
LithiumArgentina

LITHIUM ARGENTINA AG

(FORMERLY LITHIUM AMERICAS (ARGENTINA) CORP.)

**CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2025**

(EXPRESSED IN US DOLLARS)



Report of the statutory auditor to the General Meeting of Lithium Argentina AG, Zug

Report on the audit of the consolidated financial statements

Opinion

We have audited the consolidated financial statements of Lithium Argentina AG and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at 31 December 2025, and the consolidated statement of comprehensive (loss)/income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2025 and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with IFRS Accounting Standards and comply with Swiss law.

Basis for opinion

We conducted our audit in accordance with Swiss law, International Standards on Auditing (ISA) and Swiss Standards on Auditing (SA-CH). Our responsibilities under those provisions and standards are further described in the 'Auditor's responsibilities for the audit of the consolidated financial statements' section of our report. We are independent of the Group in accordance with the provisions of Swiss law and the requirements of the Swiss audit profession that are relevant to audits of the financial statements of public interest entities, as well as the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA Code), as applicable to audits of financial statements of public interest entities. We have also 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

The accompanying consolidated financial statements have been prepared assuming that the Group will continue as a going concern. As discussed in Note 1 to the consolidated financial statements, the Group's ability to maintain normal operations and meet its current debt obligations depends on generating and repatriating sufficient cash flows from lithium carbonate production at Cauchari-Olaroz, or alternatively, securing additional financing, and the Group has stated that these conditions, among others, gives rise to material uncertainty which may cast significant doubt on the Group's ability to continue as a going concern. The Group's plans in regard to these matters are also described in Note 1. The consolidated financial statements do not include any adjustments that might result from the outcome of this uncertainty. Our opinion is not modified in respect of this matter.

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Our audit approach



Overview

Overall group materiality: USD 10,000 thousand

The entities addressed by our full scope audit work as well as specific scope audit contribute to 100% of the Group's assets.

As key audit matter the following area of focus has been identified:

- Impairment of Investments in Associates and Joint Ventures

Materiality

The scope of our audit was influenced by our application of materiality. Our audit opinion aims to provide reasonable assurance that the consolidated financial statements are free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the consolidated financial statements.

Based on our professional judgement, we determined certain quantitative thresholds for materiality, including the overall Group materiality for the consolidated financial statements as a whole as set out in the table below. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements, both individually and in aggregate, on the consolidated financial statements as a whole.

Overall group materiality	USD 10,000 thousand
Benchmark applied	Total assets
Rationale for the materiality benchmark applied	We selected total assets as the benchmark because the Group remains in a start-up phase with no significant revenues to date, and, in our view, users of the consolidated financial statements primarily focus on the Group's asset base as an indicator of future performance and financing capacity. Moreover, total assets is a generally accepted benchmark.



Audit scope

We designed our audit by determining materiality and assessing the risks of material misstatement in the consolidated financial statements. In particular, we considered where subjective judgements were made; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the consolidated financial statements as a whole, taking into account the structure of the Group, the accounting processes and controls, and the industry in which the Group operates.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the 'Material uncertainty related to going concern' section, we have determined the matter described below to be the key audit matter to be communicated in our report.

Impairment of Investments in Associates and Joint Ventures

Key audit matter	How our audit addressed the key audit matter
As described in Notes 3, 6, and 7 to the consolidated financial statements, management considers whether there is objective evidence of impairment in its investments in associates and joint ventures. If such evidence exists, management determines the amount of any impairment by reference to the recoverable amount of the investments. The carrying amount of the Group's investments in associates and joint ventures was USD 93 million for the investment in the Cauchari-Olaroz project and USD 183 million for the investment in the Sal de la Puna project as of 31 December 2025. Management applies significant judgment to assess whether objective evidence of impairment exists and considers whether any events have impacted estimated future cash flows (loss events) or if there is any information regarding significant changes with an adverse effect on the investments in associates and joint ventures. These considerations include (i) significant financial difficulties of the associates and joint ventures; (ii) a breach of contract, such as default or delinquency in payments by the associates and joint ventures; (iii)	Addressing the matter involved performing procedures and evaluating audit evidence in connection with forming our overall opinion on the consolidated financial statements. These procedures included testing the effectiveness of controls relating to management's assessment of whether there was objective evidence of impairment in its investments in associates and joint ventures. These procedures also included, among others, (i) evaluating whether there were significant financial difficulties of the associates and joint ventures by considering operating results and expenditures of the associates and joint ventures; (ii) assessing whether there was any breach of contract, such as default or delinquency in payments by the associates and joint ventures by considering applicable debt covenants and actual payments made against the terms and payment schedules outlined in the contracts; (iii) assessing whether there were any changes in the development plan or strategy for the underlying Cauchari-Olaroz or Sal de la Puna projects by considering management's public disclosures, Board of Directors meeting minutes and evidence obtained in other areas of the audit; and

changes in the development plan or strategy for the underlying Cauchari-Olaroz or Sal de la Puna projects; and (iv) changes in the significant assumptions that impact the valuation of the underlying Cauchari-Olaroz or Sal de la Puna projects.

The principal considerations for our determination that performing procedures relating to the assessment of impairment of investments in associates and joint ventures is a key audit matter are the significant judgment by management when assessing whether there was objective evidence of impairment in its investments in associates and joint ventures, specifically related to assessing whether there were; (i) significant financial difficulties of the associates and joint ventures; (ii) a breach of contract, such as default or delinquency in payments by the associates and joint ventures; (iii) changes in the development plan or strategy for the underlying Cauchari-Olaroz or Sal de la Puna projects; and (iv) changes in the significant assumptions that impact the valuation of the underlying Cauchari-Olaroz or Sal de la Puna projects. This in turn led to a high degree of auditor judgment, subjectivity and effort in performing procedures and evaluating audit evidence related to the judgments made by management in their assessment of whether there was objective evidence of impairment in its investments in associates and joint ventures.

(iv) evaluating whether there were any changes to significant assumptions that impact the valuation of the underlying Cauchari-Olaroz or Sal de la Puna projects by considering external market and industry data and evidence obtained in other areas of the audit, as applicable.

Other information

The Board of Directors is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements, the consolidated financial statements, the compensation report and our auditor's reports thereon.

Our opinion on the consolidated 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 consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Board of Directors' responsibilities for the consolidated financial statements

The Board of Directors is responsible for the preparation of consolidated financial statements, that give a true and fair view in accordance with IFRS Accounting Standards and the provisions of Swiss law, and for such internal control as the Board of Directors determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the Board of Directors is responsible for assessing the Group'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 the Board of Directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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 Swiss law, ISA and SA-CH 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 consolidated financial statements.

As part of an audit in accordance with Swiss law, ISA and SA-CH, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated 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 Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made.
- Conclude on the appropriateness of the Board of Directors' 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 Group'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 consolidated 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 Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated 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 Group as a basis for forming an opinion on the consolidated 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 the Board of Directors or its relevant committee 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.

We also provide the Board of Directors or its relevant committee with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them regarding all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Board of Directors or its relevant committee, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other legal and regulatory requirements

In accordance with article 728a para. 1 item 3 CO and PS-CH 890, we confirm the existence of an internal control system that has been designed, pursuant to the instructions of the Board of Directors, for the preparation of the consolidated financial statements.

We recommend that the consolidated financial statements submitted to you be approved.

PricewaterhouseCoopers AG

Joanne Burgener
Licensed audit expert
Auditor in charge

Bastian Stolzenberg
Licensed audit expert

Zug, 23 March 2026

Enclosure:

- Consolidated financial statements (consolidated statement of financial position, consolidated statement of comprehensive (loss)/income, consolidated statement of changes in equity, consolidated statement of cash flows and notes)

LITHIUM ARGENTINA AG (FORMERLY LITHIUM AMERICAS (ARGENTINA) CORP.)
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
(Expressed in thousands of US dollars)

	Note	December 31, 2025 \$	December 31, 2024 \$
CURRENT ASSETS			
Cash and cash equivalents	5	61,134	85,543
Receivables from purchasers for lithium carbonate	9	23,209	17,436
Loans to Exar Capital	8	-	10,799
Other receivables, prepaids and deposits		369	3,631
		84,712	117,409
NON-CURRENT ASSETS			
Investment in Sal de la Puna Project	6	183,370	183,207
Loans to Exar Capital	8	308,333	369,616
Loans to Minera Exar	10	71,537	67,355
Investment in Cauchari-Olaroz Project	7	93,352	32,919
Long-term receivable from JEMSE	7	8,077	7,935
Property, plant and equipment	11	9,374	8,988
Exploration and evaluation assets	12	341,014	343,794
Deferred income tax asset	23	11	-
		1,015,068	1,013,814
TOTAL ASSETS		1,099,780	1,131,223
CURRENT LIABILITIES			
Accounts payable and accrued liabilities		5,942	8,375
Payable to Minera Exar for lithium carbonate purchases	9	25,507	21,152
PGCo Shareholder liabilities - Ganfeng	10	12,859	-
Convertible notes interest and other liabilities		2,486	2,308
Equity-settleable convertible notes	13	234,161	208,437
		280,955	240,272
NON-CURRENT LIABILITIES			
Deferred income tax liability	23	431	-
Other liabilities		1,461	21
		1,892	21
TOTAL LIABILITIES		282,847	240,293
EQUITY			
Share capital		1,624	1,619
Capital reserve		1,514,732	1,499,682
Accumulated other comprehensive loss		(3,487)	(3,487)
Deficit		(744,989)	(669,540)
TOTAL EQUITY ATTRIBUTABLE TO LITHIUM ARGENTINA'S SHAREHOLDERS		767,880	828,274
Non-controlling interest	10	49,053	62,656
TOTAL EQUITY		816,933	890,930
TOTAL LIABILITIES AND EQUITY		1,099,780	1,131,223

Nature of Operations and Going Concern (Note 1)

Approved for issuance on March 23, 2026

On behalf of the Board of Directors:

"Robert Doyle"
Director

"George Ireland"
Director

LITHIUM ARGENTINA AG (FORMERLY LITHIUM AMERICAS (ARGENTINA) CORP.)
CONSOLIDATED STATEMENT OF COMPREHENSIVE (LOSS)/INCOME
(Expressed in thousands of US dollars, except for per share amounts; shares in thousands)

	Note	Years Ended December 31,		
		2025	2024	2023
		\$	\$	\$
EXPENSES				
Exploration and evaluation expenditures	17	(6,689)	(10,078)	(21,214)
General and administrative	16	(15,712)	(14,654)	(21,401)
Share based compensation	14	(15,055)	(7,229)	(8,399)
Share of (loss)/gain of Cauchari-Olaroz Project	7	(39,766)	(28,232)	16,211
Share of loss of Arena Minerals		-	-	(677)
Share of loss of Sal de la Puna Project	6	(256)	(176)	(866)
		(77,478)	(60,369)	(36,346)
OTHER ITEMS				
Transaction costs	19	(4,030)	(6,818)	(7,569)
(Loss)/gain on financial instruments measured at fair value	13	(2,416)	12,530	22,379
Finance and other costs	18	(31,940)	(25,176)	(22,702)
Foreign exchange (loss)/gain		(693)	2,147	19,579
Loss on JEMSE receivable	7	(9,261)	-	-
Finance and other income	20	49,406	51,787	52,899
		1,066	34,470	64,586
(LOSS)/INCOME FROM CONTINUING OPERATIONS BEFORE TAXES		(76,412)	(25,899)	28,240
Income tax expense:				
Current tax expense	23	(48)	-	-
Deferred tax (expense)/recovery	23	(420)	10,659	(10,659)
(LOSS)/INCOME FROM CONTINUING OPERATIONS		(76,880)	(15,240)	17,581
INCOME FROM DISCONTINUED OPERATIONS				
		-	-	1,270,788
NET (LOSS)/INCOME		(76,880)	(15,240)	1,288,369
ATTRIBUTABLE TO:				
Equity holders of Lithium Argentina		(75,449)	(15,234)	1,288,369
Non-controlling interest		(1,431)	(6)	-
TOTAL COMPREHENSIVE (LOSS)/INCOME		(76,880)	(15,240)	1,288,369
BASIC AND DILUTED (LOSS)/INCOME PER SHARE FROM CONTINUING OPERATIONS				
(Loss)/income per share - basic		(0.47)	(0.09)	0.11
(Loss)/income per share - diluted		(0.47)	(0.09)	0.11
BASIC AND DILUTED INCOME PER SHARE FROM DISCONTINUED OPERATIONS				
Income per share - basic		-	-	8.18
Income per share - diluted		-	-	7.91
BASIC AND DILUTED (LOSS)/INCOME PER SHARE TOTAL				
(Loss)/income per share - basic		(0.47)	(0.09)	8.29
(Loss)/income per share - diluted		(0.47)	(0.09)	8.02
Weighted average number of common shares outstanding - basic total				
		162,172	161,338	155,331
Weighted average number of common shares outstanding - diluted total				
		162,172	161,338	160,630

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

	Share capital			Accumulated other comprehensive loss	Deficit	Shareholders' equity	Non- controlling interest	Total equity
	Number of shares	Amount \$	Capital Reserve \$					
Authorized share capital:								
Unlimited common shares without par value								
Balance, December 31, 2022	135,035	1,350	1,058,361	(3,487)	(272,222)	784,002	-	784,002
Shares issued on conversion of RSUs, DSUs, PSUs, and exercise of stock options	2,186	22	150	-	-	172	-	172
Shares issued pursuant to the GM investment	15,002	150	286,804	-	-	286,954	-	286,954
Share issuance costs	-	-	(15,217)	-	-	(15,217)	-	(15,217)
Shares issued pursuant to Arena Minerals acquisition	8,456	85	163,118	-	-	163,203	-	163,203
Share based compensation	-	-	14,254	-	-	14,254	-	14,254
DSUs issued in lieu of directors' fees	-	-	628	-	-	628	-	628
Distribution of assets upon separation	-	-	(16,097)	-	(1,677,337)	(1,693,434)	-	(1,693,434)
Net income	-	-	-	-	1,288,369	1,288,369	-	1,288,369
Balance, December 31, 2023 (Note 14)	160,679	1,607	1,492,001	(3,487)	(661,190)	828,931	-	828,931
Shares issued on conversion of RSUs, DSUs, PSUs, and exercise of stock options	1,253	12	(12)	-	-	(0)	-	(0)
Share based compensation	-	-	7,693	-	-	7,693	-	7,693
Pastos Grandes Transaction (Note 10)	-	-	-	-	6,884	6,884	62,662	69,546
Net loss	-	-	-	-	(15,234)	(15,234)	(6)	(15,240)
Balance, December 31, 2024	161,932	1,619	1,499,682	(3,487)	(669,540)	828,274	62,656	890,930
Shares issued on conversion of RSUs, DSUs, PSUs, and exercise of stock options	475	5	(5)	-	-	-	-	-
Share based compensation (Note 14)	-	-	15,055	-	-	15,055	-	15,055
Pastos Grandes Share Premium Reduction Transaction (Note 10)	-	-	-	-	-	-	(11,917)	(11,917)
Pastos Grandes' loss on modification of loans advances to Exar (Note 10)	-	-	-	-	-	-	(255)	(255)
Net loss	-	-	-	-	(75,449)	(75,449)	(1,431)	(76,880)
Balance December 31, 2025	162,407	1,624	1,514,732	(3,487)	(744,989)	767,880	49,053	816,933

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

	Note	Years Ended December 31,		
		2025	2024	2023
		\$	\$	\$
OPERATING ACTIVITIES				
(Loss)/income from continuing operations		(76,880)	(15,240)	17,581
Items not affecting cash and other items:				
Share based compensation		15,055	7,229	8,399
Depreciation	10	489	758	1,067
Current tax expense	23	48	-	-
Deferred tax expense/(recovery)	23	420	(10,659)	10,659
Foreign exchange loss/(gain)		693	(2,147)	(13,774)
Share of loss of Cauchari-Olaroz Project	7	39,766	28,232	(16,211)
Loss on JEMSE receivable	7	9,261	-	-
Share of loss of Arena Minerals		-	-	677
Share of loss of Sal de la Puna Project	6	256	176	866
Loss/(gain) on financial instruments measured at fair value	13	2,416	(12,530)	(22,379)
Finance income		(46,565)	(46,470)	(33,647)
Finance and other costs		30,884	25,134	25,362
Payment of interest on the convertible notes and debt facilities		(4,529)	(4,528)	(4,528)
Changes in non-cash working capital items:				
Decrease in receivables, prepaids and deposits		(2,938)	(16,458)	(1,018)
Increase in accounts payable and accrued liabilities		1,668	20,342	3,009
Decrease/(increase) in net prepayments made for lithium carbonate		-	4,351	(4,353)
Cash used in operating activities of continuing operations		(29,956)	(21,810)	(28,290)
Cash used in operating activities of discontinued operations		-	-	(30,679)
Net cash used in operating activities		(29,956)	(21,810)	(58,969)
INVESTING ACTIVITIES				
Loans to Exar Capital	8	-	(41,978)	(64,680)
Proceeds from repayment of loans and interest by Exar Capital	8	3,920	26,476	-
Loans to Minera Exar	10	-	(65,000)	-
Contribution to Investment in Cauchari-Olaroz project		-	(1,570)	(1,863)
Contribution to Investment in Sal de la Puna Project	6	(419)	(2,113)	-
Proceeds from withdrawal of short-term bank deposits		-	-	155,000
Change in cash as a result of Arena Minerals acquisition		-	-	(2,887)
Additions to exploration and evaluation assets	12	(229)	(702)	(2,577)
Disposals of exploration and evaluation assets	12	3,009	-	-
Additions to property, plant and equipment		-	(971)	(5,291)
Cash provided/(used) in investing activities of continuing operations		6,281	(85,858)	77,702
Cash used in investing activities of discontinued operations		-	-	(116,804)
Net cash provided/(used) in investing activities		6,281	(85,858)	(39,102)
FINANCING ACTIVITIES				
Proceeds from equity awards exercises		-	-	172
Financing costs related to separation		-	-	(15,647)
Cash distributed upon separation		-	-	(275,499)
Proceeds from Pastos Grandes Transaction	10	-	70,000	-
Financing costs	10	-	(455)	-
Lease payments		(332)	(774)	338
Cash (used)/provided by financing activities of continuing operations		(332)	68,771	(290,636)
Cash provided by financing activities of discontinued operations		-	-	302,755
Net cash (used)/provided by financing activities		(332)	68,771	12,119
Effect of foreign exchange on cash		(402)	2,147	13,774
CHANGE IN CASH AND CASH EQUIVALENTS		(24,409)	(36,750)	(72,178)
CASH AND CASH EQUIVALENTS - BEGINNING OF THE PERIOD		85,543	122,293	194,471
CASH AND CASH EQUIVALENTS - END OF THE PERIOD		61,134	85,543	122,293

Supplemental disclosure with respect to cash flows (Note 22)

LITHIUM ARGENTINA AG (FORMERLY LITHIUM AMERICAS (ARGENTINA) CORP.)
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2025

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

1. NATURE OF OPERATIONS AND GOING CONCERN

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

On January 23, 2025, the Company completed a plan of arrangement under the laws of the province of British Columbia (the “Arrangement”) involving the Company’s continuation from the province of British Columbia under the name “Lithium Americas (Argentina) Corp.” into Zug, Canton of Zug, Switzerland, as a Swiss share corporation under the name “Lithium Argentina AG.” As a result, the Company ceased to be governed by the Business Corporations Act (British Columbia). Following the Arrangement, the shareholders of the Company prior to the Arrangement continued to hold all the issued and outstanding common registered shares of the Company (the “Continuation”) (Note 14). On January 27, 2025, the Company began trading under the new symbol “LAR” on the Toronto Stock Exchange (“TSX”) and the New York Stock Exchange (“NYSE”).

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

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

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

These consolidated financial statements have been prepared on a going concern basis, which assumes that the Company will be able to meet its obligations and continue its operations for at least the next twelve months.

As at December 31, 2025, the Company had cash and cash equivalents of \$61,134 (2024 - \$85,543) and equity-settleable convertible notes with a face value of \$258,750 due on January 15, 2027. Subsequent to December 31, 2025, the Company’s 44.8% owned operating project, Cauchari-Olaroz held through its equity stake in Minera Exar, distributed \$41,755 to the Company. In addition, subsequent to year-end, the Company entered into a six-year \$130,000 debt facility with Ganfeng bearing interest at SOFR plus 2.5% (the “Debt Facility”).

Subsequent to year-end, realized lithium carbonate prices increased to an average of approximately \$17,000 per tonne in January and February 2026. For year 2026, Cauchari-Olaroz is expected to produce between 35,000 and 40,000 tonnes of lithium carbonate on a 100% basis and generate significant operational cash flow. In accordance with shareholder agreement that regulates governance of Cauchari-Olaroz, any excess cash flow (as defined in the shareholder agreement), from Cauchari-Olaroz is distributed among the Company and Ganfeng until a joint decision on any expansion plan is finalized.

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1. NATURE OF OPERATIONS AND GOING CONCERN *(continued)*

The Company expects distributions from Cauchari-Olaroz to be sufficient to service the current portion of its long-term debt. However, its ability to maintain normal operations and meet these obligations ultimately depends on generating and repatriating sufficient cash flows from lithium carbonate production at Cauchari-Olaroz, or alternatively, securing additional financing.

The significance of the assumptions underlying the forecast cash flows from Cauchari-Olaroz, the amount and timing of distribution of the cash flow to the Company and the requirement to satisfy the current portion of long-term debt, gives rise to material uncertainty which may cast significant doubt on the Company's ability to continue as a going concern. Although the Company has been successful in obtaining distribution of cash flow from Cauchari-Olaroz and obtaining financing in the past, there can be no assurance that it will be able to distribute sufficient additional cash flow and obtain adequate financing in the future or that such financing will be available on terms acceptable to the Company.

If the Company is unable to continue as a going concern, material adjustments to the recoverability and amounts of assets and liabilities, the reported expenses, and the balance sheet classifications of assets and liabilities may be required. These consolidated financial statements do not include any adjustments that may result from the outcome of this uncertainty.

2. BASIS OF PREPARATION

These consolidated financial statements of the Company have been prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IASB) (IFRS Accounting Standards).

These consolidated financial statements are expressed in United States dollars ("US\$" or "US dollar"), the Company's presentation currency, and have been prepared on a historical cost basis. The accounting policies set out in Note 3 have been applied consistently to all the years presented in these consolidated financial statements, unless otherwise stated.

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES

Material accounting policies

Principles of Consolidation

These consolidated financial statements include the accounts of Lithium Argentina and its corporate group of companies, consisting of (i) Argentine subsidiaries, Proyecto Pastos Grandes S.A. and Potassium S.A.; (ii) Dutch wholly owned subsidiaries 2265866 Ontario Holdings B.V., Arena Mineral Holdings B.V., and Millennial Lithium B.V., (iii) Canadian wholly owned subsidiary 1511210 BC Ltd.; and (iv) US wholly owned subsidiary Lithium Americas (Argentina) Services Corp. All intercompany transactions and balances have been eliminated.

Subsidiaries are entities over which the Company has control. The Company is considered to control an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the entity's relevant activities. Subsidiaries are fully consolidated from the date on which control is transferred to the Company and are deconsolidated

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

from the date on which control ceases. Intercompany transactions, balances and unrealized gains on transactions between group entities are eliminated. Where necessary, the accounting policies of subsidiaries are adjusted to align with those of the Company.

Investments in Associates and Joint Ventures

Associates are all entities over which the Company has significant influence but not control or joint control. This is generally the case where the Company holds between 20% and 50% of the voting rights. Investments in associates and joint ventures are accounted for using the equity method of accounting.

Under the equity method, the initial investment is recorded at cost, and the carrying value is subsequently adjusted for the Company's share of post-acquisition net income or loss, depreciation, amortization, or impairment of fair value adjustments made to the underlying assets and liabilities at the acquisition date. The carrying value is also adjusted for dividends, cash contributions, and the Company's share of post-acquisition movements in Other Comprehensive Income ("OCI").

If the Company's share of losses of an associate or joint venture exceeds the carrying value of its interest in the associate or joint venture, it ceases to recognize its share of further losses. Once the Company's interest is reduced to zero, additional losses are provided for, and liability is recognized, only to the extent that the Company incurs legal or constructive obligations or makes payments on behalf of the associate or joint venture. If the associate subsequently reports profits, the Company resumes recognizing its share of those profits only after its share of the profits equals the share of losses that were not recognized.

At each reporting date, the Company considers whether there is objective evidence of impairment in its investments in associates and joint ventures. If such evidence exists, the Company determines the amount of any impairment by reference to the recoverable amount of investment, determined in accordance with IAS 36, Impairment of Assets, as described in the Company's accounting policy for impairment of property, plant and equipment.

Foreign Currency Translation

Functional and Presentation Currency

Items included in the financial statements of each of the entities are measured using the currency of the primary economic environment in which the entity operates (the functional currency).

The consolidated financial statements are presented in US dollars. The functional currency of the parent entity, Lithium Argentina, and all its subsidiaries, is the US dollar. The functional currency of the Company's associates, Minera Exar and Exar Capital B.V. ("Exar Capital"), is also the US dollar.

Transactions and Balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the date of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions, and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates, are recognized in profit or loss. Non-monetary items measured at historical cost continue to be carried at the exchange rate on the date of the transaction.

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

Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss.

Cash and Cash Equivalents

Cash and cash equivalents consist of cash held with banks and highly liquid short-term investments which can be withdrawn at any time and are subject to an insignificant risk of changes in value.

Exploration and Evaluation Assets

Exploration expenditures, excluding acquisition costs and claim maintenance costs, are expensed until the technical feasibility and commercial viability have been established. These factors are assessed based on the following:

- The extent to which mineral reserves or mineral resources, have been identified through a feasibility study or similar document; and
- The status of mining leases, environmental and mining permits.

Costs related to the acquisition and maintenance of mineral property claims, including option payments and annual fees to keep the property in good standing are capitalized and deferred on a property-by-property basis. This also applies to exploration expenditures incurred within the geologic formation of an existing brownfield mining project, until the project is sold, abandoned, impaired, or placed into production. After recognition, the Company applies the cost model for exploration and evaluation assets.

The Company evaluates its exploration and evaluation assets for impairment at each balance sheet date, as well as whenever events or circumstances suggest the possibility of impairment. If the Company determines that a property has been impaired, or if exploration results indicate no further work is warranted, the property is written down or written off. Additionally, exploration and evaluation assets are tested for impairment immediately before being reclassified 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 acquisition or construction costs necessary to bring the asset to its intended location and condition for it to be capable of operating in the manner intended by the Company, including appropriate borrowing costs and foreign exchange gains or losses on borrowings, and any related cash used to construct qualifying assets, as defined under IFRS.

Capitalization of costs ceases when the asset is capable of operating in the manner intended by management. The Company exercises judgment in determining when the asset is considered ready for use for management's intended purpose.

Subsequently, property, plant, and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses, with the exception of land which is not depreciated. When different parts of a single item of property, plant, and equipment have varying useful lives, they are treated as separate items or major components.

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

Property, plant and equipment that are in use are depreciated as follows:

- Laboratory, exploration, and pilot plant equipment included in “Equipment and machinery” – straight-line basis over the estimated useful life of 10 years;
- Buildings – straight-line basis over the estimated useful life of 20 years;
- Right-of-use assets included in “Other” – depreciated over the shorter of the asset’s useful life and the lease term on a straight-line basis; and
- Office equipment included in “Other” – declining balance method at 20% annual rate.

The assets’ residual values, useful lives, and depreciation methods are reviewed and, if appropriate, adjusted at least annually. The gain or loss on the disposal of an item of property, plant, and equipment is determined by the difference between the sale proceeds and the carrying amount of the asset and is recognized in profit or loss.

Impairment of Property, Plant and Equipment

Property, plant, and equipment are assessed for impairment indicators at each reporting date, or whenever an impairment indicator arises outside of a reporting date. If an impairment indicator is identified, an impairment assessment is carried out. If an impairment loss is recognized, it is 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 its 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, willing parties.

In assessing value in use, 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 impairment assessment purposes, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). These are typically individual mines or development projects.

Where the factors that led to 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 not above the carrying amount that would have been determined had no impairment loss been recognized in prior years. A reversal of an impairment loss is recognized immediately in profit or loss.

Leases

At the inception of a contract, the Company assesses whether the contract is, or contains, a lease. A contract is, or contains, a lease if it conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Company evaluates whether the contract involves the use of an identified asset, whether it has the right to obtain substantially all of the economic benefits from the use of the asset during the term of the arrangement, and whether it has the right to direct the use of the asset. At inception, or upon

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

reassessment of a contract that contains one or more lease components, the Company allocates the consideration in the contract to each lease component based on their relative stand-alone prices.

The Company leases offices, buildings, and equipment. Lease contracts are typically entered into for fixed periods of 3 to 5 years. Lease terms are negotiated on an individual basis and include a range of different conditions.

Leases are recognized as a right-of-use asset and a corresponding liability on the date the leased asset is available for use by the Company. Each lease payment is allocated between the liability and the finance cost. The finance cost is charged to profit or loss over the lease term, such that a constant periodic rate of interest is applied to the remaining balance of the liability. The right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term, on a straight-line basis.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable;
- variable lease payments based on an index or a rate;
- amounts expected to be payable by the lessee under residual value guarantees;
- the exercise price of a purchase option, if the lessee is reasonably certain to exercise that option; and
- payments of penalties for terminating the lease, if the lease term reflects the lessee's decision to exercise that option.

Lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be determined, the lessee's incremental borrowing rate is used.

This is the rate the lessee would pay to borrow the funds necessary to obtain an asset of similar value in a similar economic environment, with similar terms and conditions.

Right-of-use assets are measured at cost, which includes the following:

- the amount of the initial measurement of the lease liability;
- any lease payments made on or before the commencement date, less any lease incentives received;
- any initial direct costs; and
- restoration costs.

Payments associated with short-term leases and leases of low-value assets are recognized as an expense in profit or loss on a straight-line basis. Short-term leases are defined as leases with a lease term of 12 months or less.

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

Financial Instruments

Financial assets and liabilities are recognized when the Company becomes a party to the contractual provisions of the instrument.

On initial recognition, financial assets are classified and measured at amortized cost, fair value through profit or loss ("FVTPL") or fair value through OCI, based on their contractual cash flow characteristics and the business models under which they are held.

Financial assets are measured at amortized cost if they are held for the collection of contractual cash flows, where those cash flows solely represent payments of principal and interest, and if the Company's intent is to hold these financial assets to collect those cash flows. Financial liabilities are measured at amortized cost unless they are required to be measured at FVTPL or are designated as FVTPL at the Company's election.

Financial assets are derecognized when the rights to receive cash flows from the assets have expired, or when they have been transferred and the Company has transferred substantially all of the risks and rewards of ownership.

Derivative instruments

Derivative instruments, including embedded derivatives in executory contracts or financial liability contracts, are classified as FVTPL and are recorded on the balance sheet at fair value. Unrealized gains and losses on derivatives that are not designated as part of a hedging relationship are recognized in profit or loss. Fair values for derivative instruments are determined using inputs based on market conditions at the reporting date or the settlement date of the derivative.

Embedded derivatives in non-derivative contracts are recognized separately unless they are closely related to the host contract.

Impairment of financial assets

The Company assesses the expected credit losses associated with its financial assets carried at amortized cost on a forward-looking basis. The impairment methodology applied depends on whether there has been a significant increase in credit risk since initial recognition.

Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction, or production of assets that require a substantial period of time to prepare for their intended use or sale are capitalized as part of the cost of those assets. Capitalization of borrowing costs begins when borrowings are made, and activities commence to prepare the asset for its intended use. Capitalization ends when substantially all activities necessary to prepare the qualifying asset for its intended use are complete.

When proceeds from project-specific borrowings are temporarily invested, borrowing costs are capitalized net of any investment income earned. Capitalization of borrowing costs is suspended during extended periods when active development is interrupted.

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

Income Taxes

Income tax expense comprises current and deferred tax. Income tax is recognized in profit or loss, except to the extent that it relates to items recognized directly in equity. Current tax expense is the expected tax payable on taxable income for the year, using tax rates enacted or substantively enacted at the period-end, adjusted for amendments to tax payable related to prior years.

Deferred tax is recorded using the liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. No deferred tax is provided for the initial recognition of assets or liabilities that affect neither accounting nor taxable profit or loss, unless arising in a business combination, nor for temporary differences relating to investments in subsidiaries, to the extent that they are not probable to reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amounts of assets and liabilities, using tax rates enacted or substantively enacted at the reporting date.

A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized. If it is not probable that a deferred tax asset will be recovered, it is not recognized.

Share Capital

Common shares are classified as equity. Incremental costs directly attributable to the issuance of shares are recognized as a deduction from equity (Note 14).

Earnings (loss) per Share

Basic earnings (loss) per share is computed by dividing the net earnings or loss attributable to shareholders of the Company by the weighted average number of common shares outstanding during the reporting period.

Diluted earnings (loss) per share is calculated based on the weighted average number of common shares outstanding during the period, plus the effects of dilutive common share equivalents. The dilutive effect of outstanding equity awards and warrants is calculated using the treasury stock method.

This method assumes that all common share equivalents are exercised at the beginning of the period (or at the time of issuance, if later), and that the funds obtained from such exercises are used to purchase common shares of the Company at the average trading price during the period, but only if they are dilutive.

Equity-Based Compensation

The Company's equity incentive plan permits the grant of restricted share units, performance share units, deferred share units, and stock options. The cost of equity-settled payment arrangements is recorded based on the estimated fair value at the grant date and charged to the statement of comprehensive income (loss) over the vesting period. Each tranche in an award is considered a separate award with its own vesting period and grant date fair value.

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

The fair value of each tranche is measured at the grant date using the appropriate pricing model, including the Black-Scholes option pricing model for stock options and the Monte Carlo simulation methodology for performance share units.

Compensation expense is recognized over the vesting period of each tranche based on the number of awards expected to vest, with an increase in contributed surplus. The number of awards expected to vest is reviewed at least annually, with any adjustments recognized immediately.

When equity instruments are granted to non-employees, they are recorded at the fair value of the goods or services received in the statement of comprehensive income (loss), unless the grant relates to the issuance of equity instruments. Amounts related to the issuance of shares are recorded as a reduction of share capital. When the fair value of goods or services received in exchange for the share-based payment cannot be reliably estimated, the fair value is determined using an appropriate valuation model.

Estimation Uncertainty and Accounting policy judgments

Impairment of investments in associates and joint ventures

The application of the Company's accounting policy for impairment assessment of its investments in associates and joint ventures requires significant judgment to determine whether objective evidence of impairment exists. The investment in Cauchari-Olaroz includes the Company's equity-accounted investments in associates, Minera Exar and Exar Capital, which are equity investees holding interests in the underlying Cauchari-Olaroz project. The Company's interest in Sal de la Puna is considered a joint venture and is accounted for using the equity method.

Management's assessment of whether objective evidence of impairment exists considers whether any events have impacted estimated future cash flows (loss events) or if there is any information regarding significant changes with an adverse effect on the investments in associates and joint ventures. These considerations include (i) significant financial difficulties of the associates and joint ventures; (ii) a breach of contract, such as default or delinquency in payments by the associates and joint ventures; (iii) changes in the development plan or strategy for the underlying Cauchari-Olaroz or Sal de la Puna; or (iv) changes in significant assumptions that drive the valuation of the underlying Cauchari-Olaroz or Sal de la Puna, including forecasted commodity prices, reserve and resource estimates, and capital expenditure requirements.

Management has performed an assessment and concluded that no objective evidence of impairment exists as of December 31, 2025.

Impairment of Exploration and Evaluation Assets

The application of the Company's accounting policy for impairment of exploration and evaluation assets requires judgment to determine whether indicators of impairment exist, including information such as, the period for which the Company has the right to explore including expected renewals, whether substantive expenditures on further exploration and evaluation of resource properties are budgeted and evaluation of the results of exploration and evaluation activities up to the reporting date. Management has performed an impairment indicator assessment on the Company's exploration and evaluation assets and has concluded that no impairment indicators exist as of December 31, 2025.

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

Accounting for Joint Arrangements

A joint arrangement is defined as an arrangement over which two or more parties have joint control, which is the contractually agreed sharing of control. Joint control exists only when decisions about the relevant activities (those that significantly affect the returns of the arrangement) require unanimous consent of the parties sharing control. There are two types of joint arrangements: joint operations and joint ventures.

A joint operation is a joint arrangement where the parties with joint control have rights to the assets and are responsible for funding the liabilities related to the arrangement. The Company recognizes its share of the assets, liabilities, revenues, and expenses of a joint operation. A joint venture is a joint arrangement where the parties with joint control have rights to the net assets of the arrangement. Investments in joint ventures are accounted for using the equity method.

The Company's 65% ownership interest in Sal de la Puna is considered to be a joint venture and accounted for using the equity method (Note 6).

Fair value of derivatives

The fair values of financial instruments that are not traded in an active market are determined using valuation techniques. The valuation of the convertible notes embedded derivative liability required management to make significant estimates. Management exercises judgment in selecting the appropriate valuation method and in making estimates of specific model inputs based on conditions existing at the reporting date.

The valuation of the convertible note embedded derivatives was performed using a partial differential equation method with Monte Carlo simulation, which required significant assumptions, including expected volatility of traded instruments, credit spreads, and estimates related to other inputs.

Refer to Note 13 for further details on the methods and assumptions used in the measurement of the convertible note embedded derivatives.

Determination of Commercial Production for the Cauchari Olaroz project

Judgment is a requirement in determining whether a project's assets are available for use (referred to as "commercial production"). In making this determination, management considers specific facts and circumstances, including, but not limited to, whether the product produced by the plant is saleable, the completion of a reasonable commissioning period, and the achievement of consistent operating results at a predetermined level of design capacity for a reasonable period of time.

Minera Exar determined that commercial production was achieved at the Cauchari-Olaroz project as of October 1, 2024. As a result, the project's assets were considered ready for their intended use, and depreciation of these assets commenced on October 1, 2024.

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

New IFRS Pronouncements

IFRS 18 Presentation and Disclosure in Financial Statements

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

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

In addition, there are consequential amendments to other accounting standards; some requirements previously included in IAS 1 have been moved to IAS 8 and limited amendments have been made to IAS 7 and IAS 34.

IFRS 18 is effective for the reporting period beginning on or after January 1, 2027, with early application permitted. Retrospective application is required in both annual and interim financial statements. The Company is currently assessing the impact of this standard on its financial statements and has not yet applied it.

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

In May 2024, the IASB issued amendments to IFRS 9 and IFRS 7, *Amendments to the Classification and Measurement of Financials Instruments*. These amendments updated classification and measurement requirements in IFRS 9 *Financial Instruments* and related disclosure requirements in IFRS 7 *Financial Instruments: Disclosures*. The IASB clarified the recognition and derecognition date of certain financial assets and liabilities, and amended the requirements related to settling financial liabilities using an electronic payment system. It also clarified how to assess the contractual cash flow characteristics of financial assets in determining whether they meet the solely payments of principal and interest criterion, including financial assets that have environmental, social and corporate governance (ESG)-linked features and other similar contingent features. These amendments require additional disclosures for financial instruments with contingent features that do not relate directly to basic lending risks and costs and amended disclosures relating to equity instruments designated at fair value through other comprehensive income.

The amendments are effective for annual periods beginning on or after January 1, 2026. Management has assessed the impact of these amendments and does not expect their adoption to have a material effect on the Company's consolidated financial statements.

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4. DISTRIBUTED OPERATIONS

On July 31, 2023, at the annual, general and special meeting of the Company, the Company's shareholders approved the separation of the Company into Lithium Argentina and a new Lithium Americas Corp. ("Lithium Americas (NewCo)"), pursuant to a statutory plan of arrangement (the "Separation"). The Separation was completed on October 3, 2023, pursuant to a final order dated August 4, 2023, from the Supreme Court of British Columbia approving the plan of arrangement. As a result of the transaction, on October 3, 2023, the Company transferred its North American business, including, among other assets, the Thacker Pass Project ("Thacker Pass") and \$275,499 of cash to Lithium Americas (NewCo).

Pursuant to the plan of arrangement, each shareholder received one common share of Lithium Argentina and one common share of Lithium Americas (NewCo) in exchange for each common share of the Company previously held. As part of the approval of the Separation, the Company's shareholders also approved amendments to the equity incentive plan, allowing holders of restricted share units, performance share units and deferred share units to receive, upon Separation, one similar instrument in each of Lithium Argentina (subject to adjustment) and Lithium Americas (NewCo). The Company has no further interest in Lithium Americas (NewCo) subsequent to the Separation.

The distributed operations were presented and accounted for using IFRS 5, Non-Current Assets Held for Sale and Discontinued Operations, and IFRIC 17, Distribution of Assets to Owners. Under this guidance, a dividend was recognized in deficit, measured at the fair value of the net assets distributed, with a corresponding dividend payable. The dividend payable was then settled through the distribution of the net assets. The fair value of the net assets distributed was \$1,680,501, determined based on the share price of Lithium Americas (NewCo) on October 4, 2023.

The difference of \$1,267,552 between the fair value of the dividend and the carrying value of the net assets was recognized as a gain on distribution of assets within discontinued operations during the year ended December 31, 2023. As at October 3, 2023, the carrying value of Lithium Americas (NewCo) which was distributed comprised the following assets and liabilities:

	\$
Assets	
Cash and cash equivalents	275,499
Receivables, prepaids and deposits	16,877
Property, plant and equipment	131,182
Exploration and evaluation assets	770
Investment in Green Technology Metals	3,590
Investment in Ascend Elements	8,582
Assets distributed upon separation	436,500
Liabilities	
Accounts payable and accrued liabilities	(17,157)
Current portion of long-term liabilities	(808)
GM transaction derivative liability	(370)
Decommissioning provision	(601)
Other liabilities	(4,617)
Liabilities distributed upon separation	(23,553)
Net assets distributed upon separation	412,947

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4. DISTRIBUTED OPERATIONS (continued)

The results and cash flows of Lithium Americas (NewCo) presented as discontinued operations are as follows:

	Years Ended December 31,		
	2025	2024	2023
	\$	\$	\$
EXPENSES			
Exploration and evaluation expenditures	-	-	(5,779)
General and administrative	-	-	(8,073)
Equity compensation	-	-	(5,309)
	-	-	(19,161)
OTHER ITEMS			
Transaction costs	-	-	(10,095)
Gain on financial instruments measured at fair value	-	-	32,545
Finance costs	-	-	(43)
Other loss	-	-	(10)
Gain on distribution of assets upon separation	-	-	1,267,552
	-	-	1,289,949
INCOME FROM DISCONTINUED OPERATIONS	-	-	1,270,788

	Years Ended December 31,		
	2025	2024	2023
	\$	\$	\$
Cash used in operating activities of discontinued operations	-	-	(30,679)
Cash used in investing activities of discontinued operations	-	-	(116,804)
Cash provided by financing activities of discontinued operations	-	-	302,755

5. CASH AND CASH EQUIVALENTS

Cash and cash equivalents

	December 31, 2025	December 31, 2024
	\$	\$
Cash	6,587	11,460
Cash equivalents	54,547	74,083
	61,134	85,543

As at December 31, 2025, \$65 of cash and cash equivalents was held in Canadian dollars (December 31, 2024 – \$156), \$59,152 in US dollars (December 31, 2024 – \$85,289), \$1,872 were held in Argentine Pesos (December 31, 2024 – \$98), and \$45 in Swiss Francs (December 31, 2024 - \$Nil). During the year ended December 31, 2025, cash and cash equivalents generated an interest income of \$2,841 (2024 – \$4,217).

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6. INVESTMENT IN SAL DE LA PUNA JOINT VENTURE

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

The remaining 35% of Sal de la Puna Holdings S.a.r.l. is owned by joint venture partner Ganfeng New Energy Technology Development (Suzhou) Co., Ltd. Therefore, after the acquisition of Arena Minerals, the Company holds a 65% ownership interest in the Sal de la Puna Project covering approximately 13,852 hectares of the Pastos Grandes Basin.

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

	\$
Investment in Sal de la Puna, as at December 31, 2023	181,270
Contribution to investment in Sal de la Puna	2,113
Share of loss of Sal de la Puna	(176)
Investment in Sal de la Puna, as at December 31, 2024	183,207
Contribution to investment in Sal de la Puna	419
Share of loss of Sal de la Puna	(256)
Investment in Sal de la Puna, as at December 31, 2025	183,370

The following is the condensed financial information of Sal de la Puna Holdings S.a.r.l. on a 100% basis.

	December 31, 2025	December 31, 2024
	\$	\$
Current assets	1,562	1,589
Non-current assets (including PPA adjustments)	280,551	280,470
Current liabilities	(6)	(202)
Net assets	282,107	281,857
LAR's share of Sal de la Puna's net assets	183,370	183,207

	Years Ended December 31,		
	2025	2024	2023
	\$	\$	\$
EXPENSES			
Exploration and evaluation expenditures	72	479	1,772
General and administrative	518	522	231
	590	1,001	2,003
Foreign exchange and other (income)/loss	(198)	(730)	762
Net loss	392	271	2,765

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7. INVESTMENT IN CAUCHARI-OLAROSZ PROJECT

As at December 31, 2025, the Company, Ganfeng, and JEMSE hold 44.8%, 46.7%, and 8.5% equity interests, respectively, in Minera Exar, the entity that holds all rights, title, and interest in the Cauchari-Olaroz project, located in the Jujuy province of Argentina. The Company and Ganfeng are also 49% and 51% shareholders, respectively, in Exar Capital, a company that provides shareholder financing to Minera Exar. Minera Exar and Exar Capital are associates of the Company and are accounted for using the equity method of accounting. The investment in Minera Exar and Exar Capital together is referred to as the "Investment in Cauchari-Olaroz project."

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

JEMSE Receivable

JEMSE acquired its 8.5% equity interest in Minera Exar in April 2021, of which 4.2% was acquired from the Company and 4.3% from Ganfeng. The right to acquire this interest was initially granted under a letter of intent signed in 2012, in compliance with the Province of Jujuy's regulations concerning government participation in mineral projects. As part of the closing of the transaction, JEMSE agreed to reimburse the Company and Ganfeng their pro-rata share of \$23,496 for equity financing provided for construction of the project in prior years.

This reimbursement obligation is measured at the initial transaction date and will be settled through the assignment of one-third of dividends otherwise payable to JEMSE in future periods. Dividend distributions by Minera Exar to all shareholders, including JEMSE, will only be considered once Minera Exar has met all project debt commitments.

During 2025, subsequent changes in the expected recoverable amount of this receivable were recognized. Prior to the restructuring of loans described below, the Company recorded an adjustment to the carrying value of the previous 2021 JEMSE receivable based on revised cash flow estimates and recognized a corresponding loss of \$3,382, presented as "Loss on JEMSE receivable" in the statement of comprehensive loss.

In connection with the Restructuring of loans described below, the Company recognized its portion of the additional JEMSE receivable at fair value of \$2,789. As at December 31, 2025, the carrying value of the two long-term receivables from JEMSE was \$8,077 (2024 – \$7,935).

Restructuring of Loans

During the year ended December 31, 2025, as part of a restructuring of loans (the "Restructuring"), the Company and Ganfeng amended and restated loan agreements relating to loans advanced to Exar Capital. Concurrently, Exar Capital amended and restated agreements relating to the loans advanced to Minera Exar (collectively, the "Amendments"), revising interest rates to market levels effective for fiscal year 2025 and subsequent periods and extending the maturity dates. These modifications were treated as an extinguishment of the existing loans and the issuance of new loans at market rates of interest.

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7. INVESTMENT IN CAUCHARI-OLARAZ PROJECT *(continued)*

As part of the Restructuring, on August 27, 2025, Exar Capital assigned certain loan receivables from Minera Exar to the Company and Ganfeng. The total carrying value of the loans assigned was \$208,121, of which the Company's portion amounted to \$101,979. In exchange, the Company cancelled loans owed by Exar Capital with a carrying value of \$99,422. The assigned loans receivable from Minera Exar were subsequently settled through a capital contribution by the Company and Ganfeng to Minera Exar.

Because the Restructuring resulted from transactions between shareholders rather than with external parties, the Company determined that the net effect represented a transaction between owners in their capacity as owners. Accordingly, the capitalization of loans was recorded as an increase in the Company's investment in the Cauchari-Olaroz project, with no gain or loss recognized in the statement of comprehensive loss.

In connection with the Restructuring, JEMSE retained its ownership interest in Minera Exar in exchange for an agreement to reimburse the Company and Ganfeng through the assignment of one-third of dividends otherwise payable to JEMSE in future periods, up to an additional \$8,271 and \$8,609, respectively, after the previous dividend assignment has been fully repaid. The Company recognized its portion of the additional JEMSE receivable at fair value of \$2,789 and recorded a reduction in its investment of \$8,668, resulting in a loss of \$5,879, included in "Loss on JEMSE receivable". The fair value of the additional long-term receivable from JEMSE was estimated by discounting the Company's share of expected future reimbursements by JEMSE to their present value, reflecting the timing of settlement through the assignment of future dividends otherwise payable to JEMSE. The valuation assumed a discount rate of 10%. The timing of expected reimbursements was estimated based on projected cash flows of Minera Exar.

Investment in Cauchari-Olaroz Project

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

	\$
Investment in Cauchari-Olaroz Project, as at December 31, 2023	59,581
Contribution to Investment in Cauchari-Olaroz Project	1,570
Share of loss of Cauchari-Olaroz Project	(17,374)
Elimination of the Company's portion of capitalized intercompany interest	(10,858)
Investment in Cauchari-Olaroz Project, as at December 31, 2024	32,919
Contribution to investment in Cauchari-Olaroz Project through capitalization of loans	99,422
Reduction in investment arising from capital contribution allocated to JEMSE	(8,668)
Shareholder's contribution from the restructuring of loans	8,680
Gain on modification of Exar-PGCo loan amendment	766
Recognition of previously unrecognized share of losses for year 2024	(26,043)
Share of loss of Cauchari-Olaroz Project for the current period	(13,724)
Investment in Cauchari-Olaroz Project, as at December 31, 2025	93,352

For the year ended December 31, 2025, the Company recognized its share of losses from the Cauchari-Olaroz project totaling \$39,766 in the statement of comprehensive loss. This amount includes current year losses of \$13,724 and previously unrecognized losses of \$26,043 from 2024, which were recognized following the capitalization of loans to Minera Exar that increased the carrying amount of the Company's investment.

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

Summarized Financial Information of Minera Exar

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

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

	December 31, 2025	December 31, 2024
	\$	\$
Total current assets	431,365	312,354
Non-current assets	1,409,357	1,479,969
Current liabilities:		
Third-party loans	(242,910)	(161,059)
Loans from Exar Capital	-	(584,474)
Derivative liability on loans from Exar Capital	-	(53,211)
Other current liabilities	(61,599)	(72,824)
Non-current liabilities:		
Third-party loans	(49,781)	(49,315)
Loans from Exar Capital	(911,338)	(455,821)
Loans from PGCó	(71,537)	(67,355)
Derivative liability on loans from Exar Capital and PGCó	(10,614)	(47,352)
Other non-current liabilities	(90,633)	(88,997)
Net assets	402,310	211,915

As of December 31, 2025, Minera Exar's outstanding third-party debt, including accrued interest, amounted to \$292,690 (2024 - \$210,400), while its cash balance and short-term investments were \$86,882 (2024 - \$11,190). The total debt includes the following:

- Approximately \$220,000 in loans from major international banks, secured by guarantees and standby letters of credit arranged by Ganfeng, which are due within twelve months from December 31, 2025. The Company has provided a guarantee to Ganfeng for its 49% share, amounting to \$107,800, in respect of these loans. No amount has been recognized by the Company in respect of this guarantee as at December 31, 2025.

The Company and Ganfeng have negotiated a three-year extension of the maturity of \$100,000 of these loans, which has been approved by the regulatory authority. The loan is secured by a standby letter of credit provided by Ganfeng. As the standby letter of credit was issued for a standard one-year term, the loan was initially structured with a one-year maturity to align with the term of the standby letter. Upon extension of the related standby letter of credit, the loan will automatically roll over for the remainder of the three-year term. Included within these loans is \$120,000 in bank debt facilities closed in the second quarter of 2025 and fully drawn in the third quarter of 2025 to refinance maturing short-term loans and for other purposes. These loans were priced at an approximately SOFR plus 2.5%, including fees. A portion of these debt proceeds remained in Exar's cash balance as of December 31, 2025;

- \$10,000 in loans secured by local bank guarantees arranged by Minera Exar, due within twelve months from December 31, 2025;

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7. INVESTMENT IN CAUCHARI-OLARAZ PROJECT *(continued)*

- \$9,300 in unsecured loans, due within twelve months from December 31, 2025;
- Approximately \$50,000 in unsecured bonds issued by Minera Exar in November 2024, carrying a contractual interest rate of 8% with semi-annual interest payments. The bonds' principal will mature in two tranches: the first tranche of \$25,000 on May 11, 2027, while the second tranche of \$25,000 on November 11, 2027.

	Years ended December 31,		
	2025	2024	2023
	\$	\$	\$
Sales	271,467	197,685	34,521
Cost of sales	(238,513)	(177,980)	(27,799)
Gross profit	32,954	19,705	6,722
Selling and distribution expenses	(20,575)	(13,500)	(1,773)
Administrative and other expenses	(11,000)	(8,329)	(5,317)
Finance costs	(138,595)	(36,189)	-
Foreign exchange (loss)/gain	(9,700)	85,889	-
Derivative gain/(loss)	89,949	(3,713)	254,498
Other income/(expense)	3,592	(3,865)	-
Deferred tax recovery/ (expense)	14,614	(72,833)	(124,587)
Net (loss)/income	(38,761)	(32,835)	129,543

Note: Minera Exar's cost of sales for the year ended December 31, 2025, includes depreciation of \$54,252 (2024 – \$20,196).

Minera Exar has to settle certain loans provided by Exar Capital and PGC0 in US\$ with sufficient Argentine Pesos ("ARS\$") at the implied market exchange rate. This settlement mechanism requires Minera Exar to repay the loans with more US\$ at the official exchange rate. Since the repayment mechanism for the USD loans provided by Exar Capital and PGC0 to Minera Exar is linked to the implied market foreign exchange rate in Argentina rather than the official foreign exchange rate, it results in an embedded derivative in the loans payable by Minera Exar. The fair value of this embedded derivative fluctuates with changes in the spread between the implied market exchange rate and the official exchange rate). During the year ended December 31, 2025, changes in Argentine foreign exchange regulations caused the implied exchange rate to converge with the official rate, resulting in a fair value gain of \$89,949, which was recognized in Minera Exar's condensed statement of comprehensive (loss)/income.

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7. INVESTMENT IN CAUCHARI-OLARAZ PROJECT (continued)

Summarized Financial Information of Exar Capital

The following is the condensed financial information of Exar Capital on a 100% basis.

	December 31, 2025	December 31, 2024
	\$	\$
Current assets:		
Cash and cash equivalents	16,823	14,103
Loans advanced to Minera Exar	-	584,474
Other receivables from Minera Exar	26,789	32,122
Other current assets	2,965	1,132
Total current assets	46,577	631,831
Non-current assets		
Loans advanced to Minera Exar	911,338	455,821
Current liabilities		
Loans from Lithium Argentina	(308,333)	(380,415)
Loans from Ganfeng	(544,779)	(602,006)
Other current liabilities	(1,984)	(24,894)
Non-current liabilities	(36,553)	(13,155)
Net assets	66,266	67,182

As part of the loan restructuring in August 2025, Exar Capital assigned certain loan receivables from Minera Exar to Lithium Argentina and Ganfeng. The assigned receivables were settled through a non-cash offset against Exar Capital's loans payable to the same shareholders. Exar Capital derecognized the assigned loan receivables and the related loan payables, with the resulting difference recorded as an equity transaction between shareholders. No gain or loss was recognized by Exar Capital in the statement of comprehensive loss.

Loans from Lithium Argentina and Ganfeng are presented as current liabilities in the financial statements of Exar Capital. In accordance with the terms of the loan agreements, the loans can be called at any time by unanimous agreement of Lithium Argentina and Ganfeng.

As at December 31, 2025, Exar Capital had other receivables from Minera Exar amounting to \$26,789 (2024 – \$32,122). These receivables relate to payments made by Exar Capital to suppliers on behalf of Minera Exar

	Years ended December 31,		
	2025	2024	2023
	\$	\$	\$
Interest income on loans to Minera Exar	115,232	113,364	83,357
Interest expense on loans from Lithium Argentina	(39,939)	(44,043)	(33,067)
Interest expense on loans from Ganfeng	(64,432)	(63,408)	(46,960)
Other losses	(8,457)	(12,454)	(12,472)
Net income/(loss)	2,404	(6,541)	(9,142)

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

The following provides a reconciliation of the summarized financial information for Minera Exar and Exar Capital to carrying value:

	Minera Exar	Exar Capital
	\$	\$
Net assets, December 31, 2025	402,310	66,266
Company's share of net assets	180,235	32,470
Elimination of capitalized intercompany interest	(133,512)	-
Expenditures incurred by the Company in connection to the investee	12,605	-
Amortization expense of intangible assets triggered upon commencement of commercial production	1,555	-
Carrying value	60,883	32,470

As at December 31, 2025, the carrying value of the Company's investment in Minera Exar was \$60,883, and its investment in Exar Capital was \$32,470.

8. LOANS TO EXAR CAPITAL

The Company has entered into loan agreements with Exar Capital to provide financing for the construction, working capital, and other funding requirements of Minera Exar, the operator of the Cauchari-Olarosz project.

Changes in the balances of loans to Exar Capital are summarized below.

	\$
Loans to Exar Capital, as at December 31, 2023	320,869
Loans to Exar Capital	41,978
Repayment of loans and interest by Exar Capital	(26,476)
Accrued interest	44,044
Loans to Exar Capital, as at December 31, 2024	380,415
Repayment of loans and interest by Exar Capital	(3,920)
Accrued interest	39,939
Capitalization of loans to investment in Cauchari-Olarosz Project	(99,422)
Derecognition of existing loans upon extinguishment	(308,314)
Recognition of new loans at fair value upon restructuring	299,635
Loans to Exar Capital, as at December 31, 2025	308,333

During the year ended December 31, 2025, Exar Capital utilized its existing cash balance to repay a portion of its outstanding loan, amounting to \$3,920 (Note 26).

Under the amended and restated loan agreements, the loans advanced by the Company to Exar Capital bear interest rates ranging from 8.12% to 8.95% per annum, with revised maturity dates ranging from 2028 to 2035.

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8. LOANS TO EXAR CAPITAL *(continued)*

As of December 31, 2025, the total outstanding loans to Exar Capital, including accrued interest, amounted to \$308,333, with scheduled maturity and interest rates as follows:

Scheduled Maturities (Year)	Outstanding amount (\$)	Interest Rate (%)
2028	19,224	8.12%
2029	23,611	8.47%
2030	28,297	8.75%
2031	28,410	8.95%
2032	37,286	8.25%
2033	47,689	8.36%
2034	39,893	8.48%
2035	83,923	8.63%

The recoverability of these loans is dependent on the future cash flows and performance of the Cauchari-Olaroz project. The Company performed an expected credit loss assessment based on the anticipated future performance and cash flow projections of Cauchari-Olaroz. The assessment did not identify any significant increase in credit risk or other factors that would indicate a potential default.

9. PURCHASES AND SALES OF LITHIUM CARBONATE

Offtake Agreement with Ganfeng and Bangchak

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

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

Purchases and sales of lithium carbonate

During the year ended December 31, 2025, the Company was entitled to purchase its 49% share of Minera Exar’s lithium carbonate production shipped during the period and, pursuant to its offtake agreements, sell that volume to Ganfeng and Bangchak.

Based on its principal versus agent assessment, the Company concluded that it acted as an agent in these transactions, as control of the lithium carbonate did not transfer to the Company prior to transfer to the end customers and the Company was not exposed to inventory or price risk. Accordingly, the Company did not recognize revenue or cost of sales in respect of these transactions.

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

During the year ended December 31, 2025, the Company made approximately \$133,281 worth of purchases of lithium carbonate from Minera Exar and sold an equivalent amount, totaling approximately \$133,281, to Ganfeng and Bangchak. Since there was no net commission earned by the Company, there was no impact on the Company's statement of comprehensive loss for the year ended December 31, 2025.

As at December 31, 2025, the Company had a payable of \$25,507 to Minera Exar for lithium carbonate purchases, and receivables totaling \$23,209 from Ganfeng for sales of lithium carbonate, as disclosed on the statement of financial position. The Company performed an expected credit loss assessment for these receivables, and concluded that the expected credit loss was insignificant, given the short-term nature of the balances and the counterparties' history of timely settlement. The receivables were fully settled subsequent to December 31, 2025.

10. PASTOS GRANDES

On August 16, 2024, Proyecto Pastos Grandes S.A. ("PGCo"), a wholly-owned subsidiary of the Company holding the Pastos Grandes project in Salta, Argentina, issued common shares representing approximately 14.9% of PGCo to Ganfeng for consideration of approximately \$70,000 (the "Pastos Grandes transaction").

As the Company retained control of PGCo, the transaction was accounted for as an equity transaction. Consequently, a non-controlling interest was recognized, representing Ganfeng's 14.9% share in the net assets of PGCo.

Loans to Minera Exar

	\$
Loans advanced by PGCo to Minera Exar, as at December 31, 2023	-
Loans to Minera Exar	65,000
Accrued interest	2,355
Loans advanced by PGCo to Minera Exar, as at December 31, 2024	67,355
Accrued interest	5,892
Derecognition of existing loans upon extinguishment	(72,445)
Recognition of new loans at fair value upon restructuring	70,735
Loans to Minera Exar, as at December 31, 2025	71,537

In Q3 2024, PGCo entered into a loan facility with Minera Exar with aggregate principal of \$65,000 to fund debt repayment, working capital and other operational requirements. The loan initially bore interest at SOFR plus 4.0% per annum.

In October 2025, PGCo, a consolidated subsidiary of the Company, amended the terms of a loan facility with Minera Exar, an equity-accounted investee of the Company. The amendment revised the interest rate to 6.18% per annum, effective for fiscal year 2025 and subsequent periods, with no other material changes to the contractual terms. The amendment was accounted for as an extinguishment of the existing loan and the recognition of a new loan at the revised interest rate.

The Company determined that the amendment represented a transaction between entities under common control and, accordingly, PGCo recognized a loss on modification of \$1,710, recorded directly in equity. Upon consolidation, \$255 of this amount was allocated to non-controlling interest representing Ganfeng's ownership interest in PGCo and \$1,455 was attributable to the Company. Minera Exar recognized a corresponding gain on modification, recorded in equity, and the Company's share of this equity movement was recognized as an increase in the carrying value of the Company's investment in Minera Exar.

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10. PASTOS GRANDES *(continued)*

Due to differences in the Company's ownership interests in PGCó and Minera Exar, a portion of the loss recognized in PGCó was not offset by the Company's share of the gain in Minera Exar. Accordingly, the Company recognized a loss on loan modification of \$689 in the consolidated statement of comprehensive loss for the year ended December 31, 2025.

Share Premium Reduction and Shareholder Distribution

During the fourth quarter of 2025, PGCó executed a share premium reduction and related distribution to its shareholders. The transaction was accounted for as an equity transaction, resulting in a reduction of equity and the recognition of a shareholder distribution payable.

The shareholder distribution payable is denominated in Argentine pesos and indexed for inflation until settlement. At December 31, 2025, the total payable at PGCó level was \$86,363 (\$73,504 attributable to Millennial Lithium Corp. and \$12,859 to Ganfeng as non-controlling interest). In the consolidated financial statements, the payable to Millennial and the corresponding receivable are eliminated as intercompany balances. Accordingly, only the \$12,859 payable to Ganfeng is reflected in the consolidated balance sheet.

The transaction affected non-controlling interest in two ways, both presented separately in the consolidated statement of changes in equity: (i) a direct reduction of \$11,917, representing Ganfeng's proportionate share of PGCó's equity reduction at inception; and (ii) \$943 recognized within net loss attributable to non-controlling interest, representing the net consolidated P&L impact after elimination of offsetting finance expense at PGCó and finance income at Millennial (Note 26).

Summarized Financial Information of PGCó

Summarized financial information for PGCó for the year ended December 31, 2025, is as follows:

- Net loss: \$9,612 (2024 - income of \$5,939)
- Total assets: \$421,938 (2024 - \$428,914)
- Total liabilities: \$92,503 (2024 - \$452)

The summarized financial information provided represents PGCó's financial results, which contribute to the overall financial position of Lithium Argentina.

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11. PROPERTY, PLANT AND EQUIPMENT

	Buildings \$	Equipment and machinery \$	Other ¹ \$	Total \$
Cost				
As at December 31, 2023	5,203	2,716	3,456	11,375
Additions	660	-	311	971
Disposals	-	-	(701)	(701)
As at December 31, 2024	5,863	2,716	3,066	11,645
Additions	-	-	875	875
Disposals	-	-	(689)	(689)
As at December 31, 2025	5,863	2,716	3,252	11,831

	Buildings \$	Equipment and machinery \$	Other ¹ \$	Total \$
Accumulated depreciation				
As at December 31, 2023	346	140	1,644	2,130
Depreciation for the period	80	27	651	758
Disposals	-	-	(231)	(231)
As at December 31, 2024	426	167	2,064	2,657
Depreciation for the period	59	20	410	489
Disposals	-	-	(689)	(689)
As at December 31, 2025	485	187	1,785	2,457

	Buildings \$	Equipment and machinery \$	Other ¹ \$	Total \$
Net book value				
As at December 31, 2024	5,437	2,549	1,002	8,988
As at December 31, 2025	5,378	2,529	1,467	9,374

¹ The "Other" category includes right of use assets with a cost of \$971 and \$177 of accumulated depreciation as at December 31, 2025.

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12. EXPLORATION AND EVALUATION ASSETS

Exploration and evaluation assets were as follows:

	Millennial Projects \$	Other Claims \$	Total \$
Total exploration and evaluation assets			
As at December 31, 2023	341,707	1,385	343,092
Additions	702	-	702
As at December 31, 2024	342,409	1,385	343,794
Additions	229	-	229
Disposals	(3,009)	-	(3,009)
As at December 31, 2025	339,629	1,385	341,014

In September 2025, the Company's subsidiary, PGCo sold certain mineral property rights relating to mining claims located in the eastern part of the Cauchari salar in Argentina to Minera Exar for proceeds equal to its acquisition cost of \$3,009, resulting in no gain or loss on disposal.

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

Pastos Grandes:

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

13. EQUITY-SETTLABLE CONVERTIBLE NOTES

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

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

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

	Debt host \$	Convertible note derivative \$	Total \$
Convertible notes			
As at December 31, 2023	187,223	13,138	200,361
Gain on change in fair value of convertible notes derivative	-	(12,530)	(12,530)
Accrued Interest	25,134	-	25,134
Interest payment	(2,453)	-	(2,453)
Reclassification of short-term accrued interest to short-term liability	(2,075)	-	(2,075)
As at December 31, 2024	207,829	608	208,437
Loss on change in fair value of convertible notes derivative	-	2,416	2,416
Accrued Interest	27,837	-	27,837
Interest payment	(2,454)	-	(2,454)
Reclassification of short-term accrued interest to short-term liability	(2,075)	-	(2,075)
As at December 31, 2025	231,137	3,024	234,161

The fair value of the derivative as at December 31, 2025, was estimated using a partial differential equation method with Monte Carlo simulation. The significant inputs used in the valuation were as follows:

Valuation input	Assumption
Share price	\$ 5.58
Volatility	75%
Risk-free interest rate	3.48%
Expected dividend yield	0%
Credit spread	7.25%

The valuation of the embedded derivative is highly sensitive to changes in the Company's share price and the assumed volatility of the Company's share price. A loss on change in fair value for the year ended December 31, 2025, of \$2,416 was recognized in the statement of comprehensive loss (2024 - gain of \$12,530).

Interest expense for the year ended December 31, 2025, of \$27,837 was recorded as finance costs in the statement of comprehensive loss.

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

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

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

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

- (i) If the Notes' trading price for any five consecutive trading day period was, on each day, less than 98% of the conversion value of such Notes;
- (ii) if the Company elects to (a) issue equity instruments to all holders of the Company's common shares entitling them, for a period of not more than 45 calendar days after issue, to subscribe for or purchase common shares at a price per share that is less than the average reported sales prices of the common shares for the 10-trading day period ending the trading day before the announcement of such issuance of equity instruments;

or (b) make a distribution to all holders of the Company's common shares, whether such distribution is of assets, securities, or rights to purchase the Company's securities, and has a per share value exceeding at least 10% of the trading price of the common shares on the date immediately preceding the announcement date of such distribution;
- (iii) upon the occurrence of certain significant business events;
- (iv) if, at any time after the calendar quarter ending on March 31, 2022 (and only during such calendar quarter), the last reported price of the Company's common shares for at least 20 trading days (whether or not consecutive) during the last period of 30 trading days of the immediately preceding calendar quarter is greater than or equal to 130% of the conversion price on each applicable trading day (this has not occurred for the year ended December 31, 2025); or,
- (v) upon a call for redemption by the Company, or upon the Company's failure to pay the redemption price therefor.

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

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

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

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

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

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

The Conversion Rate (as defined in the Indenture) for the Convertible Notes was initially 21.2307 common shares per \$1,000 principal amount of the Convertible Notes.

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

14. SHARE CAPITAL AND SHARE-BASED COMPENSATION

On January 23, 2025, the Company completed the Continuation from Canada to Switzerland. As a result of the Continuation, Lithium Argentina's shares were established with a nominal par value of \$0.01 per share, resulting in share capital of \$1,619 and a capital reserve of \$1,499,682. The number of shares outstanding remained unchanged.

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

Equity Incentive Plan

The Company has an equity incentive plan (the "Plan") whereby, from time to time at the discretion of the Board of Directors, eligible directors, officers, employees and consultants are awarded restricted share units ("RSUs") and performance share units ("PSUs") that convert automatically into common shares upon vesting, subject to any applicable deferral provisions under the terms of the Plan. In addition, independent directors are awarded deferred share units ("DSUs"), generally as partial compensation for their services as directors. DSUs may be redeemed by directors for common shares upon retirement or termination from the Board.

The Plan also permits the grant of incentive stock options exercisable to purchase common shares of the Company ("stock options"). The Plan is a "rolling plan", under which the aggregate number of common shares to be issued shall not exceed 8% of the outstanding shares from time to time.

Restricted Share Units

During the year ended December 31, 2025, the Company granted 4,529 RSUs (2024 – 1,913) to its employees and consultants. The total estimated fair value of the RSUs granted was \$12,560 (2024 – \$7,346) based on the market value of the Company's shares on the grant date.

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14. SHARE CAPITAL AND SHARE-BASED COMPENSATION *(continued)*

Subsequent to year-end, the Company granted 1,405 RSUs to employees and consultants in lieu of annual performance bonuses, with an estimated fair value of \$10,859 based on the market price of the Company's shares on the grant date.

As at December 31, 2025, there was \$8,678 (2024 – \$6,969) of total unamortized compensation cost relating to unvested RSUs. During the year ended December 31, 2025, equity compensation expense related to RSUs of \$11,027 was recognized in expenses (2024 – \$3,118). A summary of changes to the number of outstanding RSUs is as follows:

	Number of RSUs (in 000's)
Balance, RSUs outstanding as at December 31, 2023	2,247
Converted into shares	(615)
Granted	1,913
Forfeited	(267)
Balance, RSUs outstanding as at December 31, 2024	3,278
Converted into shares	(437)
Granted	4,529
Forfeited	(6)
Balance, RSUs outstanding as at December 31, 2025	7,364

Deferred Share Units

During the year ended December 31, 2025, the Company granted 324 DSUs (2024 – 203) with a total estimated fair value of \$900 (2024 – \$780).

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

Stock Options

During the year ended December 31, 2025, no stock options were granted by the Company (2024 – 1,225). None of the stock options were exercisable as at December 31, 2025. A summary of changes to outstanding stock options is as follows:

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

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14. SHARE CAPITAL AND SHARE-BASED COMPENSATION (continued)

As at December 31, 2025, there was \$1,368 (2024 – \$4,179) of total unamortized compensation cost relating to unvested stock options. During the year ended December 31, 2025, stock-based compensation expense related to stock options of \$2,811 (2024 – \$3,285) was recognized in operating expenses on the statement of comprehensive loss.

Performance Share Units

During the year ended December 31, 2025, the Company did not grant any PSUs (2024 – none). As at December 31, 2025, there was \$108 (2024 – \$412) of total unamortized compensation cost relating to unvested PSUs.

During the year ended December 31, 2025, equity compensation expense related to PSUs of \$304 was charged to operating expenses (2024 – \$554). A summary of changes to the number of outstanding PSUs is as follows:

	Number of PSUs (in 000's)
Balance, PSUs outstanding as at December 31, 2023	874
Converted into shares	(638)
Balance, PSUs outstanding as at December 31, 2024	236
Converted into shares	(38)
Balance, PSUs outstanding as at December 31, 2025	198

15. RELATED PARTY TRANSACTIONS

Any transactions between the Company and its equity-accounted investees Minera Exar, Exar Capital, and Sal de la Puna are considered related party transactions (refer Note 6, 7, 8 and 9).

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

- Option Agreement with Grupo Minero Los Boros S.A. on March 28, 2016, for the transfer to Minera Exar of title to certain mining properties that comprised a portion of the Cauchari-Olaroz project.
- Expenditures under the construction services contract for the Cauchari-Olaroz project with Magna Construcciones S.R.L. ("Magna") were \$42 for the year ended December 31, 2025.
- Service agreement with a consortium owned 49% by Magna. The agreement entered into Q1 2022, is for servicing of the evaporation ponds at Cauchari-Olaroz over a five-year term, for total consideration of \$68,000 (excluding VAT). During the year ended December 31, 2025, Minera Exar spent \$19,935 (excluding VAT) on the servicing of the evaporation ponds at Cauchari-Olaroz.
- As at December 31, 2025, Minera Exar had trade payables to Exar Capital of \$28,550 (2024 – \$33,292) representing amounts paid by Exar Capital for the purchase of certain materials and supplies on behalf of Minera Exar amounting to \$41,483 (2024 – \$33,293). These transactions are settled by Minera Exar upon delivery of the goods and receipt of supplier documentation.

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

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17. EXPLORATION AND EVALUATION EXPENDITURES

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

	Years Ended December 31,								
	2025			2024			2023		
	Millennial Projects	Other	Total	Millennial Projects	Other	Total	Millennial Projects	Other	Total
	\$	\$	\$	\$	\$	\$	\$	\$	\$
Consulting and salaries	2,307	1,489	3,796	4,372	1,641	6,013	6,086	3,153	9,239
Permitting and environmental	98	-	98	222	-	222	-	-	-
Field supplies and other	1,761	-	1,761	2,289	-	2,289	5,986	10	5,996
Depreciation	140	-	140	207	-	207	468	-	468
Drilling and geological expenses	894	-	894	1,347	-	1,347	5,511	-	5,511
	5,200	1,489	6,689	8,437	1,641	10,078	18,051	3,163	21,214

18. FINANCE AND OTHER COSTS

The following table summarizes the Company's finance costs:

	Years Ended December 31,		
	2025	2024	2023
	\$	\$	\$
Interest on convertible notes	27,837	25,134	22,623
Other expenses	4,103	42	79
	31,940	25,176	22,702

19. TRANSACTION COSTS

	Years Ended December 31,		
	2025	2024	2023
	\$	\$	\$
Transaction costs	4,030	6,818	7,569
	4,030	6,818	7,569

Transaction costs for the year ended December 31, 2025, totaled \$4,030, which included legal fees, consulting and advisory fees, and audit fees, primarily related to the Continuation, and the proposed joint venture transaction with Ganfeng to combine the Pozuelos-Pastos Grandes and Sal de la Puna lithium brine projects in Salta, Argentina. In comparison, transaction costs for the year ended December 31, 2024 amounted to \$6,818, primarily related to the Separation (Note 4).

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20. FINANCE AND OTHER INCOME

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

	Years Ended December 31,		
	2025	2024	2023
	\$	\$	\$
Interest on loans to Exar Capital	39,939	44,043	33,068
Interest on loans to Minera Exar	5,892	2,355	-
Interest on cash and cash equivalents	2,841	4,217	19,188
Other	734	1,172	643
	49,406	51,787	52,899

21. SEGMENTED INFORMATION

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

The Company's reportable segments and corporate assets are summarized in the following tables:

	Cauchari- Olaroz	Pastos Grandes Basin	Corporate	Total
	\$	\$	\$	\$
As at December 31, 2025				
Property, plant and equipment	-	8,444	930	9,374
Exploration and evaluation assets	-	340,999	15	341,014
Total assets	409,762	606,805	83,213	1,099,780
Total liabilities	-	(14,869)	(267,978)	(282,847)
For the year ended December 31, 2025				
Property, plant and equipment additions	-	-	875	875
Loss	(39,766)	(5,564)	(31,550)	(76,880)
Exploration expenditures	-	(6,333)	(356)	(6,689)
Depreciation	-	(140)	(349)	(489)
Interest expense	-	-	(27,837)	(27,837)

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21. SEGMENTED INFORMATION *(continued)*

	Cauchari- Olaroz \$	Pastos Grandes Basin \$	Corporate \$	Total \$
As at December 31, 2024				
Property, plant and equipment	-	8,584	404	8,988
Exploration and evaluation assets	-	343,779	15	343,794
Total assets	421,270	614,286	95,667	1,131,223
Total liabilities	-	(575)	(239,718)	(240,293)
For the year ended December 31, 2024				
Property, plant and equipment additions	-	764	207	971
(Loss)/income	(28,232)	4,614	8,378	(15,240)
Exploration expenditures	-	(9,819)	(259)	(10,078)
Depreciation	-	(208)	(550)	(758)
Interest expense	-	-	(25,176)	(25,176)

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

	Canada \$	Argentina \$	Total \$
<i>Non-current assets</i> ⁽¹⁾			
As at December 31, 2025	343	443,408	443,751
As at December 31, 2024	244	385,457	385,701

¹ Non-current assets attributed to geographical locations exclude financial and other assets.

22. SUPPLEMENTAL DISCLOSURE WITH RESPECT TO CASH FLOWS

2025 Restructuring of loans

As part of the Restructuring of loans (Note 7), the following non-cash activities occurred during the year ended December 31, 2025:

- Reduction in investment arising from capital contribution allocated to JEMSE of \$8,668 (non-cash investing activity).
- Capitalization of loans to investment in Cauchari-Olaroz Project of \$99,422 (non-cash investing activity).
- Derecognition of existing loans upon extinguishment of \$308,314 (non-cash investing activity).
- Recognition of new loans at fair value upon restructuring of \$299,635 (non-cash investing activity).

2025 PGC0-Minera Exar loan amendments

As part of PGC0-Minera Exar loan amendment (Note 10), the following non-cash activities occurred during the year ended December 31, 2025:

- Derecognition of existing loans upon extinguishment of \$72,445 (non-cash investing activity).

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22. SUPPLEMENTAL DISCLOSURE WITH RESPECT TO CASH FLOWS *(continued)*

- Recognition of new loans at fair value upon restructuring of \$70,735 (non-cash investing activity).

2025 PGC Co Share Premium Reduction and Shareholder Distribution

As part of PGC Co Share Premium Reduction and Shareholder Distribution (Note 10), the following non-cash activity occurred during the year ended December 31, 2025:

- Recognition of a shareholder distribution payable to the non-controlling shareholder (Ganfeng) of \$12,859 and a corresponding reduction in non-controlling interest, representing a non-cash financing activity with non-controlling shareholders.

23. INCOME TAXES

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

Upon continuation, the Company remeasured the tax basis of its corporate-level assets and liabilities in accordance with Swiss tax legislation.

Income tax expense recognized in the consolidated statement of comprehensive loss is comprised of the following:

	Years ended December 31,	
	2025	2024
	\$	\$
Current income tax expense	48	-
Deferred income tax expense/(recovery)	420	(10,659)
Total income tax expense/(recovery)	468	(10,659)

For the year ended December 31, 2025, current income tax expense includes \$48 in Canada. Deferred income tax expense of \$420 comprises a deferred tax expense of \$431 in Argentina, partially offset by a deferred tax recovery of \$11 in Canada.

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23. INCOME TAXES (continued)

A reconciliation of income taxes at Switzerland statutory rates with reported taxes is as follows:

	Years ended December 31,		
	2025	2024	2023
	\$	\$	\$
(Loss)/income from continuing operations before taxes	(76,412)	(25,899)	28,240
Income from discontinuing operations before taxes	-	-	1,270,788
Total (loss)/income before taxes	(76,412)	(25,899)	1,299,028
Statutory tax rate (Switzerland 2025; Canada prior years)	11.9%	27.0%	27.0%
Expected income tax (recovery)/expense at statutory tax rate	(9,055)	(6,993)	350,737
Items not taxable for income tax purposes	3,688	(4,311)	(348,159)
Effect of lower tax rate in foreign jurisdiction	-	-	(162)
Foreign exchange related to the weakening of the Argentine Pesos	-	-	5,670
Change in unrecognized deferred tax assets and other	5,835	645	2,573
Tax expense/(recovery)	468	(10,659)	10,659

The significant components of the Company's deferred tax assets and liabilities are as follows:

	December 31, 2025	December 31, 2024
	\$	\$
Deferred tax assets:		
Tax loss carryforwards	2,568	8,351
Loans to Exar Capital	-	217
Exploration and evaluation assets	-	21
Capital assets	-	5,234
Investment in Cauchari-Olaroz project	577	71
Other	839	-
Deferred tax assets	3,984	13,894
Deferred tax liabilities:		
Exploration and evaluation assets	(816)	-
Capital assets	(674)	-
Financing costs	-	(2,295)
Convertible debt	(2,914)	(11,290)
Other	-	(309)
Deferred tax liabilities	(4,404)	(13,894)
Deferred Income Tax Liability	(420)	-

As at December 31, 2025, a deferred tax asset of \$11, and net deferred tax liability of \$431 are included in the consolidated statement of financial position.

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FOR THE YEAR ENDED DECEMBER 31, 2025

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

23. INCOME TAXES *(continued)*

Deductible temporary differences for which no deferred tax assets are recognized as follows:

	December 31, 2025	December 31, 2024
	\$	\$
Deductible temporary differences	63,913	78,412

The Company had deductible temporary differences for which deferred tax assets have not been recognized because it is not probable that future profits will be available against which the Company can utilize the benefits. The Company completed the Continuation from Canada to Switzerland on January 23, 2025, as such, the Canadian tax losses and other Canadian tax attributes expired. The deductible temporary differences for which no deferred tax assets have been recognized in Switzerland are \$63,913 (2024 – \$nil).

24. FINANCIAL INSTRUMENTS

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

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

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

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

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

Fair value hierarchy	
Financial instruments	
Convertible notes - embedded derivative	Level 2

The embedded derivative associated with the Convertible Notes (Note 13) is measured at fair value on a recurring basis and is classified within Level 2 as the valuation is based on observable market inputs, including the Company's quoted share price, observable volatility, risk-free interest rates and market-derived credit spread.

The long-term receivable from JEMSE (Note 7) was measured at fair value upon initial recognition and is subsequently accounted for at amortized cost. The fair value at initial recognition was determined using unobservable inputs, including assumptions regarding the timing of future cash flows of Minera Exar and the applicable discount rate, and would be classified within Level 3 of the fair value hierarchy.

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24. FINANCIAL INSTRUMENTS *(continued)*

The Company's financial assets and financial liabilities measured at amortized cost include cash and cash equivalents, receivables from purchasers for lithium carbonate, loans to Exar Capital, loans to Minera Exar, other receivables, accounts payable and accrued liabilities, payable to Minera Exar for lithium carbonate purchases, PGC Co shareholder liabilities – Ganfeng, and the debt host component of the Convertible Notes.

As at December 31, 2025, the fair value of such financial instruments measured at amortized cost approximated their carrying value.

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

Credit Risk

Credit risk is the risk of loss associated with a counterparty's inability to fulfill its payment obligations. Financial instruments that potentially subject the Company to a concentration of credit risk consist primarily of cash, cash equivalents, receivables from Ganfeng for purchases of lithium carbonate, long-term receivable from JEMSE, and receivables related to loans advanced to Exar Capital and Minera Exar (refer Notes 7, 8, 9 and 10).

The Company's maximum exposure to credit risk for cash, cash equivalents, receivables, long-term receivable from JEMSE, and loans to Exar Capital and Minera Exar is the amount disclosed in the consolidated statements of financial position. The Company limits its exposure to credit loss on cash and cash equivalents by placing its cash and cash equivalents with major financial institutions and investing in only short-term obligations, with expected credit losses on cash and cash equivalents estimated to be de minimis. As of December 31, 2025, the Company held its cash and cash equivalents with three financial institutions, improving diversification and enhancing overall liquidity management.

The Company has assessed the creditworthiness of these institutions and believes that the risk of default is minimal, given its credit rating.

The Company actively monitors credit exposure to Minera Exar and Exar Capital, which are related parties involved in the Cauchari-Olaroz Project. Management reviews their financial position regularly and, given the strategic nature of these relationships and the support from project partners, ensures that credit risk on these balances is maintained at acceptable levels.

The Company performed an expected credit loss assessment on its loans to Exar Capital and Minera Exar as at December 31, 2025. Based on this assessment, management concluded that the expected credit losses were insignificant and, accordingly, no expected credit loss was recognized.

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

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

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24. FINANCIAL INSTRUMENTS *(continued)*

Liquidity Risk

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

As at December 31, 2025, the Company had a cash and cash equivalents of \$61,134 and receivables from purchasers for lithium carbonate of \$23,209 to settle current liabilities of \$46,794 (excluding equity-settleable convertible notes). The following table summarizes the contractual maturities of the Company's financial liabilities on an undiscounted basis:

	Years ending December 31,		
	2026	2027 and later	Total
	\$	\$	\$
Convertible senior notes	4,528	261,014	265,542
Accounts payable and accrued liabilities	31,449	-	31,449
Obligations under office leases ¹	296	460	756
Total	36,273	261,474	297,747

¹Include principal and interest/finance charges.

The Convertible Notes were classified as current liabilities as at December 31, 2025, since the Notes are convertible at the option of the holders upon satisfaction of certain conditions that are beyond the control of the Company. If such conditions are satisfied, the Notes would be convertible at the option of the holders and upon conversion, the Notes may be settled, at the Company's election, in common shares of the Company, cash or a combination thereof (Note 13). The Convertible Notes mature on January 15, 2027, which is within twelve months of the issuance date of these financial statements.

The above table summarizes the contractual maturities as at December 31, 2025, assuming such conditions will not be satisfied before the due date.

Market Risk

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

Foreign Currency Risk

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

The Company and its subsidiaries and associates have a US dollar functional currency, and it incurs expenditures in Canadian dollars ("CDN\$"), Argentine Pesos ("ARS\$"), Swiss francs ("CHF") and US\$, with the majority of the expenditures being incurred in US\$ by the Company's subsidiaries and investees. As at December 31, 2025, the Company did not hold significant amounts of cash and cash equivalents denominated in CDN\$, ARS\$, and CHF.

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25. CAPITAL DISCLOSURE

The Company's objectives in managing capital are to safeguard its ability to continue as a going concern in order to pursue the exploration and development of its mineral properties, as well as those of its associates, and to maintain a flexible capital structure. The capital structure of the Company consists of long-term borrowings, project debt facilities, and equity attributable to common shareholders, comprising issued capital, contributed surplus, and deficit. The Company manages its capital structure and adjusts it in light of changes in economic conditions and the risk characteristics of the underlying assets.

To carry out the planned exploration and development of its projects and to cover administrative costs, the Company will use its existing working capital, draw on its limited recourse loan facility, or raise additional funds as needed and if available.

Management reviews its capital management approach on an ongoing basis and believes that, given the relative size of the Company, its current approach remains reasonable. There were no changes in the Company's approach to capital management during the year ended December 31, 2025.

26. SUBSEQUENT EVENTS

• **Amendment to PGC Co Share Premium Reduction and Shareholder Distribution (Note 10)**

Subsequent to year-end, the Board and shareholders of PGC Co approved a resolution amending the terms of the previously approved share premium distribution described in Note 10. The resolution revoked the inflation indexation mechanism approved in December 2025 and established that the shareholder distribution payable would be fixed in U.S. dollars.

Under the amended terms, the shareholder distribution payable was novated into a fixed liability of approximately \$80,031, with no further inflation indexation after October 22, 2025. The shareholders also confirmed that the distribution will be settled using proceeds expected to be received by PGC Co from Minera Exar in connection with the repayment of an outstanding loan. Any portion of the distribution not settled through these proceeds is expected to be capitalized by the shareholders.

As this resolution was approved after December 31, 2025, the amendment represents a non-adjusting subsequent event and therefore no adjustments have been made to the consolidated financial statements for the year ended December 31, 2025.

• **Repayment of Minera Exar loan and subsequent distributions**

Subsequent to December 31, 2025, the following transactions occurred in order to distribute Minera Exar's available cash between the Company and Ganfeng in proportion to their respective ownership interests in Exar Capital:

a) On February 9, 2026, Minera Exar fully repaid the loan outstanding to PGC Co, including accrued interest, totaling \$72,015 (Note 10).

b) Following the repayment, PGC Co used the proceeds to partially settle its outstanding shareholder liabilities, distributing \$61,292 to Millennial and \$10,723 to Ganfeng. Millennial subsequently approved a capital reduction and repaid \$61,292 to the Company.

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26. SUBSEQUENT EVENTS *(continued)*

c) On February 9, 2026, the Company entered into an assignment agreement with Ganfeng pursuant to which the Company purchased portions of certain receivables owing from Exar Capital in the amount of \$26,005, funded from the capital repayment received from Millennial.

As a result of these transactions, the Company and Ganfeng received net cash of approximately \$35,287 and \$36,728, respectively, reflecting their 49% and 51% funding proportions for the Cauchari-Olaroz project.

- ***Partial Repayment of Outstanding Loan Interest by Exar Capital***

Subsequent to December 31, 2025, in March 2026, Exar Capital used its existing cash balance to repay \$6,468 of outstanding loan interest to the Company.

- ***Debt Facility with Ganfeng***

Subsequent to December 31, 2025, in March 2026, the Company entered into a six-year \$130,000 debt facility with Ganfeng bearing interest at SOFR plus 2.5% (the "Debt Facility").

The Debt Facility is secured by the Company's equity interest in a proposed joint venture between the Company and Ganfeng intended to consolidate their respective interests in the Pozuelos-Pastos Grandes and Sal de la Puna lithium brine projects located in Salta, Argentina (the "New JV"). The Debt Facility may be prepaid without penalty and is available to refinance existing corporate debt and for general corporate purposes.

Under the terms of the Debt Facility, the Company has agreed to allocate up to 50% of its offtake from the initial development phase of the New JV, capped at 6,000 tonnes per annum of lithium carbonate equivalent, to Ganfeng at market prices.

- ***Minera Exar's debt facility obtained subsequent to year-end***

Subsequent to December 31, 2025, in March 2026, Minera Exar obtained a short-term export pre-financing facility of \$20,000 from a major financial institution, maturing on August 5, 2026.