

Lithium Africa Resources Corp.

Consolidated Financial Statements

For the years ended December 31, 2025 and 2024

Lithium Africa Resources Corp.
For the years ended December 31, 2025 and 2024

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Independent Auditor's Report

To the Board of Directors of
Lithium Africa Resources Corp.

Opinion

We have audited the consolidated financial statements of Lithium Africa Resources Corp. (the "Company"), which comprise the consolidated statements of financial position as at December 31, 2025 and 2024, and the consolidated statements of loss and comprehensive loss, changes in shareholders' equity, and cash flows for the years then ended, and notes to the consolidated financial statements, including material accounting policy information (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2025 and 2024, and its financial performance and its cash flows for the years then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board ("IASB").

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards ("Canadian GAAS"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty related to Going Concern

We draw attention to Note 2 in the financial statements, which indicates that the Company incurred a net loss of \$11,050,266 and used \$1,476,515 cash in its operating activities during the year ended December 31, 2025. In addition, the Company is a resource exploration stage company, which does not generate any revenues. As stated in Note 2, these events or conditions, along with other matters as set forth in Note 2, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Other Information

Management is responsible for the other information. The other information comprises of Management's Discussion and Analysis.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We obtained Management's Discussion and Analysis prior to the date of this auditor's report. If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact in this auditor's report. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS Accounting Standards as issued by the IASB, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian GAAS will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian GAAS, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Company as a basis for forming an opinion on the financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

/s/ Deloitte LLP

Chartered Professional Accountants
Vancouver, British Columbia
April 30, 2026

Lithium Africa Resources Corp.
Consolidated Statements of Financial Position
(Expressed in United States dollars)

| | Notes | December 31, 2025 | December 31, 2024 |
|---|-------|----------------------|----------------------|
| ASSETS | | | |
| Current Assets | | | |
| Cash | | \$ 111,702 | \$ 1,021,204 |
| Restricted cash | 11 | 1,949,884 | - |
| Amounts receivable | | 19,520 | 15,326 |
| Prepaid expenses and deposits | 4 | 198,418 | 71,723 |
| Related party receivables | 5,12 | 519,201 | 485,853 |
| Deferred acquisition cost | | 25,000 | - |
| Advances to joint ventures | 5 | - | 1,000,000 |
| | | 2,823,725 | 2,594,106 |
| Non-current assets | | | |
| Interests in joint ventures | 5 | 3,279,701 | 8,391,875 |
| Equity investment | 6 | 112,390 | 112,390 |
| Property and equipment | 7 | 42,770 | - |
| | | 3,434,861 | 8,504,265 |
| TOTAL ASSETS | | \$ 6,258,586 | \$ 11,098,371 |
| LIABILITIES AND SHAREHOLDERS' EQUITY | | | |
| Current liabilities | | | |
| Accounts payable and accrued liabilities | 8 | \$ 613,345 | \$ 145,281 |
| Other payables | | 92,685 | 92,685 |
| Deposits on shares | 11 | 1,949,884 | - |
| Embedded derivative liability | | - | 96,917 |
| TOTAL LIABILITIES | | 2,655,914 | 334,883 |
| SHAREHOLDERS' EQUITY | | | |
| Common shares | 9 | 9,145,333 | 6,150,755 |
| Preferred shares | 9 | 6,491,968 | 6,491,968 |
| Reserves | 9 | 3,707,789 | 2,694,314 |
| Accumulated other comprehensive income | 9 | 6,416 | 125,019 |
| Accumulated deficit | | (15,748,834) | (4,698,568) |
| TOTAL SHAREHOLDERS' EQUITY | | 3,602,672 | 10,763,488 |
| TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY | | \$ 6,258,586 | \$ 11,098,371 |

General information and Going Concern (Note 1 & 2)
Subsequent events (Note 15)

Approved and authorized on behalf of the Board on April 30, 2026:



Carl Esprey, Director



Tyron Breytenbach, Director

The accompanying notes are an integral part of these consolidated financial statements.

Lithium Africa Resources Corp.
Consolidated Statements of Loss and Comprehensive Loss
(Expressed in United States dollars)

| | Note | Twelve months ended December 31, 2025 | | Twelve months ended December 31, 2024 | |
|--|------|--|-------------------|--|-------------------|
| Operating Expenses | | | | | |
| Exploration and evaluation | 13 | \$ | 807,482 | \$ | 105,322 |
| Fees, salaries and other benefits | | | 242,148 | | 299,490 |
| Share-based compensation | 9 | | 1,449,893 | | 2,755,886 |
| Legal and professional | | | 822,961 | | 211,665 |
| Office and administration | | | 152,131 | | 130,081 |
| Marketing and investor relations | | | 131,645 | | 43,910 |
| Total operating expenses | | | 3,606,260 | | 3,546,354 |
| Other expenses | | | | | |
| Unrealized foreign exchange (gain) / loss | | | (348,083) | | 389,935 |
| Shares issued for penalty | 9 | | 370,140 | | - |
| Share of loss on joint venture | 5 | | 7,518,866 | | 2,427,392 |
| Fair value change on embedded derivative liability | | | (96,917) | | (45,890) |
| Total other expense | | | 7,444,006 | | 2,771,437 |
| Loss for the year | | \$ | 11,050,266 | \$ | 6,317,791 |
| Loss attributable to: | | | | | |
| Shareholders of the Company | | | 11,050,266 | | 6,317,791 |
| | | \$ | 11,050,266 | \$ | 6,317,791 |
| Other comprehensive loss / (income) | | | | | |
| Share of other comprehensive loss / (gain) in joint venture | | | 93,308 | | (94,756) |
| Foreign currency translation loss / (gain) attributed to shareholders of the company | | | 25,295 | | (32,504) |
| | | | 118,603 | | (127,260) |
| Comprehensive loss for the year | | \$ | 11,168,869 | \$ | 6,190,531 |
| Basic and diluted loss per share (Note 10) | | \$ | 0.81 | \$ | 0.49 |
| Weighted average number of common shares outstanding (Note 10) | | | 13,707,387 | | 12,677,870 |

The accompanying notes are an integral part of these consolidated financial statements.

Lithium Africa Resources Corp.
Consolidated Statements of Changes in Shareholders' Equity
(Expressed in United States dollars)

| | Share Capital | | | Reserves | | | | | | Total Equity |
|---|---------------|------------------|----------------|-------------------|---------------------------------------|-----------------------------------|--|------------------|---------------------|------------------|
| | Note | Common | Preferred | Amount | Stock Based Compensation and Warrants | Cumulative Translation Adjustment | Share of Other Comprehensive Gain in Joint Venture | Total reserves | Accumulated Deficit | |
| Balance at December 31, 2023 | | 1,115,740 | 271,406 | 9,097,942 | - | (2,241) | - | (2,241) | 1,619,223 | 10,714,924 |
| Private placement | | 103,292 | - | 2,892,176 | - | - | - | - | - | 2,892,176 |
| Shares issued for cash | | 60,000 | - | 90,000 | - | - | - | - | - | 90,000 |
| Share issuance costs | | - | - | (155,700) | - | - | - | - | - | (155,700) |
| Preferred shares | | - | 28,555 | 656,733 | - | - | - | - | - | 656,733 |
| Share-based compensation | | 2,199 | - | 61,572 | 2,694,314 | - | - | 2,694,314 | - | 2,755,886 |
| Net loss | | - | - | - | - | - | - | - | (6,317,791) | (6,317,791) |
| Other comprehensive income | | - | - | - | - | 32,504 | 94,756 | 127,260 | - | 127,260 |
| Balance at December 31, 2024 | | 1,281,231 | 299,961 | 12,642,723 | 2,694,314 | 30,263 | 94,756 | 2,819,333 | (4,698,568) | 10,763,488 |
| Private placement | 9 | 123,396 | - | 2,467,920 | - | - | - | - | - | 2,467,920 |
| Share issuance costs | 9 | - | - | (434,916) | 113,016 | - | - | 113,016 | - | (321,900) |
| Shares issued for penalty | 9 | 18,507 | - | 370,140 | - | - | - | - | - | 370,140 |
| Shares issued for stock options exercised | 9 | 20,000 | - | 42,000 | - | - | - | - | - | 42,000 |
| Fair value of stock options exercised | | - | - | 549,434 | (549,434) | - | - | (549,434) | - | - |
| Share-based compensation | 9 | - | - | - | 1,449,893 | - | - | 1,449,893 | - | 1,449,893 |
| Net loss | | - | - | - | - | - | - | - | (11,050,266) | (11,050,266) |
| Other comprehensive loss | 9 | - | - | - | - | (25,295) | (93,308) | (118,603) | - | (118,603) |
| Balance at December 31, 2025 | | 1,443,134 | 299,961 | 15,637,301 | 3,707,789 | 4,968 | 1,448 | 3,714,205 | (15,748,834) | 3,602,672 |

The accompanying notes are an integral part of these consolidated financial statements.

Lithium Africa Resources Corp.
Consolidated Statements of Cash Flows
For the years ended December 31, 2025 and 2024
(Expressed in United States dollars)

| | Note | December 31, 2025 | December 31, 2024 |
|--|------|-----------------------|-----------------------|
| Cash provided by (used in) | | | |
| Operating activities | | | |
| Loss for the year | | \$ (11,050,266) | \$ (6,317,791) |
| Non-cash transactions: | | | |
| Loss on joint venture | 5 | 7,518,866 | 2,427,392 |
| Amortization | | 2,251 | - |
| Shares issued for penalty | 9 | 370,140 | - |
| Unrealized foreign exchange (gain) / loss | | (348,083) | 389,935 |
| Share-based compensation (non cash) | 9 | 1,449,893 | 2,755,886 |
| Fair value change on embedded derivative liability | | (96,917) | (45,890) |
| Changes in non-cash working capital: | | | |
| Amounts receivable | | (4,194) | (13,385) |
| Related party (receivable) payable | | 340,426 | (1,212,771) |
| Prepaid expenses and deposits | | (126,695) | (24,106) |
| Accounts payable and accrued liabilities | | 468,064 | (41,941) |
| Cash used in operating activities | | \$ (1,476,515) | \$ (2,082,671) |
| Investing activities | | | |
| Payments for plant & equipment | 7 | (45,021) | - |
| Deferred acquisition cost | | (25,000) | - |
| Payments for investments in JV | 5 | (1,500,000) | (1,000,000) |
| Cash used in investing activities | | \$ (1,570,021) | \$ (1,000,000) |
| Financing activities | | | |
| Proceeds from the issuance of shares, net of costs | 9 | 2,146,020 | 2,826,476 |
| Proceeds from stock options exercised | 9 | 42,000 | - |
| Proceeds from the issuance of preferred shares, net of costs | 9 | - | 799,540 |
| Cash Provided by Financing Activities | | \$ 2,188,020 | \$ 3,626,016 |
| Effect of foreign exchange rate changes on cash | | (50,986) | 84,447 |
| Change in cash | | \$ (858,516) | \$ 543,345 |
| Cash, beginning of year | | \$ 1,021,204 | \$ 393,412 |
| Cash, end of year | | \$ 111,702 | \$ 1,021,204 |
| Cash and restricted cash reconciliation | | | |
| Cash | | \$ 111,702 | \$ 1,021,204 |
| Restricted cash | | 1,949,884 | - |
| Total cash and restricted cash shown in the statement of cash flows | | \$ 2,061,586 | \$ 1,021,204 |
| Supplemental non cash movement for financing activities | | | |
| Fair value of agent warrants | | \$ 113,016 | \$ - |
| Shares issued for penalty | | \$ 370,140 | \$ - |

The accompanying notes are an integral part of these consolidated financial statements.

Lithium Africa Resources Corp.
Notes to the Consolidated Financial Statements
For the years ended December 31, 2025 and 2024
(Expressed in United States dollars)

1. Nature of operations

Lithium Africa Resources Corp. (“Lithium Africa” or the “Company”) and its subsidiary (the “Group”) is a Cayman Islands based resource company originally incorporated in the province of British Columbia in Canada. The Company was incorporated under the name 1336581 B.C. Ltd. on December 6, 2021. On February 10, 2022, the Company changed its name to Lithium Africa Resources Corp. The Company was a “private issuer” as that term is defined in National Instrument 45-106 of the Canadian Securities Administrators (“NI 45-106”). On March 2, 2023, the Company changed its country of domicile to the Cayman Islands and its head office and principal address to Cricket Square, Hutchins Drive, PO Box 2681, Grand Cayman, KY1- 1111, Cayman Islands. On February 11, 2026, Lithium Africa Corp. (formerly named Lombard Street Capital Corp.) completed an acquisition of the Company. Prior to completing the transaction, Lithium Africa Corp. continued from Ontario to the Cayman Islands, and changed its name from “Lombard Street Capital Corp.” to “Lithium Africa Corp.” Pursuant to the terms of the transaction, Lithium Africa Corp. acquired all of the issued and outstanding shares of the Company through a merger under the laws of the Cayman Islands involving a wholly-owned subsidiary of Lithium Africa Corp. and the Company. Common shares of Lithium Africa Corp. commenced trading on the TSX Venture Exchange under the ticker symbol “LAF” on February 19, 2026 as a Tier 2 issuer.

To date, the Company has not generated any revenue from operations and has relied on equity financings to fund operations. The underlying values in each of its projects are dependent on the existence of economically recoverable reserves, securing and maintaining title and beneficial interest in the properties, and the ability to obtain the necessary financing to complete permitting and development, and to attain future profitable operations.

The Company’s principal business activity is the exploration of mineral property interests through a 50:50 joint venture arrangement (the “JV”) associated with the Company’s economic interest in Li2023 Pte. Ltd. (“Li2023”).

2. Going Concern

These consolidated financial statements have been prepared on the basis of accounting principles applicable to a going concern, which assumes that the Group will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of operations.

The Company is a resource exploration stage company, which does not generate any revenues. For the year ended December 31, 2025, the Company incurred a net loss of \$11,050,266 and used \$1,476,515 cash in its operating activities. The Company will require additional financing either through equity or debt financing, sale of assets, joint venture arrangements, or a combination thereof to meet its administrative costs and to continue to explore and develop its resource properties. There is no assurance that sufficient future funding will be available on a timely basis or on terms acceptable to the Company. As such, there is a material uncertainty that may cast significant doubt about the Company’s ability to continue as a going concern. These financial statements do not include any adjustments to the amounts and classification of assets and liabilities that may be necessary should the Company be unable to continue as a going concern, and any such adjustments may be material.

Lithium Africa Resources Corp.
Notes to the Consolidated Financial Statements
For the years ended December 31, 2025 and 2024
(Expressed in United States dollars)

3. Material accounting policy information

Statement of compliance

These consolidated financial statements are prepared in accordance with IFRS® Accounting Standards as issued by the International Accounting Standards Board (“IASB”) (“IFRS Accounting Standards”).

Basis of measurement

These consolidated financial statements have been prepared using the historical cost basis, except for certain financial instruments, which are measured at fair value. These consolidated financial statements have been prepared using the accrual basis of accounting, except for cash flow information. These consolidated financial statements are presented in United States dollars unless otherwise specified.

Principles of consolidation

The consolidated financial statements of the Company consolidate the accounts of the Company and its subsidiaries:

| | Country of incorporation | Percentage owned* | |
|----------------------------------|--------------------------|-------------------|-------------------|
| | | December 31, 2025 | December 31, 2024 |
| Lithium Africa Resources PTY LTD | Australia | 100% | 100% |

Principal activity for all entities is Lithium exploration

A subsidiary is consolidated from the date upon which control is acquired by the Company and all material intercompany transactions and balances have been eliminated on consolidation. Control is achieved when the Company is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

As at December 31, 2025, the Company has one operating segment, a mineral exploration group focused on projects located in Africa.

Approval of the consolidated financial statements

The consolidated financial statements of the Company for the year ended December 31, 2025 were approved and authorized for issue by the Board of Directors on April 30, 2026.

Use of estimates and judgments

The preparation of these consolidated financial statements requires management to make estimates and judgments that affect the reported amounts of assets and liabilities at the date of the consolidated financial statements and reported amounts of expenses during the reporting period. Actual outcomes could differ from these estimates, which, by their nature, are uncertain. The impacts of such estimates are pervasive throughout the consolidated financial statements and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised and may affect both the period of revision and future periods.

The key areas of judgment applied in the preparation of the consolidated financial statements that could result in a material adjustment to the carrying amounts of assets and liabilities are as follows:

Lithium Africa Resources Corp.
Notes to the Consolidated Financial Statements
For the years ended December 31, 2025 and 2024
(Expressed in United States dollars)

3. Material accounting policy information (continued)

Use of estimates and judgments (continued)

- **Control**

Management consolidates all subsidiaries and entities which it is determined that the Company controls. Control is evaluated on the ability of the Company to direct the activities of the subsidiary or entity to derive variable returns and management uses judgment in determining whether control exists. Judgment is exercised in the evaluation of the variable returns and in determining the extent to which the Company has the ability to exercise its power to generate variable returns.

- **Going concern**

The assessment of the Group's ability to continue as a going concern and to raise sufficient funds to pay for its ongoing operating expenses, meet its liabilities for the ensuing year, and to fund planned and contractual exploration programs, involves significant judgment based on historical experience and other factors including expectation of future events that are believed to be reasonable under the circumstances.

- **Derivative financial instruments measured at fair value**

The fair value of the derivative financial instruments is dependent on unobservable inputs. The maturity of the option is reflective of the Company's anticipated initial public offering date and judgment is exercised in determination of the timeline of such date.

- **Inputs used in the valuation of share-based payments**

The Company uses the Black-Scholes Option Pricing Model to calculate the fair value of share purchase options granted. Inputs used in this model require assumptions including the expected price volatility. Changes in the input assumptions can materially affect the fair value estimate.

- **Impairment of non-financial assets**

The Company performs impairment tests on non-financial assets when events or circumstances occur which indicate the carrying amount of the assets may not be recoverable.

The recoverable amount is the higher of the fair value less costs of disposal ("FVLCTD") and the value in use ("VIU"). For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows ("cash generating units" or "CGUs"). These are typically the individual mines or projects. In assessing VIU, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the future cash flow estimates have not been adjusted.

FVLCTD is the amount that would be received from selling an asset in an orderly transaction between market participants at the measurement date, less the costs of disposal. For mining assets, fair value less cost of disposal is often estimated using a discounted cash flow approach because a fair value is not readily available from an active market or binding sale agreement. Estimated future post-tax cash flows are calculated using estimated mineral reserves and resources, estimated future commodity prices, and expected future operating and capital costs.

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognized immediately in profit or loss.

Lithium Africa Resources Corp.
Notes to the Consolidated Financial Statements
For the years ended December 31, 2025 and 2024
(Expressed in United States dollars)

3. Material accounting policy information (continued)

Use of estimates and judgments (continued)

• **Impairment of non-financial assets** (continued)

Assets that have been impaired are tested for possible reversal of the impairment whenever events or changes in circumstance indicate that impairment may have reversed. Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but only so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset in prior years. A reversal of an impairment loss is recognized immediately in profit or loss. During the year ended December 31, 2025, the Company did not recognize any impairment expense or reversal (2024 – \$Nil expense).

Functional and presentation currency

These consolidated financial statements are presented in United States dollars, the Company's functional and presentation currency is the United States Dollar. The functional currency of the Company's Australian Subsidiary is the Australian dollar.

Unproven mineral property interests

Exploration expenditures excluding acquisition costs and claim maintenance costs are expensed until the establishment of technical feasibility and commercial viability based on a combination of the following factors:

- The extent to which mineral reserves or mineral resources as defined in National Instrument 43-101 ("NI 43-101") have been identified through a feasibility study or similar document; and
- The status of mining leases, environmental and mining permits.

Costs incurred relating to the acquisition are capitalized and deferred by property until the project to which they relate is sold, abandoned, impaired or placed into production. After recognition, the Company uses the cost model for exploration and evaluation assets. All other expenditures on exploration activities including cost in claim maintenance of mineral properties, payments and annual fees to maintain the property in good standing, and exploration expenditures performed within the geologic formation of an existing mining project are recorded as exploration and evaluation expenses until it has been established that a mineral property is commercially viable and technically feasible.

The Company assesses its unproven mineral property interests for indications of impairment on each balance sheet date and when events and circumstances indicate a risk of impairment. A property is written down or written off when the Company determines that an impairment of value has occurred or when exploration results indicate that no further work is warranted. Exploration and evaluation assets are tested for impairment immediately prior to reclassification to mineral property development costs.

Property, Plant and Equipment

On initial recognition, property, plant and equipment are valued at cost. Cost includes the purchase price and directly attributable cost of acquisition or construction required to bring the asset to the location and condition necessary to be capable of operating in the manner intended by the Company, including appropriate borrowing costs and foreign exchange losses or gains on borrowings and related cash used to construct qualifying assets as defined under IFRS Accounting Standards.

Lithium Africa Resources Corp.
Notes to the Consolidated Financial Statements
For the years ended December 31, 2025 and 2024
(Expressed in United States dollars)

3. Material accounting policy information (continued)

Property, Plant and Equipment (continued)

Capitalization of costs incurred ceases when the asset is capable of operating in the manner intended by management. The Company applies judgment in its assessment of when the asset is capable of operating in the manner intended by management.

Property, plant and equipment are subsequently measured at cost less accumulated depreciation, less any accumulated impairment losses, with the exception of land which is not depreciated. When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items or major components.

Amortization is calculated on a declining balance method to write off the cost of the assets to their residual values over their estimated useful lives. The amortization rates applicable to each category of equipment are as follows:

| Class of Property, Plant and equipment | Depreciation rate |
|---|--------------------------|
| Vehicle | 20% |
| Software and hardware | 20% |
| Furniture and fittings | 20% |
| Equipment & machinery | 20% |

The assets' residual values, useful lives and depreciation methods are reviewed and adjusted, if appropriate, at each financial year-end. The gain or loss arising on the disposal of an item of property, plant and equipment is determined as the difference between the sale proceeds and the carrying amount of the asset and is recognized in profit and loss.

Impairment of Property, Plant and Equipment

Property, plant, and equipment are assessed for impairment indicators at each reporting date or when an impairment indicator arises if not at a reporting date. Impairment indicators are evaluated and, if considered necessary, an impairment assessment is carried out. If an impairment loss is identified, it is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less cost of disposal and value in use.

Fair value is determined as the amount that would be obtained from the sale of the asset in an arm's length transaction between knowledgeable and willing parties. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). These are typically individual development projects.

Where the factors which resulted in an impairment loss subsequently reverse, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but to an amount that does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognized immediately in profit or loss.

Lithium Africa Resources Corp.
Notes to the Consolidated Financial Statements
For the years ended December 31, 2025 and 2024
(Expressed in United States dollars)

3. Material accounting policy information (continued)

Foreign currency translation

The functional currency of a Company is measured using the currency of the primary economic environment in which the Company operates. These consolidated financial statements are presented in United States dollars which is the Company's functional and presentation currency.

Foreign currency transactions are translated into an entity's functional currency using the exchange rates prevailing at the date of the transaction. Foreign currency monetary items are translated at the period-end exchange rate. Non-monetary items measured at historical cost continue to be carried at the exchange rate at the date of the transaction.

Exchange differences arising on the translation of monetary items or on settlement of monetary items are recognized in the statement of loss and comprehensive loss in the period in which they arise.

The financial statements of subsidiary that has a functional currency different from that of the Company are translated into United States dollars as follows: assets and liabilities – at the closing rate at the date of the statement of financial position; income and expenses – at the average rate of the period and items that are directly recognized in equity at historical rates. Exchange differences are recognized in other comprehensive income as exchange difference on translation.

Share-based compensation

Share-based compensation to employees are measured at the fair value of the instruments issued and amortized over the vesting periods. Share-based compensation to non-employees are measured at the fair value of goods or services received or the fair value of the equity instruments issued, if it is determined the fair value of the goods or services cannot be reliably measured and are recorded at the date the goods or services are received. The corresponding amount is recorded to reserves. The fair value of options is determined using an appropriate option pricing model which incorporates all market vesting conditions. The number of shares and options expected to vest is reviewed and adjusted at the end of each reporting period such that the amount recognized for services received as consideration for the equity instruments granted shall be based on the number of equity instruments that eventually vest. Vesting is determined by the Board of Directors.

Valuation of equity units issued in private placements

The Company has adopted a residual value method with respect to the measurement of shares issued as private placement units. The residual value method first allocates value to the more easily measurable component based on fair value and then the residual value, if any, to the less easily measurable component.

The fair value of the common shares issued in the private placements was determined to be the more easily measurable component and were valued at their fair value, as determined by the closing quoted bid price on the announcement date.

Lithium Africa Resources Corp.
Notes to the Consolidated Financial Statements
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3. Material accounting policy information (continued)

Financial instruments

(i) Classification

The Company classifies its financial instruments in the following categories: at fair value through profit and loss (“FVTPL”), at fair value through other comprehensive income (loss) (“FVTOCI”) or at amortized cost. The Company determines the classification of financial assets at initial recognition. The classification of debt instruments is driven by the Company’s business model for managing the financial assets and their contractual cash flow characteristics. Equity instruments that are held for trading are classified as FVTPL. For other equity instruments, on the day of acquisition the Company can make an irrevocable election (on an instrument-by-instrument basis) to designate them as at FVTOCI. Financial liabilities are measured at amortized cost, unless they are required to be measured at FVTPL (such as instruments held for trading or derivatives) or if the Company has opted to measure them at FVTPL.

The following table shows the classification under IFRS 9:

| Financial assets/liabilities | |
|--|----------------|
| Cash | Amortized cost |
| Restricted cash | Amortized cost |
| Amounts receivable | Amortized cost |
| Related party receivables | Amortized cost |
| Accounts payable and accrued liabilities | Amortized cost |
| Equity investment | FVTPL |
| Embedded derivative liability | FVTPL |
| Other payables | Amortized cost |

(ii) Measurement

Financial assets and liabilities at amortized cost

Financial assets and liabilities at amortized cost are initially recognized at fair value plus or minus transaction costs, respectively, and subsequently carried at amortized cost less any impairment.

Equity investments

Investments in equity instruments are measured at fair value. Equity instruments that are held for trading are classified as FVTPL.

(iii) Impairment of financial assets at amortized cost

The Company recognizes a loss allowance for expected credit losses on financial assets that are measured at amortized cost. At each reporting date, the Company measures the loss allowance for the financial asset at an amount equal to the lifetime expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition. If at the reporting date, the financial asset has not increased significantly since initial recognition, the Company measures the loss allowance for the financial asset at an amount equal to the twelve-month expected credit losses. The Company shall recognize in the consolidated statements of comprehensive loss, as an impairment gain or loss, the amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognized.

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3. Material accounting policy information (continued)

Financial instruments (continued)

(iv) Derecognition

Financial assets

The Company derecognizes financial assets only when the contractual rights to cash flows from the financial assets expire, or when it transfers the financial assets and substantially all of the associated risks and rewards of ownership to another entity. Gains and losses on derecognition are generally recognized in the consolidated statements of comprehensive loss.

Financial liabilities

The Company derecognizes a financial liability when its contractual obligations are discharged or cancelled or expire. The Company also derecognizes a financial liability when the terms of the liability are modified such that the terms and / or cash flows of the modified instrument are substantially different, in which case a new financial liability based on the modified terms is recognized at fair value.

Gains and losses on derecognition are generally recognized in profit or loss.

Cash

Cash consists of cash on hand and deposits held with banks.

Income taxes

Under current laws of the Cayman Islands, there is no income, estate, transfer, sales or other Cayman Islands taxes payable by the Company and management believes the Company is not liable for tax in any other jurisdiction. Accordingly, no tax charges or tax liabilities are reflected in the consolidated financial statements

Loss/(Earnings) per share

Basic loss/(earnings) per share is computed by dividing net loss/(earnings) available to common shareholders by the weighted average number of shares outstanding during the reporting period. Diluted loss/(earnings) per share is computed similar to basic loss/(earnings) per share except that the weighted average shares outstanding are increased to include additional shares for the assumed exercise of stock options, if dilutive. The number of additional shares is calculated by assuming that outstanding stock options were exercised and that the proceeds from such exercise were used to acquire common shares at the average market price during the reporting period.

Restoration and environmental obligations

The Company recognizes liabilities for legal and constructive obligations associated with the retirement of mineral properties. The net present value of future rehabilitation costs is capitalized to the related asset along with a corresponding increase in rehabilitation provision in the period incurred. Discount rates using a pre-tax rate that reflect the time value of money are used to calculate the net present value.

The Company's estimates of reclamation costs could change as a result of changes in the regulatory requirements, discount rates and assumptions regarding the amount and timing of the future expenditures. These changes are recorded directly to the related assets with a corresponding entry to the rehabilitation provision. The increase in the provision due to the passage of time is recognized as interest expense. The Company does not have any restoration provisions.

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3. Material accounting policy information (continued)

Investments in joint arrangements

The Company conducts a portion of its business through joint arrangements where the parties are bound by contractual arrangements establishing joint control and decisions about the activities that significantly affect the returns of the investee require unanimous consent. A joint arrangement is classified as either a joint operation or a joint venture, subject to the terms that govern each investor's rights and obligations in the arrangement.

In a joint operation, the investor has rights and obligations to the separate assets and liabilities of the investee and in a joint venture, the investors have rights to the net assets of the joint arrangement. For a joint operation, the Company recognizes its share of the assets, liabilities, revenue, and expenses of the joint arrangement, while for a joint venture, the Company accounts for its investment in the joint arrangement using the equity method. The Company has accounted for its investment in Li2023 as a joint venture using the equity method.

Under the equity method, the Company's investment in a joint venture is initially recognized at cost and subsequently increased or decreased to recognize the Company's share of net earnings or losses of the joint venture, after any adjustments necessary for impairment losses after the initial recognition date. The Company's share of a joint venture's losses that are in excess of its investment are recognized only to the extent that the Company has incurred legal or constructive obligations or made payments on behalf of the joint venture. The Company's share of net earnings or losses of a joint venture are recognized in net earnings during the period. Dividends and repayment of capital received from a joint venture are accounted for as a reduction in the carrying amount of the Company's investment.

At the end of each reporting period, the Company assesses whether there is any objective evidence that an investment in a joint venture is impaired. Objective evidence includes observable data indicating there is a measurable decrease in the estimated future cash flows of the joint venture's operations. When there is objective evidence that an investment is impaired, the carrying amount of such investment is compared to its recoverable amount, being the higher of its fair value less costs of disposal and value-in-use. If the recoverable amount of an investment is less than the carrying amount, the carrying amount is reduced to its recoverable amount and a corresponding impairment loss is recognized in the period in which the relevant circumstances are identified. When an impairment loss reverses in a subsequent period, the carrying amount of the investment is increased to the revised estimate of the recoverable amount to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had an impairment loss not been previously recognized. A reversal of an impairment loss is recognized in net earnings in the period in which the reversal occurs.

Similar to the assessment of impairment for subsidiaries, the Company reviews the mining properties and plant and equipment for a joint operation at the cash-generating unit level to determine whether there is any indication that these assets are impaired.

Lithium Africa Resources Corp.
Notes to the Consolidated Financial Statements
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3. Material accounting policy information (continued)

Preferred Shares and Embedded Derivative Liability

Preferred Shares are convertible into common shares at a fixed conversion ratio, however, the conversion ratio is subject to adjustments for among other things, cases where the Company issues shares at below the initial offering price (“down-round” protection). The Company’s accounting policy is to assess the contractual features of the shares issued as a whole. As such, in instances where the Company did not have existing contractual obligations to deliver a variable number of its own equity instruments (i.e. did not have other contracts such as stock options), its policy was to account for the preferred shares as equity instruments in its entirety. This was the case of the preferred shares issued in 2022 and 2023. For the preferred shares issued in 2024, the Company had existing contractual obligations to deliver a variable number of its own equity instruments. As a result, the 2024 preferred shares contain an embedded conversion feature that is accounted for as a derivative initially and subsequently measured at FVTPL. It is the Company’s policy not to reassess classification as debt or equity under IAS 32, Financial Instruments: Presentation, of previously issued shares, if no contractual changes have occurred. As a result, the Company has not reassessed the classification of the preferred shares issued prior to 2024. In order to measure the embedded conversion feature, the Company uses a combination of discounted cash flow model and the Black-Scholes option pricing model.

New accounting standards and interpretations

New IFRS Accounting standards and interpretations not yet applied:

IFRS 18 Presentation and Disclosure in Financial Statements (“IFRS 18”)

On April 9, 2024, the IASB issued IFRS 18 *Presentation and Disclosure in Financial Statements*. IFRS 18 will apply for reporting periods beginning on or after January 1, 2027 and also applies to comparative information. IFRS 18 will replace IAS 1; many of the other existing principles in IAS 1 are retained, with limited changes. IFRS 18 will not impact the recognition or measurement of items in the financial statements, but it may change what an entity reports as its ‘operating profit or loss’. Key new concepts introduced in IFRS 18 relate to: (i) the structure of the statement of profit or loss; (ii) required disclosures in the financial statements for certain profit or loss performance measures that are reported outside an entity’s financial statements (that is, management-defined performance measures); and (iii) enhanced principles on aggregation and disaggregation which apply to the primary financial statements and notes in general. The Company is currently assessing the effects of IFRS 18 on the financial statements.

IFRS 9 Financial Instruments (“IFRS 9”) and IFRS 7 Financial Instruments: Disclosures (“IFRS 7”)

In May 2024, the IASB issued *Amendments to the Classification and Measurement of Financial Instruments (Amendments to IFRS 9 and IFRS 7)*. 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. The IASB added disclosure requirements 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. The amendments are effective for annual periods beginning on or after January 1, 2026 with early application permitted. The Company is currently assessing the effect of these amendments on the financial statements.

The Company has not early adopted any new accounting standard, interpretation or amendment that has been issued but is not yet effective.

Lithium Africa Resources Corp.
Notes to the Consolidated Financial Statements
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4. Prepaid expenses and deposits

Prepaid expenses and deposits consist of the following:

| | December 31, 2025 | December 31, 2024 |
|-----------------------------------|----------------------|----------------------|
| Deferred financing cost (Note 11) | \$ 128,237 | \$ - |
| Investors relations | 24,820 | - |
| Legal | 20,371 | - |
| Consulting | 15,304 | 32,620 |
| Rent | 8,461 | - |
| Subscription | 1,225 | 2,333 |
| Insurance | - | 9,750 |
| Equipment deposit | - | 27,020 |
| Total prepaid expenses | \$ 198,418 | \$ 71,723 |

5. Interests in joint ventures

On September 13, 2023, the Company executed definitive agreements with GFL International Co., Ltd. (“GFL”) to establish a joint venture (“JV Transaction”). As a result, both parties acquired equal ownership, holding 50% equity interests each in Li2023, a newly incorporated entity in Singapore.

- Li2023 was formed as a joint venture, with the Company and GFL each owning 50% equity.
- Upon closing, the Company transferred its interests in the Mali, Cote D’Ivoire, and Guinea projects, along with non-refundable deposits and advances made to Greenbrier Investments (Private) Ltd., a Zimbabwean exploration firm, to Li2023.
- Concurrently, GFL contributed \$11,300,897 in cash to Li2023, of which \$3,000,003 was advanced to the Company.

In September 2023, the Company and GFL finalized the Joint Venture Agreement (“JVA”), which governs Li2023’s operations. The JVA designates the Company as the manager and operator of the joint venture, entitled to an arm’s length fee for services, calculated as the lesser of \$50,000 or 5% of the applicable budget. However, the Company does not intend to collect this operator’s fee.

A management committee, with equal representation from the Company and GFL, was established to oversee the JV’s operations and development activities. As the JV operator, the Company commits to provide sufficient financial resources to support Li2023’s operations and agreed not to demand repayment of intercompany receivables unless otherwise agreed.

The JVA introduced joint control of Li2023, meaning the Company no longer exclusively controls the assets and liabilities contributed. According to IFRS 11 – Joint Arrangements, Li2023 qualifies as a joint venture, and the Company began applying equity accounting for its interest in Li2023 as of September 13, 2023, the date the JV was finalized.

On this date, the Company derecognized the assets and liabilities of its former Mali, Cote D’Ivoire, and Guinea subsidiaries, as well as any previously recognized non-controlling interests in these entities.

Lithium Africa Resources Corp.
Notes to the Consolidated Financial Statements
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5. Interests in joint ventures (continued)

Simultaneously, the Company recognized the fair value of its retained investment in Li2023, recording a gain from the loss of control of the net assets. This gain was measured as the difference between the fair value of the investment retained and the carrying value of the net assets contributed, consistent with IFRS 10 – Consolidated Financial Statements.

The JV Transaction was completed on September 13, 2023, resulting in both parties holding equal equity in Li2023.

At closing, the Company transferred its interests in Mali Cathode Lithium SARL (“MCL”), Africain Lithium Mining Ressource Mali SARL (“ALMRM”), Danaya Holding Ressources SARL (“Danaya”), Africain Lithium Mining Ressource Cote D’Ivoire SARL (“ALMRCI”), Africain Lithium Mining Resources Guinea SARL (“ALMRG”), and Guinean Lithium Resources SARL (“GLR”) (collectively, the “JV properties”), as well as non-refundable deposits and advances amount to \$1,658,701 which the Company advanced to Greenbrier up to September 13, 2023 , to Li2023.

As a result of the JV Transaction, the Company converted the principle amount of the \$3,835,235 a received from GFL into 178,383 preferred shares. As of December 31, 2025, \$92,685 in interest remains relating to the promissory note remain outstanding and payable to GFL, with no interest expense.

As the JV is structured within the legal entity of Li2023, the JV represents a joint venture as defined under IFRS 11 – Joint Arrangements and the Company therefore commenced equity accounting for its interest in the JV effective September 13, 2023. During the year ended December 31, 2024, the Company made a payment of \$1,000,000 to Li2023. This advance was used for a share subscription of 1,000,000 shares in Li2023, these shares were issued in March 2025. On July 25, 2025, the Company paid \$1,000,000 to Li2023 in exchange for 500,000 shares in the capital of Li2023. These shares were issued in July 2025. On November 26, 2025, the Company paid \$500,000 to Li2023 in exchange for 500,000 shares in the capital of Li2023. These shares were issued in November 2025. The following table summarizes the change in the carrying amount of the Company’s investment in the joint venture:

| | December 31, 2025 | December 31, 2024 |
|--|------------------------------|----------------------|
| Balance, beginning | \$ 8,391,875 | 10,724,511 |
| Investment in joint venture | 2,500,000 | - |
| Company's share of net loss | (7,518,866) | (2,427,392) |
| Company's share of other comprehensive (loss)/income | (93,308) | 94,756 |
| Balance, ending | \$ 3,279,701 | \$ 8,391,875 |

During the year ended December 31, 2024, GFL made a payment of \$1,000,000 to Li2023. This advance was used for a share subscription of 1,000,000 shares in Li2023, these shares were issued in March 2025. In July 2025, GFL paid \$520,348 to Li2023 in exchange for 500,000 shares in the capital of Li2023. These shares were issued in July 2025. On November 26, 2025, GFL paid \$500,000 to Li2023 in exchange for 500,000 shares in the capital of Li2023. These shares were issued in November 2025. Each of the Company and GFL’s 50% equity interest in Li2023 remains unchanged as at December 31, 2025.

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5. Interests in joint ventures (continued)

Operating and financial results of Li2023 for the year ended December 31, 2025 summarized financial information for the Company's investment in the JV is outlined in the table below.

All disclosures in this note are on a 100% Li2023 basis, unless otherwise indicated. Li2023 applies the same accounting policies as the Company.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

Financial period from January 1, 2025, to December 31, 2025

| | Twelve months ended December 31, 2025 | Twelve months ended December 31, 2024 |
|--|---|---|
| | US\$ | US\$ |
| Exploration and evaluation | 1,670,218 | 3,938,717 |
| Fees and salaries | 395,452 | 1,005,115 |
| Legal and professional | 684,171 | 318,627 |
| Depreciation | 111,969 | 107,048 |
| Office and administration | 265,994 | 103,475 |
| Foreign exchange loss / (gain) | 15,748 | (19,906) |
| Derecognition of Unproven mineral right interests | 6,993,437 | - |
| Write-off of advances | 5,128,298 | - |
| | <u>15,265,287</u> | <u>5,453,076</u> |
| Loss before income tax | | |
| Income tax | - | - |
| | <u>15,265,287</u> | <u>5,453,076</u> |
| Loss for the period | | |
| Other comprehensive loss | | |
| <i>Items that may be reclassified subsequently to profit or loss</i> | | |
| Foreign currency translation loss / (income) attributed to equity shareholders of the parent company | 186,616 | (189,512) |
| Foreign currency translation loss / (income) attributed to equity shareholders of NCI | 48,467 | (57,003) |
| Other comprehensive loss / (income) for the period | <u>235,083</u> | <u>(246,515)</u> |
| Total comprehensive loss for the period | <u>15,500,370</u> | <u>5,206,561</u> |
| Loss attributed to: | | |
| Shareholders of the Company | 15,037,732 | 4,854,783 |
| Non-controlling interest | 227,555 | 598,293 |
| | <u>15,265,287</u> | <u>5,453,076</u> |
| Total comprehensive loss attributed to: | | |
| Shareholders of the Company | 15,224,348 | 4,665,271 |
| Non-controlling interest | 276,022 | 541,290 |
| | <u>15,500,370</u> | <u>5,206,561</u> |

Lithium Africa Resources Corp.
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5. Interests in joint ventures (continued)

The assets and liabilities of Li2023, on a 100% basis, as at December 31, 2025 and December 31, 2024 were as follows:

STATEMENTS OF FINANCIAL POSITION
December 31, 2025

| | <u>Group</u> | |
|--------------------------------------|----------------------|----------------------|
| | December 31, 2025 | December 31, 2024 |
| | US\$ | US\$ |
| <u>ASSETS</u> | | |
| Current Assets | | |
| Cash and cash equivalents | 59,792 | 1,910,384 |
| Prepaid expenses | 36,657 | 6,491 |
| Receivables | 114,870 | 74,682 |
| Total current assets | <u>211,319</u> | <u>1,991,557</u> |
| Non-current assets | | |
| Non-refundable deposits | 250,000 | 250,000 |
| Advances | 103,600 | 4,165,445 |
| Property and equipment | 188,064 | 253,465 |
| Unproven mineral property interests | 7,536,625 | 14,530,062 |
| Total non-current assets | <u>8,078,289</u> | <u>19,198,972</u> |
| Total assets | <u>8,289,608</u> | <u>21,190,529</u> |
| <u>LIABILITIES AND EQUITY</u> | | |
| Current liabilities | | |
| Trade and other payables | 153,774 | 107,345 |
| Related party payables | 519,201 | 485,853 |
| Advances from shareholders | - | 2,000,000 |
| Total current liabilities | <u>672,975</u> | <u>2,593,198</u> |
| Non-current liabilities | | |
| Deferred tax liability | 1,327,945 | 1,327,945 |
| Total non-current liabilities | <u>1,327,945</u> | <u>1,327,945</u> |
| TOTAL LIABILITIES | <u>2,000,920</u> | <u>3,921,143</u> |
| Equity | | |
| Share capital | 27,121,472 | 22,601,800 |
| Revaluation reserves | (83,874) | 102,742 |
| Accumulated deficit | (20,931,604) | (5,893,872) |
| Non-controlling Interests | 182,694 | 458,716 |
| Total equity | <u>6,288,688</u> | <u>17,269,386</u> |
| Total liabilities and equity | <u>8,289,608</u> | <u>21,190,529</u> |

Lithium Africa Resources Corp.
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6. Equity investment

On July 17, 2023 the Company paid \$112,390 to subscribe for 20,833 shares or 13.3% of outstanding shares in E&R (PORTUGAL) LIMITED a company incorporated in England and Wales under company registration number 14926498. The Company recognized the investment as an equity investment measured at fair value through profit or loss. Because the investment is an unquoted investment in a private entity and the primary asset is an exploration stage resource property, the fair value is highly subjective. The Company has determined that fair value approximates the cost basis of the investment. As at December 31, 2025, the asset's fair value has been determined as \$112,390.

7. Property and equipment

| | Furniture |
|----------------------------------|------------------|
| Cost | |
| Balance December 31, 2024 | \$ - |
| Current year additions | 45,021 |
| Balance December 31, 2025 | 45,021 |
| Amortization | |
| Balance December 31, 2024 | - |
| Current year additions | 2,251 |
| Balance December 31, 2025 | 2,251 |
| Net book value | |
| Balance December 31, 2024 | - |
| Balance December 31, 2025 | \$ 42,770 |

8. Accounts payable and accrued liabilities

| | December 31, 2025 | December 31, 2024 |
|---|----------------------|----------------------|
| Accounts payable | \$ 410,972 | \$ 38,651 |
| Amounts due to related parties (Note 12) | 10,367 | 29,630 |
| Accrued liabilities | 192,006 | 77,000 |
| Total accounts payable and accrued liabilities | \$ 613,345 | \$ 145,281 |

9. Share capital and reserves

Authorized share capital

Up to 4,000,000 class A common shares without par value.
Up to 1,000,000 class A preferred shares without par value.

Issued share capital

For the year ended December 31, 2025

On December 31, 2025, there were 1,443,134 (December 31, 2024 – 1,281,231) issued and fully paid common shares.

Lithium Africa Resources Corp.
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9. Share capital and reserves (continued)

Issued share capital (continued)

For the year ended December 31, 2025 (continued)

On April 22, 2025, pursuant to the closing of a brokered private placement financing the Company issued 78,043 units (the "Units") at \$20.00 each for gross proceeds of \$1,560,860 (CAD\$2,185,204). As part of the Offering, the Company undertook to use its commercially reasonable best efforts to list the Class A common shares in the capital of the Company (a "Common Share") for trading on a recognized stock exchange in Canada (the "Trigger Event") on or before the date which is six (6) months following the Closing Date (the "Trigger Date").

Each Unit consists of one Common Share of the Company, one share purchase warrant of the Company (the "Warrant"), and one special warrant of the Company. Each Warrant will entitle the holder thereof to acquire one (1) Common Share (a "Warrant Share") at a price of \$26.00 for a period of five (5) years following the Closing Date. Each Special Warrant will entitle the holder thereof to receive, without payment of any further consideration and without further action on the part of the holder, and subject to customary adjustment provisions, 0.15 additional Common Shares (the "Penalty Shares"). The Special Warrants shall be automatically exercised, with no further action on the part of the holder (and for no additional consideration), on the first business day immediately following the Trigger Date. The Trigger Event was not completed on or before 5:00 p.m. (ET) on the Trigger Date, the Special Warrants were automatically exercised, and the Penalty Shares were issued.

In connection with the Brokered Offering, the Company paid the Agents a fee comprising: (i) a cash fee equal to 7.0% of the gross proceeds raised from the sale of Units pursuant to the Brokered Offering (including Units issued upon exercise of the Over-Allotment Option); and (ii) such number of compensation options (the "Compensation Options") as is equal to 7.0% of the total number of Units issued pursuant to the Brokered Offering (including Units issued upon exercise of the Over-Allotment Option). Each Compensation Option shall entitle the holder thereof to purchase one Unit at a price equal to the price at which Units were sold under the Offering for a period of three (3) years following the Closing Date.

Share issuance cost associated with this private placement was \$327,410, which included a cash fee of \$109,260 and 5,463 warrants issued to the agents.

On July 4, 2025, pursuant to the closing of a non-brokered private placement financing the Company issued 45,353 units (the "Units") at \$20.00 each for gross proceeds of \$907,060 (CAD\$1,269,884). As part of the Offering, the Company undertook to use its commercially reasonable best efforts to list the Class A common shares in the capital of the Company (a "Common Share") for trading on a recognized stock exchange in Canada (the "Trigger Event") on or before the date which is six (6) months following the Closing Date of the brokered private placement which closed on April 22, 2025 (the "Trigger Date").

Each Unit consists of one Common Share of the Company, one share purchase warrant of the Company (the "Warrant"), and one special warrant of the Company. Each Warrant and Special Warrant have the same terms and expiry date as the Warrants and Special Warrants which were issued upon closing of the brokered private placement on April 22, 2025. The Trigger Event was not completed on or before 5:00 p.m. (ET) on the Trigger Date, the Special Warrants were automatically exercised, and the Penalty Shares were issued.

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9. Share capital and reserves (continued)

Issued share capital (continued)

For the year ended December 31, 2025 (continued)

In connection with the non-brokered Offering, the Company paid the Agents a fee comprising: (i) a cash fee equal to 7.0% of the gross proceeds raised from the sale of Units pursuant to the non-brokered Offering (including Units issued upon exercise of the Over-Allotment Option); and (ii) such number of compensation options (the "Compensation Options") as is equal to 7.0% of the total number of Units issued pursuant to the non-brokered Offering (including Units issued upon exercise of the Over-Allotment Option). Each Compensation Option shall entitle the holder thereof to purchase one Unit at a price equal to the price at which Units were sold under the Offering for a period of three (3) years following the Closing Date of the brokered private placement which closed on April 22, 2025.

Share issuance cost associated with this private placement was \$107,504 which included a cash fee of \$65,335 and 3,175 warrants issued to the Agents.

On July 16, 2025, 20,000 options were exercised for \$42,000 in proceeds and the shares were issued to a director and consultants.

On October 23, 2025, the Company issued 18,507 common shares (the "Penalty Shares") as the Company did not list its Class A common shares in the capital of the Company for trading on a recognized stock exchange in Canada before the Trigger Date pursuant to the brokered private placement financing which closed on April 22, 2025 as well as the July 4, 2025 private placement financing. These penalty shares were valued at \$370,140 or \$20.00 per share, the most recent share price.

For the year ended December 31, 2024

At December 31, 2024, there were 1,281,231 (December 31, 2023 – 1,115,740) issued and fully paid common shares.

On January 16, 2024, and May 20, 2024, the Company completed private placements and issued 91,642 and 11,650 common shares, respectively. These common shares were issued at a price of \$28.00 per common share for gross proceeds of \$2,892,176. The issuance costs for the transactions were \$155,700.

On January 19, 2024, the Company issued 45,000 common shares to a Director at a price of \$1.50 per share, for total proceeds of \$67,500. The Company issued 15,000 common shares to a consultant at a price of \$1.50 per share, for total proceeds of \$22,500.

On May 20, 2024 the Company issued 1,500 common shares at a price of \$28.00 per share to a consultant of the Company as compensation for services with a fair value of \$42,000.

On July 4, 2024 the Company issued 699 common shares at a price of \$28.00 per share to a broker as commission in respect to the May 20, 2024 private placement with a fair value of \$19,572 .

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9. Share capital and reserves (continued)

Preferred shares

As at December 31, 2025, there are 299,961 preferred shares outstanding which are convertible to 299,961 Class A common shares.

The holders of record of the Class A Preferred Shares, exclusively and as a separate class, shall be entitled to elect one director of the Corporation (the "Class A Preferred Director"), and the holders of record of the Common Shares and the Class A Preferred Shares, voting together as one class and, in the case of the Class A Preferred Shares, on an as converted basis, shall be entitled to elect two directors of the Corporation; provided, however, for administrative convenience, the initial Class A Preferred Director may also be appointed by the Board of Directors in connection with the approval of the initial issuance of Class A Preferred Shares without a separate action by the holders of the Class A Preferred Shares.

Each Class A Preferred Share shall be convertible, at the option of its holder, at any time and from time to time and without the payment of additional consideration by its holder, into such number of fully paid and non-assessable common shares as is determined by dividing the Original Issue Price per share by the Conversion Price in effect at the time of conversion. The "Conversion Price" applicable to the Class A Preferred Shares shall initially be equal to the Original Issue Price. Such initial Conversion Price, and the rate at which Class A Preferred Shares may be converted into Common Shares, are subject to adjustment.

The conversion price will be adjusted in future in order to protect the holders of the preferred shares against dilution as a result of future share, option or warrant issuances, and the adjustment feature is effective for one year from the date of the issuance.

There have been no adjustments to the conversion price as at December 31, 2025.

Subsequent to December 31, 2025, all preferred shares were converted to common shares as part of the Qualifying transaction (Note 15). These common shares were also split on the basis of 1 (old) common share for 10 (new) common shares (note 15).

2025 Preferred shares

No preferred shares were issued during the year ended December 31, 2025.

2024 Preferred shares

On May 20, 2024, the Company issued 28,555 preferred shares at a price of \$28.00 per share ("2024 Preferred Shares"), for total proceeds of \$799,540. The initial conversion price is \$28.00.

Prior to the issuance of the 2024 Preferred Shares, the Company had existing contractual obligations to deliver a variable number of its own equity instruments (Note 9 (a)). As a result, the 2024 preferred shares contain an embedded conversion feature that is accounted for as a derivative and subsequently measured at FVTPL (Note 14).

There have been no adjustments to the conversion price as at December 31, 2024.

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9. Share capital and reserves (continued)

Reserves

Company reserves are made of equity settled employee compensation and accumulated currency translation adjustments.

a. Stock options

On January 1, 2022, the Company implemented a stock option plan (the “Plan”), enabling the Board to grant stock options to purchase common shares in the capital of the Company to eligible persons (collectively, “Optionees”) in consideration of such Optionees providing services to the Company or a subsidiary of the Company.

The number of stock options granted by the Company to Optionees is determined by the Board, within the guidelines established by the Plan. The stock options enable such persons to purchase common shares at a price fixed under such guidelines.

The aggregate number of shares that may be issued pursuant to options granted under the Plan, unless otherwise approved by shareholders, may not exceed that number which is equal to 10% of the issued and outstanding shares of the Company at the time of the grant and the term of any stock option will not exceed ten years.

The equity settled employee compensation reserve record items recognized as Share-based compensation until such time that the stock options are exercised, at which time the corresponding amount is transferred to share capital.

As at December 31, 2025 the following stock options have been granted.

| | Number of Options | Weighted average remaining contractual life (years) | Weighted Average Exercise Price (\$) |
|----------------------------|----------------------|--|---|
| Balance, December 31, 2024 | 226,850 | - | 22.58 |
| Stock options exercised | (20,000) | - | 2.10 |
| Stock options forfeited | (9,000) | - | 20.00 |
| Balance, December 31, 2025 | 197,850 | 3.36 | 20.00 |

As at December 31, 2025, the following options were exercisable and outstanding:

| Grant date | Outstanding | | Exercisable | | Expiry date | Weighted average contractual life |
|------------|---------------------------|----------------------|---------------------------|----------------------|-------------|--|
| | Exercise price (USD\$) | Number of options | Exercise price (USD\$) | Number of options | | |
| 19-Jan-24 | 20.00 | 102,850 | 20.00 | 34,275 | 18-Jan-29 | 3.04 |
| 20-May-24 | 20.00 | 25,000 | 20.00 | 25,000 | 19-May-29 | 3.37 |
| 4-Oct-24 | 20.00 | 15,000 | 20.00 | 15,000 | 19-May-29 | 3.37 |
| 11-Dec-24 | 20.00 | 55,000 | 20.00 | 18,333 | 11-Dec-29 | 3.94 |
| | 20.00 | 197,850 | 20.00 | 92,608 | | 3.36 |

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9. Share capital and reserves (continued)

Reserves (continued)

a. Stock options (continued)

On June 26, 2025, the Company changed the exercise price of all outstanding options excluding the 20,000 options granted on December 17, 2024 to an exercise price of \$20.00 per share.

On September 2, 2025, 6,500 options with an exercise price of \$20.00 and an expiry date of January 18, 2029 as well as 2,500 options with an exercise price of \$20.00 and an expiry date of December 11, 2029 were forfeited.

The Company used the Black-Scholes Option Pricing model and recorded total share-based compensation expense for the year ended December 31, 2025 of \$1,449,893 for the vested portion of options granted. No options were granted during the year ended December 31, 2025.

b. Warrants

As at December 31, 2025, the following warrants have been granted.

| | Number of Warrants | Weighted Average Exercise Price (\$) |
|----------------------------|--------------------|---|
| Balance, December 31, 2024 | - | - |
| Issued | 132,034 | 26.00 |
| Balance, December 31, 2025 | 132,034 | 26.00 |

As at December 31, 2025, the following options were exercisable and outstanding:

| Number of Warrants | Exercise Price (\$) | Expiry Date | Weighted average contractual life |
|--------------------|---------------------|----------------|--------------------------------------|
| 78,043 | 26.00 | April 22, 2030 | 4.30 |
| 5,463 | 26.00 | April 22, 2028 | 2.30 |
| 45,353 | 26.00 | July 4, 2030 | 4.50 |
| 3,175 | 26.00 | July 4, 2028 | 2.50 |
| 132,034 | 26.00 | | 4.24 |

b. Foreign currency reserve:

The foreign currency reserve records unrealized exchange differences arising on translation of group companies that have a functional currency other than the Company's reporting currency. As of December 31, 2025, the Company has recorded \$4,968. (December 31, 2024 – \$30,263)

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10. Per share amounts:

The number of shares included in the computation of diluted earnings per share were as follows:

| | December 31, 2025 | December 31, 2024 |
|--|------------------------------|----------------------|
| Weighted average shares outstanding - basic | 13,707,387 | 12,677,870 |
| Effect of stock options | - | - |
| Effect of warrants | - | - |
| Weighted average shares outstanding - diluted | 13,707,387 | 12,677,870 |
| Anti-dilutive shares excluded: | | |
| Stock options | 1,978,500 | 2,268,500 |
| Warrants | 1,320,340 | - |

The number of shares outstanding above has adjusted for the share split subsequent to the year ended December 31, 2025 (Note 15). However, it should be noted that share, warrant, and option quantities for other disclosures have not been retrospectively adjusted when there is no impact on the earnings per share calculation.

11. Deposits on Shares

On August 29, 2025, the Company received \$1,949,884 (CAD\$2,679,535) in gross proceeds pursuant to a non-brokered private placement of subscription receipts. At December 31, 2025, closing of the private placement and issuance of units is contingent upon the Qualifying Transaction with Lombard Street Capital being completed. Therefore, the Company recognized the gross proceeds as restricted cash with a corresponding liability. The financing cost which is contingent to the closing of the transaction is recognized as deferred financing costs with corresponding accounts payable.

The proceeds of the August private placement have been paid to TSX Trust in full to be held in trust by TSX Trust until the Proposed Transaction is completed. These proceeds are recognized as Restricted cash, and were received in full upon completion of the Qualifying Transaction.

On February 11, 2026, the Company issued 956,977 units on a post-split basis after completing the 1 to 10 share split (Note 15), each consisting of one Common Share of the Company, and one share purchase warrant of the Company. Each warrant will entitle the holder thereof to acquire one Common Share (at a price of CAD\$3.70 for a period of five years following the Closing Date of August 29, 2025). The Company paid a cash fee of \$128,237 and issued 60,650 post-split warrants at a price of CAD\$2.80 with a 3 year expiry following the closing date to the Agents.

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12. Related party transactions

Balances

As at December 31, 2025, \$10,367 (December 31, 2024 – \$29,630) is due to directors and officers of the Company and is included in accounts payable and accrued liabilities (Note 8), and \$92,685 (December 31, 2024 – \$92,685) included in other payables. These amounts are unsecured, non-interest bearing and have no fixed terms of repayment.

As at December 31, 2025, \$519,201 (December 31, 2024 due from Li2023 – \$485,853) is due from Li2023 PTE. Ltd. and is included in related party receivables. These amounts are unsecured, non-interest bearing and have no fixed terms of repayment.

Transactions

Key management compensation:

Key management consists of the Company's directors, executive officers, and senior management. Compensation includes amounts paid to these individuals and companies they control:

Transactions

| | December 31, 2025 | December 31, 2024 |
|------------------------------------|------------------------------|----------------------|
| Management fees to the CEO | \$ 180,000 | \$ 185,000 |
| Management fees to the President | 180,000 | 200,000 |
| Management fees to the CFO | 150,000 | 156,250 |
| Management fees to the secretary | 125,004 | 135,421 |
| Consulting fees paid to a director | 90,000 | 135,000 |
| Share-based compensation | 1,097,354 | 1,996,370 |
| | \$ 1,822,358 | \$ 2,808,041 |

The table below shows the fees which were paid by the Company on behalf of Li2023.

| | December 31, 2025 | December 31, 2024 |
|------------------------------------|------------------------------|----------------------|
| Management fees to the CEO | \$ 84,600 | \$ 82,500 |
| Management fees to the President | 126,450 | 135,000 |
| Management fees to the CFO | 70,500 | 75,000 |
| Management fees to the secretary | 82,190 | 87,503 |
| Consulting fees paid to a director | 81,000 | 117,000 |
| | \$ 444,740 | \$ 497,003 |

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13. Exploration and evaluation

| Exploration | December 31, 2025 | December 31, 2024 |
|-----------------------------------|------------------------------|----------------------|
| Exploration of potential projects | \$ 435,236 | \$ 15,000 |
| Due Diligence Investigation | 200,000 | - |
| Travel & Accomodation | 58,545 | 73,447 |
| Consultants - Geologists | 96,212 | 16,854 |
| Assaying & Laboratory | 7,680 | - |
| Field Cost | 6,060 | 21 |
| Administration | 3,749 | - |
| Total | \$ 807,482 | \$ 105,322 |

14. Financial risk and capital management

The Company is exposed in varying degrees to a variety of financial instrument related risks. The Board of Directors approves and monitors the risk management processes, inclusive of documented investment policies, counterparty limits, and controlling and reporting structures. The type of risk exposure and the way in which such exposure is managed is summarized as follows:

Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company's primary exposure to credit risk is on its cash held in bank accounts, as well as cash held in escrow by TSX Trust, as disclosed in Note 11. The majority of cash is deposited in bank accounts at two major banks in Canada. As most of the Company's cash is held by two banks there is a concentration of credit risk. This risk is managed by using major banks that are high credit quality financial institutions as determined by rating agencies. TSX Trust is the largest Canadian-owned transfer agent and provider of corporate trust services. Its parent TMX Group Limited has a low and stable credit risk rating. Related party receivables (Notes 5,12) and the equity investment (Note 6) are also subject to credit risk. Credit risk is assessed as low.

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 has a planning and budgeting process in place to help determine the funds required to support the Company's normal operating requirements on an ongoing basis. The Company ensures that there are sufficient funds to meet its short-term business requirements, taking into account its anticipated cash flows from operations and its holdings of cash. All financial liabilities are current in nature.

Historically, the Company's sole source of funding has been the issuance of equity securities for cash, primarily through private placements. The Company's access to financing is always uncertain. There can be no assurance of continued access to necessary levels of equity funding. Liquidity risk is assessed as high.

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14. Financial risk and capital management (continued)

Foreign exchange risk

Foreign currency risk is the risk that the fair values of future cash flows of a financial instrument will fluctuate because they are denominated in currencies that differ from the respective functional currency. The Company is exposed to foreign currency exchange risk as it expenses, and liabilities denominated in currencies other than the functional currency of the Company and its subsidiaries.

Since the Company's reporting currency is United States dollars and the Company through its investments and its subsidiaries have operations in Mali and in other parts of Africa, the Company is exposed to foreign currency fluctuations on its reported amounts of AUD, CAD, Euro, MAD, ZAR, and GBP assets and liabilities.

As at December 31, 2025, the Company had the following AUD, CAD, Euro, MAD, ZAR, and GBP denominated assets and liabilities:

| | December 31, 2025 | | | | | December 31, 2024 | | | | |
|--|-------------------|--------------------|-------------------|-----------------|--------------------|-------------------|-------------------|-------------------|----------------|--|
| | AUD | CAD | Euros | GBP | MAD | AUD | CAD | Euros | GBP | |
| Cash | \$ 4,874 | \$ 24,091 | \$ - | \$ - | \$ - | \$ 2,833 | \$ 907 | \$ - | \$ - | |
| Receivables | - | 9,998 | - | - | - | - | 6,608 | - | - | |
| Accounts payable and accrued liabilities | - | (117,792) | (3,522) | 10,367 | (97,593) | (7,960) | (13,243) | (3,116) | (22) | |
| Total | \$ 4,874 | \$ (83,704) | \$ (3,522) | \$10,367 | \$ (97,593) | \$ (5,127) | \$ (5,728) | \$ (3,116) | \$ (22) | |

As at December 31, 2025, a 10% change in exchange rates between AUD, CAD, Euro, MAD, ZAR, and GBP would impact the Company's net income (loss) by \$16,957 (December 31, 2024 – \$1,400).

Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is not exposed to interest rate risks.

Capital Management

The Company's policy is, if permitted by market conditions, to maintain a strong capital base so as to support investor and creditor confidence and support future development of the business. The capital structure of the Company consists of equity, comprising share capital and reserves net of accumulated deficit. The Company is not subject to any externally imposed capital requirements. There has been no change in the Company's management of capital during the year ended December 31, 2025.

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14. Financial risk and capital management (continued)

Fair value

The Company's financial instruments consist of cash, equity investment, amounts receivable, accounts payable, embedded derivative liability, and other payables and accrued liabilities. The fair value of these financial instruments, excluding the embedded derivative liability, approximates their carrying values due to the short-term nature of these investments and liabilities. Cash, amounts receivable, accounts payable and other payables and accrued liabilities are measured at fair value using Level 1 inputs.

Management has determined that the embedded derivative liability and the equity investment were classified as level 3 as inputs used for the valuation models are not observable inputs.

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

- Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities;
- Level 2 – Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and
- Level 3 – Inputs that are not based on observable market data.

15. Subsequent events

a) Agreement with Lombard Street Capital Corp. (Qualifying Transaction) and related financing

On February 11, 2026, Lithium Africa Corp. (formerly Lombard Street Capital Corp.) ("LAF") completed its acquisition of the Company (the "Transaction"), constituting LAF's Qualifying Transaction under TSX Venture Exchange policy. Prior to closing, LAF continued from Ontario to the Cayman Islands, changed its name to Lithium Africa Corp., and consolidated its common shares on a 24:1 basis.

Prior to completion of the transaction, the Company completed a share split on the basis of 1 (old) common share for 10 (new) common shares.

The Transaction was effected by way of a Cayman Islands merger, pursuant to which LAF acquired all issued and outstanding shares of the Company and Company securityholders exchanged their securities for post-consolidation securities of LAF on a 1:1 basis. In connection with the Transaction, LAF issued 18,387,927 common shares to former shareholders of the Company, and the Company's preferred shares were converted to common shares on a 1:1 basis prior to closing.

Upon completion of the Transaction, the subscription receipts from the private placement on August 29, 2025 (Note 11) converted into one common share and one warrant, and the escrowed proceeds were released.

LAF's common shares commenced trading on the TSX Venture Exchange under the symbol "LAF" on February 19, 2026, and certain securities are subject to escrow under a Tier 2 escrow agreement in accordance with TSXV requirements.

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15. Subsequent events (continued)

- b) On February 18, 2026, LAF granted 1,075,000 Restricted Share Units ('RSUs') to officers, directors and contractors of LAF with a fair market value of CAD\$3,010,000 and vesting date of February 16, 2028.
- c) On February 25, 2026, LAF entered into a definitive agreement to acquire a large lithium project in South Africa, including a past-producing spodumene mine, a related ore stockpile and 1,675 km² land package hosting a known field of mapped LCT pegmatites (the "Springbok Project").

Transaction Terms

LAF intends to acquire 70% of Namli Exploration & Mining Proprietary Limited ("Namli") in a staged transaction whereby 30% will be acquired immediately upon receipt of authorization under the South African Currency and Exchanges Act and the remaining 40% will be acquired upon receipt of consent to LAF acquiring a majority stake in Namli from the South African State Department of Mineral and Petroleum Resources (the "s11 Consent") for consideration of:

- \$1.35M in cash (paid in two installments of 30% upfront and 70% after receipt of s11 Consent);
- \$150,000 to settle a third-party claim relating to the Springbok Project; and
- \$2.5 M paid over 24 months (monthly payments of \$104,167) pursuant to an equipment leasing agreement.

The Company has also agreed to pay a consultant (arm's length to the Company and Namli), \$200,000 in common shares of the Company; 50% of this has been settled and the balance will be settled upon completion of the acquisition of the 70% stake in Namli.

Namli holds a prospecting right (NC13301PR) and a mining permit (NC10950MP) comprising the Springbok Project.

- d) On March 18, 2026, LAF closed a private placement of 4,411,565 units of LAF (the "Units") at a price of CAD\$2.00 per Unit for gross proceeds of CAD\$8,823,130 (the "Offering").

Each Unit consisted of one share in the capital of LAF (a "Unit Share") and one-half of one share purchase warrant (each whole warrant, a "Warrant"). Each Warrant entitles the holder thereof to purchase one additional Unit Share (a "Warrant Share") at an exercise price of CAD\$2.80 per Warrant Share for a period of 3 years following the closing of the Offering.

ATB Cormark Capital Markets acted as the agent in connection with the Offering (the "Agent").

The net proceeds from the sale of the Units will be used as partial consideration in connection with the acquisition of the Springbok Project and for working capital and general corporate purposes.

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15. Subsequent events (continued)

Pursuant to an agency agreement among LAF and the Agent dated March 18, 2026, LAF:

- (i) paid a cash fee of approximately CAD\$587,708 to the Agent; and
- (ii) issued 293,854 broker warrants (the “Broker Warrants”) to the Agent. Each Broker Warrant is exercisable into one common share of LAF at the Offering Price for a term of two years expiring on March 18, 2028.

The Units, Unit Shares and Warrants issued pursuant to the Offering are subject to a statutory hold period in Canada expiring four months and one day expiring on July 19, 2026. The Offering remains subject to the final acceptance of the TSX Venture Exchange (“TSXV”).