Lithium Africa Corp.

Condensed Consolidated Interim Financial Statements

For the three and six months ended June 30, 2026 and 2025

(Expressed in United States dollars, unless otherwise noted)

Unaudited

Lithium Africa Corp.
For the three and six months ended June 30, 2026 and 2025

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

	Notes		June 30, 2026		December 31, 2025
ASSETS					
Current Assets					
Cash		**$**	**5,424,352**	$	111,702
Restricted cash			**-**		1,949,884
Amounts receivable			**66,653**		19,520
Prepaid expenses and deposits	**7**		**103,659**		198,418
Deferred acquisition cost	**11**		**-**		25,000
			5,594,664		2,304,524
Non-current assets					
Interests in joint ventures	**8**		**3,340,480**		3,279,701
Related party receivables	**8,15**		**1,011,251**		519,201
Promissory note receivable	**9**		**250,000**		-
Right-of-use asset	**10**		**1,881,151**		-
Equity investments	**11**		**861,323**		112,390
Property and equipment	**12**		**186,273**		42,770
			7,530,478		3,954,062
TOTAL ASSETS		**$**	**13,125,142**	$	6,258,586
LIABILITIES AND SHAREHOLDERS' EQUITY					
Current liabilities					
Accounts payable and accrued liabilities	**13**	**$**	**309,732**	$	613,345
Other payables	**8**		**92,685**		92,685
Lease liability - current	**10**		**1,250,000**		-
Deposits on shares	**4, 14**		**-**		1,949,884
			1,652,417		2,655,914
Non-current liabilities					
Lease liability	**10**	**$**	**661,669**	$	-
Warrants liability	**14**		**1,802,989**		-
			2,464,658		-
TOTAL LIABILITIES		**$**	**4,117,075**	$	2,655,914
SHAREHOLDERS' EQUITY					
Common shares	**4,14**		**24,410,234**		9,145,333
Preferred shares	**4,14**		**-**		6,491,968
Reserves	**4,14**		**5,405,236**		3,707,789
Accumulated other comprehensive (income) loss	**8, 14**		**(84,404)**		6,416
Accumulated deficit			**(20,722,999)**		(15,748,834)
TOTAL SHAREHOLDERS' EQUITY			**9,008,067**		3,602,672
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		**$**	**13,125,142**	$	6,258,586

Nature of operations and Going Concern (Note 1 & 2)
Subsequent events (Note 18)
Approved and authorized on behalf of the Board on August 31, 2026:

Tom Benson, Director

Carl Esprey, Director

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

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

	Notes	Three months ended June 30, 2026	Three months ended June 30, 2025	Six months ended June 30, 2026	Six months ended June 30, 2025
Operating Expenses					
Exploration and evaluation	**16**	**$ 316,102**	$ 369,440	**$ 483,374**	$ 588,062
Fees, salaries and other benefits		**215,172**	56,683	**331,439**	113,342
Share-based compensation	**14**	**540,910**	423,357	**839,728**	815,740
Legal and professional		**210,401**	213,822	**318,742**	295,879
Office and administration		**90,378**	35,697	**140,126**	55,383
Lease amortization	**10**	**376,230**	-	**376,230**	-
Marketing and investor relations		**129,732**	27,632	**352,240**	43,840
Transfer agent and filling fees		**31,133**	-	**145,828**	-
Total operating expenses		**1,910,058**	1,126,631	**2,987,707**	1,912,246
Other (income) expenses					
Transaction cost	**4**	**-**	-	**423,852**	-
Unrealized foreign exchange gain		**(82,552)**	(226,338)	**(216,961)**	(255,244)
Interest income		**(31,607)**	-	**(31,972)**	-
Interest expense	**10**	**70,955**	-	**70,955**	-
Listing expense	**4**	**-**	-	**2,152,699**	-
Gain on warrant liability FV revaluation	**14**	**(1,900,120)**	-	**(1,691,212)**	-
Private placement expense	**14**	**-**	-	**409,751**	-
Share of loss on joint venture	**8**	**444,318**	395,219	**869,346**	681,637
Fair value change on embedded derivative liability		**-**	(96,917)	**-**	(96,917)
Total Other (income) expenses		**(1,499,006)**	71,964	**1,986,458**	329,476
Loss for the period		**$ 411,052**	$ 1,198,595	**$ 4,974,165**	$ 2,241,722
Other comprehensive loss					
Share of other comprehensive loss in joint venture	**8, 14**	**16,417**	39,391	**69,875**	51,294
Foreign currency translation loss		**14,829**	27,519	**20,945**	32,543
		31,246	66,910	**90,820**	83,837
Comprehensive loss for the period		**$ 442,298**	$ 1,265,505	**$ 5,064,985**	$ 2,325,559
Basic and diluted loss per share		$ **0.02**	$ 0.09	$ **0.23**	$ 0.18
Weighted average number of common shares outstanding		**24,978,317**	13,412,640	**22,186,519**	13,114,130

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

Lithium Africa Corp.
Condensed Consolidated Interim Statements of Changes in Shareholders' Equity
(Expressed in United States dollars, except share quantities)

		Share Capital			Reserves					
	Notes	Common	Preferred	Amount	Share Based Compensation and Warrants	Cumulative Translation Adjustment	Joint Venture OCI Reserve	Total reserves	Accumulated Deficit	Total Equity
Balance at December 31, 2024		12,812,310	2,999,610	12,642,723	2,694,314	30,263	94,756	2,819,333	(4,698,568)	10,763,488
Private placement		780,430	-	1,560,860	-	-	-	-	-	1,560,860
Share issuance costs		-	-	(327,411)	71,269	-	-	71,269	-	(256,142)
Share-based compensation		-	-	-	815,740	-	-	815,740	-	815,740
Net loss		-	-	-	-	-	-	-	(2,241,722)	(2,241,722)
Other comprehensive income		-	-	-	-	(32,543)	(51,294)	(83,837)	-	(83,837)
Balance at June 30, 2025		13,592,740	2,999,610	13,876,172	3,581,323	(2,280)	43,462	3,622,505	(6,940,290)	10,558,387
Private placement		453,529	-	907,060	-	-	-	-	-	907,060
Share issuance costs		-	-	(107,505)	41,747	-	-	41,747	-	(65,758)
Shares issued for penalty		185,070	-	370,140	-	-	-	-	-	370,140
Shares issued for stock options exercised		200,000	-	42,000	-	-	-	-	-	42,000
Fair value of stock options exercised		-	-	549,434	(549,434)	-	-	(549,434)	-	-
Share-based compensation		-	-	-	634,153	-	-	634,153	-	634,153
Net loss		-	-	-	-	-	-	-	(8,808,544)	(8,808,544)
Other comprehensive income		-	-	-	-	7,248	(42,014)	(34,766)	-	(34,766)
Balance at December 31, 2025		14,431,339	2,999,610	15,637,301	3,707,789	4,968	1,448	3,714,205	(15,748,834)	3,602,672
Private placement	**4,14**	5,368,542	-	4,893,039	-	-	-	-	-	4,893,039
Preferred shares converted to Common shares	**4,14**	2,999,610	-	6,491,968	-	-	-	-	-	6,491,968
Preferred shares	**4,14**	-	(2,999,610)	(6,491,968)	-	-	-	-	-	(6,491,968)
Share issuance costs	**4,14**	-	-	(575,072)	389,010	-	-	389,010	-	(186,062)
Shares issued for property	**9,14**	77,949	-	111,949	-	-	-	-	-	111,949
Shares issued in RTO share exchange	**4,14**	2,100,877	-	4,343,017	-	-	-	-	-	4,343,017
Share warrants deemed to be issued in RTO	**4,14**	-	-	-	124,151	-	-	124,151	-	124,151
Share options deemed to be issued in RTO	**4,14**	-	-	-	344,558	-	-	344,558	-	344,558
Share-based compensation	**14**	-	-	-	839,728	-	-	839,728	-	839,728
Net loss		-	-	-	-	-	-	-	(4,974,165)	(4,974,165)
Other comprehensive loss	**8, 14**	-	-	-	-	(20,945)	(69,875)	(90,820)	-	(90,820)
Balance at June 30, 2026		**24,978,317**	**-**	**24,410,234**	**5,405,236**	**(15,977)**	**(68,427)**	**5,320,832**	**(20,722,999)**	**9,008,067**

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

Lithium Africa Corp.
Condensed Consolidated Interim Statements of Cash Flows
June 30, 2026

	Note		June 30, 2026		June 30, 2025
Cash provided by (used in)					
Operating activities					
Loss for the period		**$**	**(4,974,165)**	$	(2,241,722)
Non-cash transactions:					
Interest expense on lease equipment			**70,955**		-
Loss on joint venture	**8**		**869,346**		681,637
Amortization			**4,502**		-
Lease amortization	**10**		**376,230**		-
Listing expense	**4**		**2,152,699**		-
Unrealized foreign exchange gain			**(216,961)**		(255,244)
Share-based compensation	**14**		**839,728**		815,740
Private placement expense	**14**		**161,854**		-
Fair value change on embedded derivative liability			**-**		(96,917)
Fair value change on warrant liability	**14**		**(1,691,212)**		
Changes in non-cash working capital:					
Amounts receivable			**(46,557)**		-
Related party receivable			**(492,050)**		(436,272)
Prepaid expenses and deposits			**431,927**		(27,556)
Accounts payable and accrued liabilities			**(426,076)**		11,849
Cash used in operating activities		**$**	**(2,939,780)**	$	(1,548,485)
Investing activities					
Payments for property and equipment			**(148,005)**		-
Lease liability payments	**10**		**(329,160)**		-
Investment in Namli	**11**		**(611,984)**		-
Investment in joint ventures	**8**		**(1,000,000)**		
Promissory note receivable	**9**		**(250,000)**		-
Cash acquired with RTO transaction	**4**		**2,356,239**		-
Cash provided by investing activities		**$**	**17,090**	$	-
Financing activities					
Proceeds from the issuance of shares, net of costs	**14**		**6,089,440**		1,304,718
Deposits on shares	**11**		**-**		434,334
Cash Provided by Financing Activities		**$**	**6,089,440**	$	1,739,052
Effect of foreign exchange rate changes on cash			**196,016**		(57,181)
Change in cash and restricted cash		**$**	**3,166,750**	$	190,567
Cash, beginning of period		**$**	**111,702**	$	1,021,204
Restricted cash, beginning of period			**1,949,884**		-
Total cash and restricted cash, beginning of period		**$**	**2,061,586**	$	1,021,204
Total cash, end of period			**5,424,352**		1,154,590
Supplemental non cash movement for financing activities					
Share issue for property		$	**111,949**	$	-
Shares issued for restricted share units transferred from RSUs reserves to share capital		$	**510,621**	$	-
Right-of-use Asset		$	**(2,257,381)**	$	-
Lease liability		$	**2,257,381**	$	-
Fair value of agent warrants		$	**389,010**	$	71,269

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

1. Nature of operations

Lithium Africa Corp., formerly Lombard Street Capital Corp. (the "Company"), was incorporated on January 31, 2024 under the laws of Ontario, Canada and continued from Ontario to the Cayman Islands. The Company changed its name from Lombard Street Capital Corp. to Lithium Africa Corp. and consolidated its share capital on January 15, 2026. On February 11, 2026 the Company completed its Qualifying Transaction (Note 4), after which the Company became an exploration company engaged in the acquisition, development and operation of mineral properties in Africa.

The Company's registered office is located at Cricket Square, Hutchins Drive, PO Box 2681, Grand Cayman, KY1-1111, Cayman Islands. All dollar amounts are United States dollars unless otherwise noted.

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 condensed consolidated interim financial statements have been prepared on the basis of accounting principles applicable to a going concern, which assumes that the Company 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 six months ended June 30, 2026, the Company incurred a net loss of $6,255,626 and used $2,691,883 cash in its operating activities and obtained gross proceeds from an equity financing of CAD$8,823,130 ($6,437,356) (Note 14). 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 condensed consolidated interim 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.

3. Material accounting policy information

Statement of compliance

These condensed consolidated interim financial statements have been prepared in accordance with IAS 34, Interim Financial Reporting, using accounting policies consistent with those described in the audited consolidated financial statements of Lithium Africa Resources Corp. ("LARC"), the accounting acquirer in the reverse takeover transaction (Note 4), for the year ended December 31, 2025.

These condensed consolidated interim financial statements of the Company should be read in conjunction with the Company's annual audited consolidated financial statements for the year ended June 30, 2025, as well as the LARC's audited consolidated financial statements for the year ended December 31, 2025, which were prepared in accordance with IFRS Accounting Standards issued by the International Accounting Standards Board ("IASB").

3. Material accounting policy information (continued)

Basis of measurement

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

Principles of consolidation

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

		Percentage owned	
	Country of incorporation	**June 30, 2026**	December 31, 2025
Lithium Africa Resources Corp.	Cayman Islands	100%	0%
Lithium Africa Resources PTY LTD	Australia	100%	0%
Springbok Lithium Proprietary Limited	South Africa	100%	0%

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 June 30, 2026, the Company has one operating segment, a mineral exploration group focused on projects located in Africa.

Approval of the condensed consolidated interim financial statements

The condensed consolidated interim financial statements of the Company for the six months ended June 30, 2026 were approved and authorized for issue by the Board of Directors on August 31, 2026.

Use of estimates and judgments

The preparation of these condensed consolidated interim financial statements requires management to make estimates and judgments that affect the reported amounts of assets and liabilities at the date of the condensed consolidated interim 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 condensed consolidated interim 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 condensed consolidated interim financial statements that could result in a material adjustment to the carrying amounts of assets and liabilities are as follows:

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.

- **Inputs used in the valuation of options and warrants**
  The Company uses the Black-Scholes Option Pricing Model to calculate the fair value of share purchase options and finder warrants granted. Inputs used in this model require assumptions including the expected life, dividend rate, discount rate, and 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 costs 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.

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 period ended June 30, 2026, the Company did not recognize any impairment expense or reversal (2025 – $Nil expense).

Functional and presentation currency

These condensed consolidated interim financial statements are presented in United States dollars, and the Company's functional currency and that of its subsidiaries is the United States Dollar, except for the Company's Australian subsidiary whose functional currency is the Australian dollar.

Unproven mineral property interests

Exploration expenditures excluding acquisition 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 and Equipment

On initial recognition, property 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.

3. Material accounting policy information (continued)

Property 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 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 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 and equipment	Depreciation rate
Vehicle	20%
Hardware	20%
Furniture and fittings	20%
Equipment & machinery	20%
Leasehold improvements	lesser of useful life and lease term

The assets' residual values, useful lives and depreciation methods are reviewed and adjusted, if appropriate, at each reporting date. The gain or loss arising on the disposal of an item of property 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.

Leases – Lessee

Pursuant to IFRS 16, the Company recognizes a Right-of-use asset ("ROU") and Lease obligation at the start of most leases utilizing the present value of the lease payments over the appropriate term of the lease. Finance costs associated with the lease obligation are charged to profit or loss over the lease period with a corresponding increase to the ROU liability. The ROU liability is reduced as payments are made against the principal portion of the lease. The ROU asset is amortized over the asset's useful life and the lease term on a straight-line basis. This policy does not apply to short-term leases with a lease term of 12 months or less and low-value leases. Lease payments related to these short-term or low-value leases are expensed over the lease term through profit or loss.

Amortization of the ROU asset is recognized as part of costs of sales or general and administrative expenses, depending on the nature of the leased asset. ROU assets and liabilities are initially measured on a present value basis. Lease obligations are measured as the net present value of the lease payments which may include fixed lease payments, variable lease payments that are based on an index or a rate, amounts expected to be payable under residual value guarantees, and payments to exercise an extension or termination option, if the Company is reasonably certain to exercise either of those options. ROU assets are measured at cost, which is composed of the amount of the initial measurement of the lease liability, less any incentives received, plus any lease payments made at, or before, the commencement date and initial direct costs and asset restoration costs, if any. The rate implicit in the lease is used to determine the present value of the liability and assets arising from a lease, unless this rate is not readily determinable, in which case the Company's incremental borrowing rate is used.

3. Material accounting policy information (continued)

Impairment of Property and Equipment

Property 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 costs 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.

Foreign currency translation

The functional currency of a Company is measured using the currency of the primary economic environment in which the Company operates.

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 a 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.

3. Material accounting policy information (continued)

Share-based compensation

Share-based compensation to employees are measured at the grant-date 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 on the date share based compensation is granted.

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 in the same currency as the functional currency of the Company. 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 share issuance date.

For units issued in a currency other than the functional currency of the Company, the warrants are valued first using the Black-Scholes option pricing model, as they are a derivative liability and are measured at fair value in accordance with IFRS 9. In such circumstances, the residual value (if any) is allocated to the common shares.

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.

3. Material accounting policy information (continued)

Financial instruments (continued)

The following table shows the classification under IFRS 9:

Financial assets/liabilities	
Cash	FVTPL
Restricted cash	Amortized cost
Amounts receivable	Amortized cost
Related party receivables	Amortized cost
Accounts payable and accrued liabilities	Amortized cost
Equity investments	FVTPL
Deposits on shares	Amortized cost
Promissory note receivable	Amortized cost
Warrants 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.

Financial assets and liabilities at FVTPL
Financial assets and liabilities a FVTPL are initially recognized at fair value, with transaction costs expensed in profit or loss. These instruments are subsequently measured at fair value with revaluation gains or losses recognized in profit or loss.

(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.

(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.

3. Material accounting policy information (continued)

Financial instruments (continued)

(iv) Derecognition (continued)

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 condensed consolidated interim 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 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. 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. In loss periods, basic and diluted loss per share are equivalent, as the impact of potentially dilutive instruments would be anti-dilutive.

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 currently have any restoration provisions.

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.

ACCOUNTING STANDARDS ISSUED BUT NOT YET IMPLEMENTED

The following new standards and interpretations have been issued by the IASB, but are not yet effective and have not been applied in preparing these consolidated financial statements. The Company will adopt the standards and interpretations on their effective dates.

Amendments to IFRS 9 and IFRS 7 — Classification and Measurement of Financial Instruments (effective January 1, 2026).

3. Material accounting policy information (continued)

ACCOUNTING STANDARDS ISSUED BUT NOT YET IMPLEMENTED (continued)

In May 2024, the IASB issued Amendments to the Classification and Measurement of Financial Instruments. The amendments clarify that a financial liability is derecognized on the settlement date and introduce an accounting policy choice to derecognize a financial liability settled using an electronic payment system before the settlement date. Other clarifications include guidance on the classification of financial assets with ESG-linked features, non-recourse loans and contractually linked instruments. The amendments are effective for annual periods beginning on or after January 1, 2026. Early adoption is permitted, with an option to early adopt only the amendments to the classification of financial assets (for contingent features). The Company is currently in the process of assessing the impact of the amendments on the consolidated financial statements and notes to the consolidated financial statements.

IFRS 18 — Presentation and Disclosure in Financial Statements (effective January 1, 2027)

In April 2024, the IASB issued IFRS 18, Presentation and Disclosure in the Financial Statements. IFRS 18 will replace IAS 1 Presentation of Financial Statements but carries forward many of the requirements from IAS 1. The standard introduces new defined subtotals to be presented in the Company's consolidated statements of net loss and comprehensive loss, disclosure of any management-defined performance measures related to the consolidated statements of net loss and comprehensive loss and requirements for grouping of information. IFRS 18 is effective for annual periods beginning on or after January 1, 2027, with earlier adoption permitted, and will apply retrospectively. The Company is currently in the process of assessing the impact of IFRS 18 (and applicable amendments to other standards) on the consolidated financial statements and notes to the consolidated financial statements.

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

4. Reverse Takeover Transaction (RTO)

On February 11, 2026, the Company completed the acquisition of Lithium Africa Resources Corp. ("LARC") which constitutes the Qualifying Transaction ("Transaction") pursuant to TSXV Policy 2.4 – Capital Pool Companies. On July 23, 2025, the Company and LARC entered into an agreement pursuant to which the Company acquired all of the issued and outstanding common and preferred shares of LARC through a merger under the laws of the Cayman Islands involving a wholly owned subsidiary of the Company and LARC. The resulting company following the completion of the Qualifying Transaction is referred to herein as the "Resulting Issuer". The Transaction did not constitute a Non-Arm's Length Transaction (as such term is defined in the policies of the TSXV). For accounting purposes, LARC has been identified as the accounting acquirer and the Company (legal parent) has been treated as the accounting acquiree. As a result of the transaction, the former shareholders of LARC held a controlling interest in the voting shares of the Company constituting a reverse takeover acquisition of the net assets of the Company since the Company does not qualify as a business and the Transaction is accounted for under IFRS 2, Share-based Payments. The Company incurred $423,852 in transaction cost related to the RTO transaction.

Prior to completing the Transaction, the Company continued from Ontario to the Cayman Islands, changed its name from "Lombard Street Capital Corp." to "Lithium Africa Corp." and consolidated its share capital on the basis of 24 (old) common shares for 1 (new) common share. LARC also completed a share split on the basis of 1 (old) common share for 10 (new) common shares. All outstanding securities of LARC were exchanged for post-Consolidation securities of the Company on a 1:1 basis.

4. Reverse Takeover Transaction (RTO) (continued)

In connection with the Transaction, the Company issued 17,430,950 common shares to former common and preferred shareholders of LARC, as well as 956,977 common shares pursuant to the concurrent financing discussed in Note 14. 2,100,877 common shares of the Company were outstanding and held by former Lombard shareholders and 208,335 options and 106,874 warrants of the Company were also outstanding. As a result, there were 20,488,804 common shares outstanding upon completion of the RTO. Further details regarding the Transaction can be found in the Company's Filing Statement dated December 23, 2025 filed under the Company's profile on SEDAR+.

The fair value of the Transaction and the allocation to the net assets of the Company acquired was recorded as follows:

Total consideration:	
Fair value of Lithium Africa Corp. Capital shares	4,343,017
(2,100,877 post-consolidation common shares at CAD$2.80 ($1.46))	
Fair value of Lithium Africa Corp. Options and Warrants	468,709
	4,811,726
Net assets acquired	
Cash	2,356,239
Prepaid expenses and deposits	576
Amounts receivable	337,168
Accounts payable	(34,956)
Net assets	2,659,027
Listing expense	**2,152,699**

The fair value of the Company's outstanding common shares as at February 11, 2026 are valued based upon the concurrent financing transaction price, discussed above. The February 11, 2026 outstanding 106,874 warrants were valued at CAD $168,158 ($124,151) based upon a Black-Scholes option pricing model calculation using the following assumptions: 2.59% discount rate; 106.72% volatility:1.75 year term; 0% dividend; and 0% forfeiture rate. The February 11, 2026 outstanding 208,333 options are valued at CAD $466,691 ($344,558) based upon a Black-Scholes option pricing model calculation using the following assumptions: 2.78% discount rate; 112.39% volatility; 4.05 year term; 0% dividend; and 0% forfeiture rate.

The common shares of the Company commenced trading on the Exchange under the ticker symbol "LAF" on February 19, 2026 as a Tier 2 issuer.

4. Reverse Takeover Transaction (RTO) (continued)

On August 29, 2025, LARC 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 was contingent upon the Qualifying Transaction being completed. The proceeds of the August private placement were paid to TSX Trust in full to be held in trust by TSX Trust until the proposed transaction was completed. These proceeds 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 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 ($2.73) 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 ($2.06) with a 3-year expiry following the closing date to the Agents. The 956,977 warrants as per IAS 32 were considered to be a derivative liability and have been disclosed as warrants liability (Note 14) on the statement of financial position.

In connection with the Transaction, in accordance with the requirements of the Exchange, certain securityholders of the Company have entered into a Tier 2 Escrow Agreement in respect of 7,243,961 common shares, 1,218,500 stock options and 294,941 warrants of the Company. Under the terms of the Escrow Agreement, 10% of such escrowed securities will be released upon issuance of the final bulletin of the Exchange in respect of the Transaction, with subsequent 15% releases occurring 6 (released), 12, 18, 24, 30 and 36 months from such date.

5. Change of fiscal year

During the quarter ended March 31, 2026, the Company changed its fiscal year-end from June 30 to December 31 to align with the reporting cycle of Lithium Africa Resources Corp. following the completion of the Qualifying Transaction (Note 4).

As a result, the Company's current reporting period represents a six-month interim period ended June 30, 2026, while the comparative information is for the six months ended June 30, 2025.

On February 11, 2026, the Company completed a reverse takeover transaction with LARC (Note 4).

Accordingly:

- These condensed consolidated interim financial statements reflect the continuation of LARC's financial statements, with the assets, liabilities, and operations of the Company included from the date of the transaction.
- The comparative financial information presented reflects the historical financial results and position of LARC.
- The equity structure (share capital) reflects the legal capital structure of Lithium Africa Corp. (formerly Lombard Street Capital Corp.), the legal parent.

6. Change of functional and reporting currency

During the three months ended March 31, 2026, the Company reassessed its functional currency in accordance with IAS 21 — The Effects of Changes in Foreign Exchange Rates following the completion of the reverse takeover transaction (Note 4).

Effective February 11, 2026, the Company determined that its functional currency changed to United States dollars ("USD"). This change reflects a shift in the underlying economic environment of the Company as a result of the reverse takeover with Lithium Africa Resources Corp. ("LARC"), including:

- the increased influence of USD-denominated financing activities,
- the currency in which key operating expenditures and transactions are denominated, and
- the integration of LARC's operations, whose primary economic environment is USD-based.

In accordance with IAS 21, the change in functional currency has been applied prospectively from the date of change. Accordingly:

- monetary assets and liabilities, as well as non-monetary items were translated into USD using the exchange rate at the date of the change, and
- resulting foreign exchange differences were recognized in profit or loss.

In addition, during the same period, the Company changed its presentation (reporting) currency to USD to provide more relevant financial information to users, as USD is the functional currency of the Company and the primary economic environment in which the consolidated entity operates.

In accordance with IAS 21:

- this change in presentation currency has been applied retrospectively,
- comparative financial information has been restated as if USD had always been the presentation currency,
- assets and liabilities have been translated at closing rates,
- income and expenses have been translated at exchange rates at the dates of transactions (or average rates where appropriate), and
- resulting exchange differences have been recognized in other comprehensive income.

As disclosed in Note 5, the comparative financial information reflects the historical results of LARC (the accounting acquirer). As a result of both the change in currency and the reverse takeover transaction, the financial information presented may not be directly comparable to prior periods.

7. Prepaid expenses and deposits

Prepaid expenses and deposits consist of the following:

		June 30, 2026		December 31, 2025
Legal	**$**	**5,625**	$	20,371
Deferred financing cost (Note 4)		**-**		128,237
Investors relations		**62,727**		24,820
Consulting		**10,421**		15,304
Rent		**5,253**		8,461
Subscription		**19,633**		1,225
Total prepaid expenses	**$**	**103,659**	$	198,418

8. 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.

- 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. The Company has not charged any operator fees to date.

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.

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.

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 principal amount of the $3,835,235 a received from GFL into 178,383 preferred shares. As of June 30, 2026, $92,685 in interest relating to the promissory note remains outstanding and payable to GFL, with no interest expense accrued during the period. The outstanding interest payable does not incur additional interest.

8. Interests in joint ventures (continued)

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.

During the six months ended June 30, 2026, the Company has contributed a gross total of $1,000,000 for share subscription, 1,000,000 shares were issued on April 10, 2026.

The following table summarizes the change in the carrying amount of the Company's investment in the joint venture:

		June 30, 2026		December 31, 2025
Balance, beginning	$	**3,279,701**		8,391,875
Investment in joint venture		**1,000,000**		2,500,000
Company's share of net loss		**(869,346)**		(7,518,866)
Company's share of other comprehensive (loss)/income		**(69,875)**		(93,308)
Balance, ending	**$**	**3,340,480**	**$**	3,279,701

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. During the six months ended June 30, 2026, GFL has contributed a gross total of $1,000,000 for share subscription, 1,000,000 shares were issued on April 10, 2026. Each of the Company and GFL's 50% equity interest in Li2023 remains unchanged as at June 30, 2026.

8. Interests in joint ventures (continued)

Operating and financial results of Li2023 for the six months ended June 30, 2026 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 LOSS AND OTHER COMPREHENSIVE LOSS

Financial period from January 1, 2026, to June 30, 2026

	Six months ended June 30, 2026	Six months ended June 30, 2025
	US$	US$
Exploration and evaluation	992,630	898,427
Fees and salaries	277,352	225,050
Legal and professional	389,198	202,752
Depreciation	41,341	57,504
Office and administration	151,433	82,713
Foreign exchange loss	12,528	14,574
Loss for the period	1,864,482	1,481,020
Other comprehensive loss		
Items that may be reclassified subsequently to profit or loss		
Foreign currency translation loss attributed to equity shareholders of the parent company	139,750	102,588
Foreign currency translation loss attributed to equity shareholders of NCI	36,295	26,644
Other comprehensive loss for the period	176,045	129,232
Total comprehensive loss for the period	2,040,527	1,610,252
Loss attributed to:		
Shareholders of the Company	1,738,693	1,363,275
Non-controlling interest	125,789	117,745
	1,864,482	1,481,020
Total comprehensive loss attributed to:		
Shareholders of the Company	1,878,443	1,465,863
Non-controlling interest	162,084	144,389
	2,040,527	1,610,252

8. Interests in joint ventures (continued)

The financial position of Li2023, on a 100% basis, as at June 30, 2026 and December 31, 2025 were as follows:

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
June 30, 2026

	Group	
	June 30, 2026	December 31, 2025
	US$	US$
ASSETS		
Current Assets		
Cash and cash equivalents	376,887	59,792
Prepaid expenses	97,859	36,657
Receivables	117,166	114,870
Total current assets	591,912	211,319
Non-current assets		
Non-refundable deposits	250,000	250,000
Advances	103,600	103,600
Property and equipment	142,386	188,064
Unproven mineral property interests	7,536,625	7,536,625
Total non-current assets	8,032,611	8,078,289
TOTAL ASSETS	8,624,523	8,289,608
LIABILITIES AND EQUITY		
Current liabilities		
Trade and other payables	37,166	153,774
Related party payables	1,011,251	519,201
Total current liabilities	1,048,417	672,975
Non-current liabilities		
Deferred tax liability	1,327,945	1,327,945
Total non-current liabilities	1,327,945	1,327,945
TOTAL LIABILITIES	2,376,362	2,000,920
EQUITY		
Share capital	29,121,472	27,121,472
Revaluation reserves	(223,624)	(83,874)
Accumulated deficit	(22,670,297)	(20,931,604)
Non-controlling Interests	20,610	182,694
TOTAL EQUITY	6,248,161	6,288,688
TOTAL LIABILITIES AND EQUITY	8,624,523	8,289,608

8. Interests in joint ventures (continued)

	Li2023 / JV Assets						
		Mali	Mali	Cote D'Ivoire	Zimbabwe	Uganda	Madagascar
Exploration & Evaluation Six months ended June 30, 2026	**General costs $**	**Torakoura· Tomoni $**	**N'gonzana & Kologo $**	**Adzope& Agboville $**	**Birthday Gift $**	**$**	**$**
Exploration of potential projects	-	-	-	-	-	-	-
Due Diligence Investigation	-	-	-	-	-	8,395	7,347
Drilling	-	-	-	-	-	-	-
Travel & Accomodation	79,046	-	-	48,627	4,768	-	-
Consultants - Geologists	153,389	-	4,417	17,476	-	-	-
Salaries & Wages	-	1,497	59,823	55,090	199,954	-	-
Permits & Fees	-	-	-	38,606	-	-	-
Assaying & Laboratory	-	-	-	-	1,844	-	-
Field Cost	-	-	16,093	82,229	6,675	-	-
Vehicles	-	-	-	-	17,243	-	-
Administration	38,376	-	4,254	33,691	113,790	-	-
Total	**270,811**	**1,497**	**84,587**	**275,719**	**344,274**	**8,395**	**7,347**

Li2023 Unproven Mineral Property Interests

CDI	**$**
Licence Sikensi	176,000
Licence Adzope	1,938,625
Licence Agboville	176,000
Licence Tai	176,000
Guinea	
Licence Kassadou Kobikoro	1,267,500
Licence Kassadou Yombiro	1,267,500
Licence Kobikoro West	1,267,500
Licence Kobikoro Bonia	1,267,500
Total	**7,536,625**

9. Proposed Transaction and Convertible Promissory Note

On June 3, 2026, the Company signed a term sheet with Tantalex Lithium Resources Corporation, a corporation organized under the laws of Ontario (the "Vendor"); and Sandstone Worldwide Ltd., a corporation organized under the laws of the Bahamas (the "Target").

The Company proposes to acquire from the Vendor, at closing and free and clear of any and all liens, security interests and any other encumbrances, such securities of the Target as are necessary for the Company to acquire and hold a 50% interest in the Target on closing.

The final structure of the transaction shall be determined in a definitive agreement, provided that the economic and legal effect shall be that the Vendor transfers to LAF a 50% interest in the Target at Closing and the Target will have no debt (or such debt will be transferred to LAF and any other third parties).

On signing of the Term Sheet, LAF and certain existing Tantalex investors and creditors entered into convertible promissory notes in an aggregate amount of $800,000 in favour of the Target and advanced such amounts to Sandstone.

On June 3, 2026, the Company advanced $250,000 to Sandstone pursuant to a convertible promissory note. The note matures on December 3, 2027 and is non-interest bearing.

The Company may elect, at any time after the closing of the transaction contemplated by the Term Sheet (the "Sandstone Sale") and prior to the Maturity Date, by written notice to Sandstone, to convert the full outstanding Principal Amount on the Maturity Date into a number of new common shares of Sandstone calculated by:

(1) multiplying the Principal Amount by 1.35 (the "Conversion Amount"); and
(2) dividing the Conversion Amount by the same price per share at which shares are purchased pursuant to the Sandstone Sale.

If the Company does not elect to convert all the outstanding principal amount on or prior to the Maturity date, the outstanding principal amount will be payable in cash on the Maturity Date in an amount equal to the Conversion Amount.

10. Right-of-use asset and lease liability

The movement in the net carrying amounts of the right-of-use asset for the period ended June 30, 2026 and December 31, 2025 is outlined below:

		Equipment
Cost		
Balance December 31, 2025		-
Additions		2,257,381
Balance June 30, 2026	**$**	**2,257,381**
Accumulated depreciation		
Balance December 31, 2025		-
Amortization		376,230
Balance June 30, 2026	**$**	**376,230**
Net book value		
Balance December 31, 2025	$	-
Balance June 30, 2026	**$**	**1,881,151**

On March 1, 2026, the Company started a new two-year equipment lease agreement. In accordance with IFRS 16, the Company recorded a right-of-use asset and a lease liability of $2,257,381, measured at the present value of the remaining lease payments and discounted using the Company's estimated incremental borrowing rate of 10% per annum.

		June 30, 2026		December 31, 2025
Opening balance	**$**	**-**	$	-
Additions		**2,257,381**		-
Amortization		**(376,230)**		-
Ending balance	**$**	**1,881,151**	$	-

Lease liability consists of the following components as at June 30, 2026 and December 31, 2025:

		June 30, 2026		December 31, 2025
Opening balance	**$**	**-**	$	-
Additions		**2,257,381**		-
Interest paid		**70,955**		-
Lease equipment payments		**(416,667)**		-
Ending balance	**$**	**1,911,669**	$	-

		June 30, 2026		December 31, 2025
Current portion	**$**	**1,250,000**	$	-
Long-term portion		**661,669**		-
Total lease liability	**$**	**1,911,669**	$	-

The following expenses are recorded pertaining to the lease arrangements:

		June 30, 2026		December 31, 2025
Interest on lease liability	**$**	**70,955**	$	-
Amortization right-of-use asset	**$**	**376,230**	$	-

11. Equity investments

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 June 30, 2026, the asset's fair value has been determined as $112,390.

On February 25, 2026, the Company 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").

Per the terms of the agreement the Company will 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 the Company acquiring a majority stake in Namli from the South African State Department of Mineral and Petroleum Resources (the "s11 Consent") for consideration of (Note 18):

- $1.35 million in cash (paid in two installments of 30% upfront (paid) and 70% after receipt of s11 Consent);
- $150,000 to settle a third-party claim relating to the Springbok Project; and

In addition, $2.5 million paid over 24 months (monthly payments of $104,167) pursuant to an equipment leasing agreement (Note 10).

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% which has been settled via issuance of 77,949 common shares with a fair value of $111,949 and the balance will be settled upon completion of the acquisition of the 70% stake in Namli.

As at June 30, 2026, the Company completed the acquisition of a 30% interest in Namli, which owns the Springbok Project. Namli holds a prospecting right (NC13301PR) and a mining permit (NC10950MP) comprising the Springbok Project.

The Company's investment in Namli was $748,933 as at June 30, 2026 (December 31, 2025: $25,000), consisting of cash consideration of $636,984 (December 31, 2025: $25,000) and common shares issued with a fair value of $111,949 (December 31, 2025: $nil).

		June 30, 2026		December 31, 2025
Investment in Namli Exploration and Mining Proprietary Limited	**$**	**748,933**	$	-
Investment in E&R (Portugal) Limited		**112,390**		112,390
Total accounts payable and accrued liabilities	**$**	**861,323**	$	112,390

12. Property and equipment

	Equipment	Furniture	Leasehold Improvements	Total
Cost				
Balance December 31, 2025	$ -	$ 45,021	$ -	$ 45,021
Current year additions	69,917	2,739	75,349	148,005
Balance June 30, 2026	**69,917**	**47,760**	**75,349**	**193,026**
Amortization				
Balance December 31, 2025	-	2,251	-	2,251
Current year amortization	-	4,502	-	4,502
Balance June 30, 2026	**-**	**6,753**	**-**	**6,753**
Net book value				
Balance December 31, 2025	**-**	**42,770**	**-**	**42,770**
Balance June 30, 2026	**$ 69,917**	**$ 41,007**	**$ 75,349**	**$ 186,273**

13. Accounts payable and accrued liabilities

	June 30, 2026	December 31, 2025
Accounts payable	**$ 236,213**	$ 410,972
Amounts due to related parties (Note 15)	**42,116**	10,367
Accrued liabilities	**31,403**	192,006
Total accounts payable and accrued liabilities	**$ 309,732**	$ 613,345

14. Share capital and reserves

Authorized share capital

The authorized share capital of the Company is $50,000 divided into 500,000,000 Common Shares of $0.0001 par value each.

Issued share capital

For the six months ended June 30, 2026

On June 30, 2026, there were 24,978,317 (December 31, 2025 – 14,431,340) issued and fully paid common shares.

As part of the RTO transaction (Note 4), LARC stock split its outstanding common shares on a 10:1 basis.

14. Share capital and reserves (continued)

Issued share capital (continued)

On February 11, 2026, the Company issued 956,977 units on a post-split basis after completing the 1 to 10 share split (Note 4), each consisting of one Common Share of the Company, and one share purchase warrant of the Company. The value of the common shares was CAD$2.80 ($1.46) for total proceeds of CAD$2,679,536 ($1,949,884). The warrants were accounted for as a derivative liability that was initially fair valued at $1,495,830 using the Black-Scholes option pricing model. The residual value of $454,054 was allocated to common shares. Each warrant will entitle the holder thereof to acquire one Common Share (at a price of CAD$3.70 ($2.73) 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 ($2.06) with a 3 year expiry following the closing date to the Agents. The warrants were valued at $98,750 using the Black-Scholes option pricing model with inputs used including the expected life (3 years), dividend rate (0%), discount rate (2.85%), and expected price volatility (114.10%). Revaluation gains on the warrant liability of $868,983 were recognized in profit or loss for the six months ended June 30, 2026.

As part of the RTO transaction (Note 4), all preferred shares were converted to 2,999,610 common shares. These common shares were also split on the basis of 1 (old) common share for 10 (new) common shares (note 4).

On March 18, 2026, the Company closed a private placement of 4,411,565 units of the Company (the "Units") at a price of CAD$2.00 ($1.46) per Unit for gross proceeds of CAD$8,823,130 ($6,437,356) (the "Offering").

Each Unit consisted of one share in the capital of the Company (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 ($2.04) per Warrant Share for a period of 3 years following the closing of the Offering. The warrants were accounted for as a derivative liability that was initially fair valued at $1,998,371 using the Black-Scholes option pricing model. The residual value of $4,438,985 was allocated to common shares. Revaluation gains on the warrant liability of $822,229 were recognized in profit or loss for the six months ended June 30, 2026.

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.

The Company incurred CAD$95,500 ($69,312) of related shared issuance cost as part of the private placement.

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

(i) paid a cash fee of approximately CAD$587,708 ($428,792) to the Agent; and
(ii) issued 293,854 broker warrants with a value of $290,260 (the "Broker Warrants") to the Agent. Each Broker Warrant is exercisable into one common share of the Company at the Offering Price for a term of two years expiring on March 18, 2028. The warrants were valued using the Black-Scholes option pricing model with Inputs including the expected life (2 years), dividend rate (0%), discount rate (2.66%), and expected price volatility (112.27%).

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.

14. Share capital and reserves (continued)

Issued share capital (continued)

On March 30, 2026, the Company issued 77,949 common shares to a consultant with a value of $111,949 (arm's length to the Company and Namli), in relation to the acquisition of Namli (Note 10).

Preferred shares

As part of the RTO transaction, all 2,999,610 preferred shares were converted to common shares. These common shares were also split on the basis of 1 (old) common share for 10 (new) common shares (Note 4).

No preferred shares were issued during the six months ended June 30, 2026.

Reserves

Company reserves are made of equity settled employee compensation, warrants reserve, share of other comprehensive income from the joint venture, and accumulated currency translation adjustments.

a. Stock options

On September 30, 2025, the Company implemented an Omnibus Incentive 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 records 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 June 30, 2026 the following stock options have been granted.

	Number of Options	Weighted average remaining contractual life (years)	Weighted Average Exercise Price ($)
Balance, December 31, 2025	2,186,835	3.34	1.94
Balance, June 30, 2026	2,186,835	2.85	1.94

14. Share capital and reserves (continued)

Reserves *(continued)*

a. Stock options *(continued)*

As at June 30, 2026, the following options were exercisable and outstanding:

	Outstanding		Exercisable			
Grant date	**Exercise price (USD$)**	**Number of options**	**Exercise price (USD$)**	**Number of options**	**Expiry date**	**Weighted average contractual life**
19-Jan-24	2.00	1,028,500	2.00	685,650	18-Jan-29	2.55
20-May-24	2.00	250,000	2.00	250,000	19-May-29	2.88
4-Oct-24	2.00	150,000	2.00	150,000	19-May-29	2.88
25-Jun-24	0.91	83,335	0.91	83,335	25-Jun-29	2.98
28-Nov-24	1.71	125,000	1.71	125,000	28-Nov-29	3.41
11-Dec-24	2.00	550,000	2.00	183,333	11-Dec-29	3.44
	1.94	2,186,835	1.91	1,477,318		2.85

The Company used the Black-Scholes Option Pricing model to fair value the options, and recorded total share-based compensation expense of $839,728 for the six months ended June 30, 2026 from which $329,107 were for the vested portion of options granted and $510,621 for RSUs. No options were granted during the six months ended June 30, 2026.

b. Warrants

As at June 30, 2026, the following warrants have been granted.

	Number of Warrants	**Weighted Average Exercise Price ($)**
Balance, December 31, 2025	1,427,214	2.53
Issued	3,517,263	2.18
Balance, June 30, 2026	4,944,477	2.28

14. Share capital and reserves (continued)

***Reserves** (continued)*

b. *Warrants* (continued)

As at June 30, 2026, The following table summarizes the continuity of warrants:

Number of Warrants	Exercise Price ($)	Expiry Date	Weighted average contractual life
54,630	2.60	22-Apr-28	1.81
31,750	2.60	4-Jul-28	2.01
2,205,782	2.04	18-Mar-29	2.71
293,854	1.46	18-Mar-29	2.71
106,874	1.71	28-Nov-29	3.41
780,430	2.60	22-Apr-30	3.80
453,530	2.60	4-Jul-30	4.00
956,977	2.73	29-Aug-30	4.16
60,650	2.06	29-Aug-30	4.16
4,944,477	2.28		3.30

On February 11, 2026 and March 1, 2026, the Company issued 956,977 units and 4,411,565 units, respectively, on a post-split basis each consisting of one Common Share of the Company, and one share purchase warrant of the Company.

The 956,977 and 4,411,565 warrants, as per IAS 32, were considered to be derivative liabilities and recorded as warrants liability (Note 4) on the statement of financial position. The Company additionally recorded $409,751 of private placement expenses in the statements of comprehensive loss.

Following initial recognition in CAD currency, the warrant liability is remeasured to fair value at each reporting date, with changes in fair value recognized in profit or loss until the warrants are exercised, expire, or are otherwise settled. As of June 30, 2026 the Company has recorded a cumulative gain on revaluation of the warrants liability of $1,691,212 in profit or loss (loss for the 3 months ended March 31, 2026 - $208,908; gain for the three months ended June 30, 2026 - $1,900,120).

c. *Restricted shares units ("RSU`s")*

As at June 30, 2026, the following RSUs were outstanding:

	Number of RSUs	Weighted average price $
Balance, December 31, 2025	-	-
Issued	1,525,000	1.94
Balance, June 30, 2026	**1,525,000**	**1.94**

14. Share capital and reserves (continued)

Reserves *(continued)*

c. ***Restricted shares units ("RSU`s")***

Number of RSUs Outstanding	Grant Date	Fair Value $	Vesting Terms	Number of RSUs vested	Stock price at grant date	Vesting Date
66,667	May 29, 2026	84,667	3 years	-	1.27	May 29, 2029
66,667	May 29, 2026	84,667	2 years	-	1.27	May 29, 2028
66,666	May 29, 2026	84,666	1 year	-	1.27	May 29, 2027
1,075,000	February 18, 2026	2,203,750	2 years	-	2.05	February 18, 2028
125,000	March 27, 2026	252,500	2 years	-	2.02	March 27, 2028
125,000	March 27, 2026	252,500	1 year	-	2.02	March 27, 2027
1,525,000		2,962,750		-	1.94	

During the six months ended June 30, 2026, the Company recorded share-based compensation of $839,728 for which $510,621 (2025 - $Nil) related to RSUs and $329,107 to stock options.

During the six months ended June 30, 2026, the Company issued 1,525,000 (2025 – Nil) RSUs with a fair value of $2,962,750 (2025 - $Nil). Of this amount, $2,022,125 was related to officers and directors of the Company (2025 - $Nil). The Company will issue one common share for each RSU upon vesting. As at June 30, 2026, the Company have 1,525,000 (December 31, 2025 – Nil) shares issuable. RSU valuation is based on the share price on the date of granting times number of RSU granted.

d. ***Deferred shares units ("DSU`s")***

As at June 30, 2026, the following DSUs were outstanding:

Number of DSUs Outstanding	Grant Date	Fair Value $	Vesting Terms	Number of DSUs vested	Stock price at grant date	Vesting Date
5,208	April 8, 2026	8,436	1 year	-	1.62	April 7, 2027
5,208		8,436		-	1.62	

Number of DSUs Outstanding	Number of DSUs vested	Stock price at grant date	Vesting Date
5,208	-	1.62	April 7, 2027
5,208	-	1.62	

e. ***Accumulated Other Comprehensive Loss Reserve***

The accumulated other comprehensive loss reserve consists of a foreign currency translation reserve of $15,977 (December 31, 2025: $4,968), which records unrealized exchange differences arising from the translation of group companies with a functional currency other than the Company's reporting currency. It also includes the Company's accumulated share of other comprehensive loss from its investment in the joint venture of $68,427 (December 31, 2025: $1,448). As at June 30, 2026, the total accumulated other comprehensive loss reserve was $84,404 (December 31, 2025: $6,416).

15. Related party transactions

Balances

As at June 30, 2026, $42,116 (December 31, 2025 – $10,367) is due to directors and officers of the Company and is included in accounts payable and accrued liabilities (Note 13), and $92,685 (December 31, 2025 – $92,685) included in other payables. These amounts are unsecured, non-interest bearing and have no fixed terms of repayment.

As at June 30, 2026, $1,011,251 (December 31, 2025 due from Li2023 – $519,201) 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

		June 30, 2026		June 30, 2025
Director fees	**$**	**3,645**	$	-
Management fees to the CEO		**338,330**		90,000
Management fees to the President		**105,000**		90,000
Management fees to the CFO		**81,000**		75,000
Management fees to the former secretary		**-**		62,502
Consulting fees paid to a director		**45,000**		60,000
Share-based compensation - Stock options		**169,366**		527,707
Share-based compensation - RSU		**333,317**		-
Share-based compensation - DSU		**1,924**		-
	$	**1,077,582**	$	905,209

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

		June 30, 2026		June 30, 2025
Management fees to the CEO	**$**	**126,874**	$	45,000
Management fees to the President		**59,063**		67,500
Management fees to the CFO		**30,780**		37,500
Consulting fees paid to a director		**40,500**		54,000
	$	**257,217**	$	204,000

16. Exploration and evaluation

Exploration		**June 30, 2026**		June 30, 2025
Exploration of potential projects	**$**	**130,084**	$	288,056
Due Diligence Investigation		**-**		150,000
Drilling		**85,066**		-
Travel & Accomodation		**68,772**		95,111
Consultants - Geologists		**101,510**		46,807
Salaries & Wages		**3,057**		-
Permits & Fees		**13,409**		-
Assaying & Laboratory		**7,387**		7,680
Field Cost		**2,655**		137
Vehicles		**4,361**		-
Administration		**4,576**		271
Total	**$**	**483,374**	**$**	588,062

17. 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, and has not changed materially from that of the prior year:

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. The Company also has credit risk with respect to related party receivables as well as promissory note receivable. 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. Credit risk on related party receivables is mitigated by forecasting Li2023 expenditures and planning required cash calls into the joint venture in advance. The credit risk of the promissory note receivable was evaluated by management and determined to be an acceptable risk before entering into the transaction.

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.

17. Financial risk and capital management (continued)

Liquidity risk (continued)
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.

The table below summarizes the maturity profile of the Company's financial liabilities at June 30, 2026 based on contractual payments:

As at June 30, 2026	Less than 1 year	1 to 5 years	Total
Accounts payable and accrued liabilities	$ 309,732	$ -	$ 309,732
Other payables	92,685	-	92,685
Lease equipment liability - current	1,250,000	-	1,250,000
Lease equipment liability	-	833,333	833,333

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 has 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 June 30, 2026, the Company had the following AUD, CAD, Euro, ZAR, and GBP denominated assets and liabilities:

	June 30, 2026					December 31, 2025				
	AUD	CAD	Euros	GBP	ZAR	AUD	CAD	Euros	GBP	MAD
Cash	$ 49	$ 493,269	$ -	$ -	$ 331,842	$ 4,874	$ 24,091	$ -	$ -	$ -
Receivables	-	18,481	-	-	-	-	9,998	-	-	-
Accounts payable and accrued liabilities	-	(46,621)	(6,684)	(10,301)	(22,586)	-	(117,792)	(3,522)	10,367	(97,593)
Total	$ 49	$ 465,129	$ (6,684)	$ (10,301)	$ 309,256	$ 4,874	$ (83,703)	$ (3,522)	$ 10,367	$ (97,593)

As at June 30, 2026, a 10% change in exchange rates between AUD, CAD, Euro, GBP, and ZAR, and would impact the Company's net income (loss) by $75,746 (December 31, 2025 – $16,957).

Price risk
The Company is exposed to price risk with respect to commodity prices. Commodity price risk is the potential adverse impact on earnings and economic value of its exploration and evaluation assets, due to commodity price movements and volatilities. The Company monitors commodity prices (primarily gold and silver) to determine the appropriate course of action to be taken by the Company.

17. Financial risk and capital management (continued)

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 material interest rate risk.

Other price risk
The Company does not have significant exposure to other price risk, as it does not hold material investments in marketable securities or commodity contracts. Management has determined that a change in market prices would not have a material impact on the Company's financial statements.

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 six months ended June 30, 2026.

Fair value
The Company's financial instruments consist of cash, restricted cash, amounts receivable, related party receivables, accounts payable and accrued liabilities, equity investments, deposits on shares, promissory note receivable, and other payables. 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, is 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.

18. Subsequent events

On July 27, 2026 the Company received Section 11 consent from the South African Department of Mineral and Petroleum Resources in respect of the Springbok Project, enabling the Company to formally complete its acquisition of a 70% majority shareholding in Namli Exploration and Mining Proprietary Limited ("Namli"), the holder of the Springbok mineral rights. Legal formalities for completion of the share transfer are underway.

On August 21, 2026, the Company amended the Omnibus Plan increasing the maximum number of Common Shares reserved for issuance thereunder from 3,979,702 to 4,995,663 Common Shares, being 20% of the Common Shares outstanding as at the Record Date. 1,931,835 outstanding stock options were cancelled, and 997,909 replacement restricted share units were granted. Amendments were made to the vesting terms of an aggregate of 1,075,000 restricted share units (the "RSUs") granted on February 18, 2026 to certain directors, officers and consultants of the Company. 750,000 RSUs were granted to Dr. Tom Benson, Chief Executive Officer and a director of the Company.