duration energy storage (LDES) market and the ability of Largo Inc. ("**Largo**") to deploy and the Company to benefit from deployment of VRFBs, the expected payment of storage fees under the safekeeping agreement between the Company and Largo dated April 14, 2022, which was assigned by Largo to its wholly-owned subsidiary Largo Clean Energy Corp. on March 29, 2024 (the "**Safekeeping Agreement**"), the Company's ability to continue as a going concern, and general business and economic conditions. In developing the forward-looking information in this MD&A, we have applied several material assumptions, as set out here, including those under the section "Outlook" and those related to general business and economic conditions.

Forward-looking information involves known and unknown risks, uncertainties and other factors which may cause the actual results, performance, or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by the forward-looking

information. Although the Company has attempted to identify important factors, in the section entitled "Risk Factors", that could cause actual actions, events or results to differ materially from those described in forward-looking information, there may be other factors that cause actions, events or results not to be as anticipated, estimated or intended. There can be no assurance that forward-looking information will prove to be correct, as actual results and future events could differ materially from those expected in such information.

#### **KEY PERFORMANCE INDICATORS (NON-IFRS MEASURES)**

This MD&A refers to certain non-IFRS measures, which are used to provide investors with supplemental measures of the Company's operating performance and highlight trends that may not otherwise be clear when relying solely on IFRS measures. The Company also believes that providing such information to securities analysts, investors and other interested parties who often use non-IFRS measures in the evaluation of issuers will allow them to better compare the Company's performance against others in its industry. Management also uses non-IFRS measures to help operating performance comparisons from period to period, to prepare annual operating budgets and forecasts. Such non-IFRS measures are not standardized financial measures under IFRS and might not be comparable to similar financial measures disclosed by other issuers. Reconciliations of these non-IFRS measures to the nearest IFRS measure are provided in the section entitled "Ratios and Supplemental Data".

These non-IFRS measures are defined below:

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

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

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

**"Net asset value per share"** is equal to total net assets divided by the total number of shares outstanding.

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

#### **COMPANY OVERVIEW AND UPDATE**

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

The Company is listed on the TSX Venture Exchange ("**TSX-V**") under the symbol "**VAND**" and on the OTCQX Best Market ("**OTCQX**") under the symbol "**VANAF**".

**LARGO PHYSICAL VANADIUM CORP.**  
**Interim Management's Discussion and Analysis – Quarterly Highlights**  
**Nine Months ended September 30, 2024**  
**Dated: October 28, 2024**

---

VRFB business update

LPV's strategy is not only to achieve appreciation through the acquisition of vanadium, but to own and actively supply (via long-term rental contracts) vanadium to end users of Vanadium Redox Flow Batteries (VRFBs) to advance to integration of renewable energy in long duration storage. However, the market for VRFBs, and so, for LPV to own and actively supply (via long-term rental contracts) vanadium to end users of VRFBs and earn storage fees under the Safekeeping Agreement, is in the nascent stages. No set time frame exists, and one cannot be estimated, for market development and implementation of this objective. LPV is dependent on Largo, in its role as safekeeper under the Safekeeping Agreement, for the deployment of VRFBs, and there can be no assurance that Largo and LPV will be able to negotiate and secure opportunities to deploy VRFBs, or to do so on favourable terms.

The Company's significant shareholder has indicated to LPV that its VRFB business has been slow to commence the active supply of vanadium to end users, however, it is commissioning its first commercial 6.1MWh battery system in Spain for Italian energy giant, Enel and rental revenues may begin thereafter. It is also important to note that VRFB deployment, although growing, is still a small industry outside of China. LPV expects VRFB adoption in China to continue and thus wants to position itself early. However, as LPV focuses on deployments in OECD countries, LPV believes the market still needs to mature to offer further opportunities.

The Safekeeping Agreement provides that, to the extent opportunities are identified and executed to deploy VRFBs using the Company's vanadium, storage fees payable by Largo to LPV will be not less than 1% of the Market Price of the applicable vanadium (as defined in the Safekeeping Agreement) per annum. Such storage fees may be higher than 1% per annum, to the extent market prices for vanadium so dictate. The Safekeeping Agreement further provides that Largo as safekeeper may charge VRFB customers separate discretionary fees for the sale, supply, or servicing of the applicable VRFB by Largo (or its affiliates) that differ from a pure annual rental fee payment (i.e., storage fees), to which discretionary fees LPV would not be entitled.

Safekeeping of vanadium

The Safekeeper has arranged for storage of the Company's physical vanadium at the following warehouses: QSL Montreal (Canada), IH Mathers Halifax (Canada), C. Steinweg Rotterdam (Netherlands) and C. Steinweg Busan (South Korea), Sebang Busan (South Korea) (the "**Storage Facilities**"). C. Steinweg and Sebang are leading storage providers in the metals and vanadium industry and QSL and IH Mathers are professional warehouses based in Canada. Currently, the Company's physical vanadium is not segregated from the physical vanadium of Largo, but it is fully distributed in that specific units are distributed to LPV and easily distinguished from non-LPV materials based on lot numbers.

All Storage Facilities are well-established leading warehouse providers that are highly specialized, qualified, and ISO-certified and the jurisdictions in which the Storage Facilities are located are all advanced economies with regulations like those in Canada. Largo is the counterparty to the agreements with the Storage Facilities under which the materials are stored, which storage agreements have terms and conditions that are customary for industry participants in all material respects.

Supply arrangements with Largo

Largo or independent third parties perform stock counts at the Storage Facilities each quarter based on a materiality assessment (volume). Regardless of attendance at the stock count, each quarter Largo requests warehouses to complete a stock count and provide a stock report and Largo reconciles these reports back to its internal records. Any discrepancies (other than *de minimis*) are investigated.

While the Company has a right of first refusal on Largo's uncommitted vanadium on and pursuant to the terms of the supply agreement between the Company and Largo dated April 14, 2022 (the "**Supply**

**Agreement**”), the Company is not dependent on the supply by Largo of physical vanadium under the Supply Agreement, or on Largo's production from the Maracás Menchen Mine in Brazil (nor is any vanadium of the Company stored in Brazil).

Other than where it could be provided on the most advantageous terms, the Company does not need to purchase any supply of physical vanadium from Largo and can buy from third parties. Pursuant to the Technical Advisory Agreement between the Company and Largo dated April 14, 2022, as amended November 16, 2023 (the “**Technical Advisory Agreement**”), Largo as technical advisor is required to make reasonable efforts to achieve the most advantageous terms available under the circumstances in respect of purchases of material for the Company made at the Company's request. The Company can purchase, and has purchased, physical vanadium from other third-party producers/suppliers. Since inception, the Company has purchased from approximately 10 unique third parties, as specifically contemplated by the Technical Advisory Agreement.

On November 16, 2023, LPV announced amendments to the Technical Advisory Agreement and the advisory services agreement among LPV, Term Oil and SCP Resource Finance LP (“**SCP**”) dated April 14, 2022 (the “**Advisory Services Agreement**”), which included removing the requirement for LPV to pay any “transaction fees” to the applicable counterparty and removing the requirement to pay a portion of LPV'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.

As a result, the Company does not believe that Largo's production ability and previously committed sales are material to investors. The Company is advised that Largo typically commits most of its future planned production under annual contracts depending on market conditions and that the rest of Largo's production is distributed to the spot market.

## **VANADIUM PRICE ENVIRONMENT**

The value of LPV's physical vanadium fluctuated over the period, driven primarily by changes in the price of V2O5 and industry sentiment. According to the Fastmarkets Metal Bulletin, the price of V2O5 in Europe decreased by 13.5% in Q3 2024 and decreased by 20.46% since the start of the year. The price of V2O5 in Europe started the year at \$6.53 per pound of V2O5 and ending the nine month period at \$5.19 per pound of V2O5, averaging \$6.04 per pound of V2O5 throughout the nine months ended September 30, 2024. Subsequent to quarter end, the V2O5 price has been pretty much the same.

## **Q3 2024 HIGHLIGHTS**

On July 9, 2024, the Company appointed Francesco D'Alessio as the Chief Executive Officer (“**CEO**”) of the Company effective July 9, 2024, to replace Paul Vollant, who will continue to serve on the Company's Board of Directors.

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 and sold 25MT of vanadium for \$501,345. The net cash outlay in the transaction was \$49,007.

## **Results of operations:**

- The Company held 1,075MT (September 30, 2023: 1100MT) of physical vanadium products made up of ferrovanadium, vanadium pentoxide and vanadium trioxide as of September 30, 2024. As of September 30, 2024, the spot price of the physical vanadium was \$23.75 (September 30, 2023: \$30.02) per kg V.
- The Company's common shares closed at \$ 0.60 (\$0.81 CAD) per share on the TSX-V on September 30, 2024.

**LARGO PHYSICAL VANADIUM CORP.**  
**Interim Management's Discussion and Analysis – Quarterly Highlights**  
**Nine Months ended September 30, 2024**  
**Dated: October 28, 2024**

---

- The Company's cash operating costs for the nine months ended September 30, 2024, were \$578,396 (nine months ended September 30, 2023 – \$850,257) and amounted to approximately 3.31% (nine months ended September 30, 2023 – 3.87%) of the average net assets.

*Three months ended September 30, 2024, compared to the three months ended September 30, 2023:*

The Company's net loss totaled \$1,455,512 for the three months ended September 30, 2024, with basic and diluted loss per share of \$0.09. This compares with net loss of \$2,683,125 with basic and diluted loss per share of \$0.16 for the three months ended September 30, 2023. The decrease in net loss of \$1,227,613 was principally due to:

- The Company incurred certain legal, accounting, and other professional fees of \$23,557 for three months ended September 30, 2024, compared to \$183,528 in the comparative period.
- The Company incurred management fees of \$39,511 (comparative period - \$50,165) related to Technical Advisory and Advisory Services Agreements among the Company and Largo, Term Oil and SCP, as applicable. There are no fees rendered for safekeeping services provided under the Safekeeping Agreement.
- The Company incurred director fees of \$36,575 (comparative period - \$37,397).
- The Company recorded a total loss of \$1,171,355 (comparative period - \$2,322,103) on the revaluation of vanadium due to a decrease in the price of vanadium of 1,075 MT (comparative period – 1,100 MT) of vanadium held as of September 30, 2024. The revaluation of vanadium is due to vanadium price fluctuations.
- The Company recorded an unrealized foreign exchange gain of \$24,574 during the three months ended September 30, 2024, in relation to transactions in currencies other than the Company's functional currency (comparative period – foreign exchange loss - \$1,769).

*Nine months ended September 30, 2024, compared to the nine months ended September 30, 2023:*

The Company's net loss totaled \$2,892,715 for the nine months ended September 30, 2024, with basic and diluted loss per share of \$0.17. This compares with a net loss of \$5,296,026 with basic and diluted loss per share of \$0.31 for the nine months ended September 30, 2023. The decrease in net loss of \$2,403,311 was principally due to:

- The Company incurred certain legal, accounting, and other professional fees of \$189,024 for nine months ended September 30, 2024, compared to \$458,533.
- The Company incurred management fees of \$122,416 (comparative period - \$172,213) related to Technical Advisory and Advisory Services Agreements among the Company and Largo, Term Oil and SCP, as applicable. There are no fees rendered for safekeeping services provided under the Safekeeping Agreement and \$125,428 (comparative period negative - \$46,889) towards storage and customs.
- The Company incurred director fees of \$111,781 (comparative period - \$186,849).
- The Company recorded a total loss of \$2,181,962 (comparative period - \$4,826,786) on the revaluation of vanadium due to a decrease in the price of vanadium of 1,075 MT (comparative period – 1,100 MT) of vanadium held as of September 30, 2024. The revaluation of vanadium is due to vanadium price fluctuations.
- The Company recorded an unrealized foreign exchange loss of \$757 during the nine months ended September 30, 2024, in relation to transactions in currencies other than the Company's functional

**LARGO PHYSICAL VANADIUM CORP.**  
**Interim Management's Discussion and Analysis – Quarterly Highlights**  
**Nine Months ended September 30, 2024**  
**Dated: October 28, 2024**

---

currency (comparative period – foreign exchange gain - \$51,301).

***Statement of Cash Flows***

	<b>Nine months ended September 30, 2024</b>	<b>Nine months ended September 30, 2023</b>
Cash flows used in operating activities	\$ 265,451	\$ (1,801,260)
Cash flows used in investing activities	\$ (49,007)	\$ (4,597,197)
Cash flows from financing activities	\$ -	\$ -

On September 30, 2024, the Company had \$998,157 (September 30, 2023: \$15,920) in cash. As of September 30, 2024, the Company held no cash equivalents (September 30, 2023: nil).

**Operating Activities:**

Cash flows used in operating activities were a result of the comprehensive loss for nine months ended September 30, 2024, of \$2,892,715 (September 30, 2023: \$5,296,026), with the following adjustments:

- Non-cash adjustments of \$2,181,962 (September 30, 2023: 4,826,786) for the unrealized loss on the change in fair value of vanadium held.
- Non-cash adjustment of \$nil (September 30, 2023: \$40,405) for unrealized foreign exchange gain incurred for the nine months ended September 30, 2024.
- Non-cash adjustment of \$nil (September 30, 2023: \$329,716) for the recognition of deferred tax recovery which resulted in a nil balance for the deferred tax liability on September 30, 2024.
- Change in the Company's working capital balance and non-cash adjustments resulted in a positive cash flow of \$831,739 (September 30, 2023: negative \$961,899).

**Investing Activities:**

- For the nine months ended September 30, 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 and sold 25MT of vanadium for \$501,345, of which a net of \$49,007 was paid in cash (for the nine months ended September 30, 2023, the Company completed the purchase of \$10,943,926 of vanadium, of which \$4,597,197 was paid in cash in the nine-month period, \$1,015,308 was settled through the purchase and sale of vanadium inventories and the remainder related to vanadium prepaid in prior periods).

**Financing Activities:**

- No cash flows were used or raised in the Company's financing activities for the nine months ended September 30, 2024 (September 30, 2023: \$nil).

**LARGO PHYSICAL VANADIUM CORP.**  
**Interim Management's Discussion and Analysis – Quarterly Highlights**  
**Nine Months ended September 30, 2024**  
**Dated: October 28, 2024**

***Ratios and Supplemental Data***

Physical vanadium:

As of September 30, 2024, the Company has entered into a swap transaction for purchase and sale of vanadium. A reconciliation of vanadium products, held by the Company as of December 31, 2023, and September 30, 2024, is as follows:

	<b>Volume (MT)</b>	<b>Amount (\$)</b>
Ending balance as of December 31, 2023	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)
Ending balance as of September 30, 2024	1,075	16,806,903

Location wise segmented information:

	<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
Revenue	-	-	-	-

	<b>South Korea</b>	<b>Netherlands</b>	<b>Canada</b>	<b>Total</b>
<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
Revenue	-	-	-	-

Other ratios and supplemental data:

	<b>September 30, 2024</b>	<b>December 31, 2023</b>
Total net asset value <sup>1</sup>	\$ 17,454,838	\$ 20,347,553
Number of common shares outstanding	16,816,799	16,816,799
Quarterly management expense ratio <sup>2</sup>	0.94%	-
Annual management expense ratio	3.31%	5.78%
Net asset value per share	\$ 1.04	\$ 1.21
Net asset value per kg of vanadium <sup>3</sup>	\$ 16.24	\$ 19.20
Closing share price - TSX-V	\$ 0.81	\$ 1.10

1. Net asset value is a non-IFRS measure and is equal to total assets, less total liabilities on the unaudited statement of financial position.
2. Management expense ratio is a non-IFRS measure and is calculated based on total expenses (including applicable Canadian taxes and excluding commissions) for the stated period and is expressed as a percentage of average net asset value during the period.
3. Net asset value per kg of vanadium is a non-IFRS measure and is calculated as total net asset value divided by the amount of vanadium on hand (includes vanadium as well as prepaid inventory).



**LARGO PHYSICAL VANADIUM CORP.**  
**Interim Management's Discussion and Analysis – Quarterly Highlights**  
**Nine Months ended September 30, 2024**  
**Dated: October 28, 2024**

Net asset value

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

	<b>September 30, 2024</b>	<b>December 31, 2023</b>
Total assets	\$ 17,844,864	\$ 20,796,534
Total liabilities	(390,026)	(448,981)
Total net asset value	\$ 17,454,838	\$ 20,347,553

Management expense ratio

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

	<b>September 30, 2024</b>	<b>December 31, 2023</b>
Total expenses	\$ 578,396	\$ 1,175,837
Average net assets	17,454,838	20,347,553
Management expense ratio	3.31%	5.78%

Net asset value per share

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

	<b>September 30, 2024</b>	<b>December 31, 2023</b>
Total net assets	\$ 17,454,838	\$ 20,347,553
Total shares outstanding	16,816,799	16,816,799
Net asset value per share	\$ 1.04	\$ 1.21

Net asset value per kg of vanadium

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

	<b>September 30, 2024</b>	<b>December 31, 2023</b>
Total net assets	\$ 17,454,838	\$ 20,347,553
Total vanadium (KG)	1,075,000	1,060,000
Net asset value per KG	\$ 16.24	\$ 19.20

**LARGO PHYSICAL VANADIUM CORP.**  
**Interim Management's Discussion and Analysis – Quarterly Highlights**  
**Nine Months ended September 30, 2024**  
**Dated: October 28, 2024**

Cash operating costs

<b>Cash Operating Costs</b>	<b>Three months ended September 30, 2024 Amount (\$)</b>	<b>Three months ended September 30, 2023 Amount (\$)</b>	<b>Nine months ended September 30, 2024 Amount (\$)</b>	<b>Nine months ended September 30, 2023 Amount (\$)</b>
Bank Charges	372	445	1,062	1,793
Professional fees	23,557	183,528	189,024	458,533
Management fees	39,511	50,165	122,416	172,213
General and administrative	100,826	125,115	265,894	217,718
<b>Total cash operating costs</b>	<b>164,266</b>	<b>359,253</b>	<b>578,396</b>	<b>850,257</b>
<b>Net assets</b>	<b>17,454,838</b>	<b>21,969,766</b>	<b>17,454,838</b>	<b>21,969,766</b>
<b>Cash operating costs/WAV NAV</b>	<b>0.94%</b>	<b>1.64%</b>	<b>3.31%</b>	<b>3.87%</b>

**LIQUIDITY AND CAPITAL RESOURCES**

As of September 30, 2024, the Company's operations have been financed from cash held. The cash was generated through the issuance of shares. The period from incorporation on January 20, 2022, to September 30, 2024, consisted of the issuance of shares as summarized below:

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

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

**Sources and uses of funds**

As of September 30, 2024, the Company had cash of \$998,157 (December 31, 2023: \$781,713), which it expects to primarily be used to fund operating costs and some small purchases of physical vanadium. Pursuant to the Company's investment policy, 90% of the total net assets of the Company will be held in physical vanadium, provided however that in circumstances where the Company's Board believes that it is in the best interests of LPV, LPV may sell some or all its holdings in physical vanadium, which circumstances may include where insufficient cash is available to fund operating costs.

As of September 30, 2024, 96% (December 31, 2023: 94%) of the total net assets are held in vanadium.

**LARGO PHYSICAL VANADIUM CORP.**  
**Interim Management's Discussion and Analysis – Quarterly Highlights**  
**Nine Months ended September 30, 2024**  
**Dated: October 28, 2024**

The following table sets forth the funds expected to be spent for calendar 2024:

<b>Funds Available to LPV</b>	<b>\$998,157</b>
General and administrative expenses <sup>(1)</sup>	(\$181,604)
Net purchases of vanadium	(\$49,007)
<b>Excess Funds Available to LPV for General Working Capital</b>	<b>\$767,646</b>

<sup>(1)</sup> During fiscal 2024, the Company's general and administrative expenses are estimated to be \$760,000. Estimated costs remaining from October 1, 2024, to December 31, 2024, are \$181,604.

As of September 30, 2024, the Company did not generate any operating revenue and requires additional financing to fund its planned operations for the next twelve months. Both 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, on ability to realize its assets and discharge its liabilities in the normal course of business. The Company's ability to continue as a going concern is dependent upon the ability of the Company to generate positive cash flows from its operations, including through any sales of vanadium and to raise additional financing.

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

#### **RELATED PARTY TRANSACTIONS**

Key management personnel are those people who have 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.

The Company also paid \$111,781 (September 30, 2023: \$186,849) related to director fees to the directors for their service.

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.
- 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 of September 30, 2024, the Company had accounts payable and accrued liabilities payable to Largo of \$146,034 (September 30, 2023 - \$149,062).

## **RISK FACTORS**

An investment in the Company's securities is highly speculative and involves numerous and significant risks. Such investment should be undertaken only by investors whose financial resources are sufficient to enable them to assume these risks and who have no need for immediate liquidity in their investment. Prospective investors should carefully consider the risk factors that have affected, and which in the future are reasonably expected to affect, the Company and its financial position. Please refer to the section entitled "Risk Factors" in the Company's annual MD&A for the fiscal year ended December 31, 2023, available on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca).