

GEOMEGA Resources Inc.

Unaudited Condensed Interim Consolidated Financial Statements

For the three and nine months ended February 28, 2026



The accompanying financial statements have been prepared by the management of Geomega Resources Inc. and have not been reviewed by the auditors

	Note	As at February 28, 2026 (Unaudited) \$	As at May 31, 2025 (Audited) \$
Assets			
Current assets			
Cash and cash equivalents	4	2,432,322	999,043
Accounts receivable	8	275,312	337,258
Tax credits and government grants receivable	9	2,064,781	1,483,442
Investments	5	23,170	22,000
Investment in listed companies	6	1,343,582	-
Prepaid expenses and others		495,077	305,529
Inventories		40,363	25,092
Current assets		6,674,607	3,172,364
Non-current assets			
Investment in an associate	7	-	252,857
Deposits on equipment		83,145	188,803
Property, plant and equipment	10	2,850,358	2,203,060
Right-of-use assets	11	1,751,678	1,863,140
Non-current assets		4,685,181	4,507,860
Total assets		11,359,788	7,680,224
Liabilities			
Current liabilities			
Trade and other payables		862,455	978,699
Deferred revenue		10,406	459,969
Deferred grants		-	623,435
Current portion of the lease liabilities	13	40,236	30,146
Current portion of convertible debentures	12	186,811	40,455
Current liabilities		1,099,908	2,132,704
Non-current liabilities			
Lease obligations	13	2,160,550	2,192,339
Long term debt	14	33,703	-
Convertible debentures	12	1,323,949	1,641,709
Non-current liabilities		3,518,202	3,834,048
Total liabilities		4,618,110	5,966,752
Equity			
Share capital		43,205,451	38,778,372
Reserves	15	1,059,092	1,167,347
Equity component of convertible debentures		206,871	268,795
Contributed surplus		5,044,368	5,020,368
Deficit		(42,774,104)	(43,521,410)
Total equity		6,741,678	1,713,472
Total liabilities and equity		11,359,788	7,680,224

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

		Three months ended February 28,		Nine months ended February 28,	
	Note	2026	2025	2026	2025
		\$	\$	\$	\$
Licensing		26,000	-	1,478,000	-
Technical support and development		412,398	52,569	981,966	228,304
Revenues		438,398	52,569	2,459,966	228,304
Operating expenses					
Exploration and evaluation expenses, net of tax credits		(1,111)	5,424	4,271	405,814
Research and development expenses, net of tax credits	16	783,077	519,341	2,009,895	1,288,855
Salaries, employee benefits and share-based compensation		181,444	203,052	504,549	569,199
Technology royalties		6,500	-	369,500	-
Professional fees		52,222	79,664	255,730	241,085
Travel, conference and investor relations		55,198	11,709	151,505	60,490
Administration		50,567	34,194	100,905	129,320
Filing fees		19,051	24,367	63,972	55,608
Rent		30,545	17,204	90,956	70,010
Depreciation of property, plant and equipment		13,701	-	40,112	-
Depreciation of right-of-use assets		37,155	37,155	111,465	111,466
Insurance, taxes and permits		14,359	22,945	38,161	65,223
Government grants on operating expenses		(424,154)	(369,072)	(1,178,504)	(1,260,217)
Operating loss		(380,156)	(533,414)	(102,551)	(1,508,548)
Other income (expenses)					
Investment income		4,478	590	10,989	27,547
Finance costs		(153,546)	(71,012)	(465,912)	(213,232)
Gain (loss) on foreign exchange		(4,297)	(11,929)	838	(26,965)
Option income on exploration and evaluation properties	17	184,946	-	184,946	-
Other income		76,521	-	89,782	-
Gain on disposal of property, plant and equipment		-	-	86	-
Gain (loss) in fair value variation of investments in listed companies		(14,704)	189,870	153,867	288,583
Share of gain (loss) of associate		-	(69,664)	1,047	(102,203)
Recovery of an investment in an associate		-	238,236	-	17,917
Gain on loss of significant influence in an associate	7	-	-	841,810	-
Gain on concessional loan		32,404	-	32,404	-
		125,802	276,091	849,857	(8,353)
Profit (loss) before taxes		(254,354)	(257,323)	747,306	(1,516,901)
Income taxes		-	-	-	-
Net and comprehensive income (loss)		(254,354)	(257,323)	747,306	(1,516,901)
Basic earnings per share		(0.002)	(0.002)	0.005	(0.011)
Diluted earnings per share	18	-	-	0.004	-
Weighted average number shares outstanding - basic		162,882,177	143,048,224	153,915,853	143,048,224
Weighted average number of shares outstanding - diluted	18	-	-	184,618,994	-

The accompanying notes are an integral part of these consolidated Financial Statements.

GEOMEGA RESOURCES INC.
Consolidated Statements of Changes in Equity

(Unaudited, in Canadian dollars)



		Number of shares outstanding	Share Capital	Reserves	Equity Component of Convertible Debentures	Contributed Surplus	Deficit	Total Equity
Note			\$	\$	\$	\$	\$	\$
Balance at May 31, 2025		143,401,521	38,778,372	1,167,347	268,795	5,020,368	(43,521,410)	1,713,472
Net and comprehensive income		-	-	-	-	-	747,306	747,306
Conversion of convertible debentures		4,000,217	487,503	-	(61,924)	-	-	425,579
Warrants exercised		15,703,760	3,359,833	-	-	-	-	3,359,833
Options exercised		1,711,798	503,613	(343,738)	-	-	-	159,875
Options expired		-	-	(24,000)	-	24,000	-	-
Deferred Share Units settled		482,000	76,130	(76,130)	-	-	-	-
Share-based compensation		-	-	335,613	-	-	-	335,613
Balance at February 28, 2026		165,299,296	43,205,451	1,059,092	206,871	5,044,368	(42,774,104)	6,741,678

		Number of shares outstanding	Share Capital	Reserves	Contributed Surplus	Deficit	Total Equity
Note			\$	\$	\$	\$	\$
Balance at May 31, 2024		143,401,521	38,778,372	990,705	4,775,095	(40,936,686)	3,607,486
Net and comprehensive loss		-	-	-	-	(1,516,901)	(1,516,901)
Options expired		-	-	(193,941)	193,941	-	-
Share-based compensation		-	-	342,432	-	-	342,432
Balance at February 28, 2025		143,401,521	38,778,372	1,139,196	4,969,036	(42,453,587)	2,433,017

The accompanying notes are an integral part of these consolidated Financial Statements.

GEOMEGA RESOURCES INC.
Consolidated Statements of Cash Flow
(Unaudited, in Canadian dollars)



		Nine months ended	
		February 28,	
	Note	2026	2025
		\$	\$
Operating activities			
Net and comprehensive income (loss)		747,306	(1,516,901)
Adjustments for:			
Share-based compensation		335,613	342,432
Unrealized gain on foreign exchange rate		(1,130)	(567)
Depreciation of property, plant and equipment		257,735	164,068
Impairment of deposits on property, plant and equipment		-	1,252
Depreciation of right-of-use assets		111,462	111,462
Finance costs for the accretion of the convertible debentures		254,175	-
Finance costs for the accretion of the long-term debt		115	-
Share of (revenue) loss of an associate		(1,047)	102,203
Impairment of an investment in an associate		-	(17,917)
Unrealized gain on variation of value of an investment in listed companies		(153,868)	(288,583)
Gain on loss of significant influence in an associate		(841,810)	-
Option income on exploration and evaluation properties		(184,946)	-
Gain on concessional loan		(32,404)	-
Changes in non-cash working capital items	19	(1,081,401)	280,600
Cash flows from operating activities		(590,200)	(821,951)
Investing activities			
Acquisition of short-term investments		(1,170)	-
Variation of deposits on acquisition of property, plant and equipment		160,378	14,898
Disposal of investment in a listed company		-	363,815
Acquisitions of property, plant and equipment		(2,701,022)	(1,502,482)
Variation of government grants for the purchase of property, plant and equipment		909,216	129,384
Proceeds from disposal of exploration and evaluation assets		92,076	-
Cash flows from investing activities		(1,540,522)	(994,385)
Financing activities			
Increase in long-term debt		65,992	-
Exercise of stock options		159,875	-
Exercise of warrants		3,359,833	-
Repayments of lease liabilities		(21,699)	(13,006)
Cash flows from financing activities		3,564,001	(13,006)
Net change in cash		1,433,279	(1,829,342)
Cash and cash equivalents – beginning		999,043	2,051,333
Cash and cash equivalents – ending		2,432,322	221,991

The accompanying notes are an integral part of these consolidated Financial Statements.

1. NATURE OF OPERATIONS AND GOING CONCERN

Geomega Resources Inc. (the "Corporation") is incorporated under the *Canada Business Corporations Act* and is engaged in the acquisition, exploration and evaluation of mining properties in Canada. Through its private and wholly owned subsidiary Innord, the Corporation is developing innovative technologies for extraction and separation of rare earth elements and other critical and strategic metals from its mining properties and other mining and industrial waste, in an environmentally sustainable way. The Corporation's shares are listed on the TSX Venture Exchange (the "Exchange") under symbol GMA. The address of the Corporation's registered office and principal place of business is 75, de Mortagne Boulevard, Boucherville, Quebec, Canada, J4B 6Y4. These consolidated Financial Statements (the "Financial Statements") were approved by the Corporation's Board of Directors on April 29, 2026.

The Financial Statements have been prepared in accordance with valid accounting principles in a context of going concern which provides that the Corporation will be able to realize its assets and pay its debts in the normal course of its activities. In assessing the validity of the going concern principle, management considers all available data regarding the future, which represents at least, but is not limited to, the twelve months following the end of the reporting period. For the nine months ended February 28, 2026, the Corporation recorded a net and comprehensive gain of \$747,306 and accumulated a deficit of \$42,774,104 as of that date. As of February 28, 2026, the Corporation had a working capital of \$5,574,699.

Any funding shortfall may be met in the future in a number of ways including but not limited to, the issuance of new equity or debt financing. While management has been successful in securing financing in the past, there can be no assurance that it will be able to do so in the future or that these sources of funding or initiatives will be available to the Corporation or that they will be available on terms which are acceptable to the Corporation.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES**2.1 Declaration of conformity**

The Financial Statements have been prepared in accordance with International Financial Reporting Standards ("International Financial Reporting Standards" or "IFRS") as published by the International Accounting Standards ("IAS") and which are applicable for the preparation of interim consolidated financial statements, in particular International Accounting Standard 34 ("International Accounting Standard 34" or "IAS 34") - Interim financial information. The Financial Statements therefore do not include all the information and notes required under IFRS for the purposes of annual financial statements.

2.2 Basis of Presentation

The Financial Statements should be read in conjunction with the audited annual financial statements for the year ended May 31, 2025, which have been prepared in accordance with IFRS. The accounting conventions and the calculation and presentation methods used in the preparation of the Financial Statements comply with the conventions and methods used for the previous financial year ended May 31, 2025, except for the following:

Loss of significant influence

When the Corporation loses significant influence over an associate, the equity method of accounting is discontinued as of the date significant influence is lost. Any retained interest in the former associate is remeasured at fair value at that date, and the difference between the fair value of the retained interest and the carrying amount of the investment is recognized in profit or loss.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONT'D)Investments in listed companies

Investments in equity instruments that are listed on a public equity market and over which the Corporation does not have significant influence are accounted for as financial assets.

Such investments are measured at fair value through profit or loss. Fair value is determined using quoted market prices on an active market at the reporting date. Subsequent changes in fair value are recognized in profit or loss.

Revenue recognition

Revenues are derived from the following sources:

- (i) Technical support and development services performed for third parties,
- (ii) technology licensing arrangements, and
- (iii) option income from the optioning of mineral properties.

i) Technical support and development services

Technical support and development services revenues are recognized in the statement of income and comprehensive income over time, as the related services are performed, all contractual obligations are satisfied, and the corresponding consideration is received or there is reasonable assurance of collection.

Revenues are measured at the fair value of the consideration received or receivable. Revenue is recognized in proportion to the progress toward completion of the related performance obligations. Progress is generally measured by comparing actual labour hours incurred to date with the total estimated labour hours required to complete the research project, as this method provides the most faithful depiction of the transfer of services to the customer.

When no clearly defined milestones exist to measure progress, the hours-to-hours method is applied. In the early stages of certain contracts, when the Corporation is unable to reliably estimate the outcome of the project but expects to recover its costs, revenue is recognized to the extent of costs incurred until such time as a reliable estimate can be made.

Amounts received from customers prior to the performance of services are recorded as contract liabilities (deferred revenues), while amounts recognized as revenue in excess of amounts invoiced are recorded as contract assets (accounts receivable) in the statement of financial position.

ii) Technology licensing revenue

The Corporation also generates revenue from licensing proprietary technology and related intellectual property. Technology licensing arrangements may include the transfer of technical know-how, access to technical documentation and databases, and the right to use the licensed technology for specified purposes.

Technology licensing revenue is recognized at a point in time when control of the license is transferred to the customer, which generally occurs when the customer obtains access to the licensed intellectual property and can direct its use and obtain substantially all of the remaining benefits from it. Such licenses are assessed as right-to-use licenses, as the intellectual property is functional at the time of transfer and the Corporation is not required to undertake activities that significantly affect the licensed intellectual property after transfer.

Amounts recognized as revenue in excess of amounts invoiced are recorded as contract assets (accounts receivable) in the statement of financial position.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONT'D)

When a contract includes both a license and technical services, the transaction price is allocated to each performance obligation based on their relative standalone selling prices, and revenue is recognized in accordance with the satisfaction of each performance obligation.

iii) Option income

Option income is recognized when received or when there is reasonable assurance of collection. Shares received under option agreements are measured at fair value at the date of receipt. Fair value is determined using quoted market prices when the shares are traded on an active market. When no active market exists, fair value is determined using appropriate valuation techniques, including the Black-Scholes option pricing model, adjusted for discounts related to lack of marketability and applicable regulatory restrictions.

Technology royalties

The Corporation is required to pay technology royalties to a third party based on a percentage of certain technology licensing revenues. Such royalties are recognized as operating expenses in the same period as the related licensing revenues are recognized.

3. CRITICAL ACCOUNTING ESTIMATES, JUDGMENTS AND ERRORS

In preparing the Financial Statements, the main judgments made by management in applying the Corporation's accounting policies and the main sources of estimation uncertainty were the same as those that applied to the annual financial statements for the fiscal year ended May 31, 2025.

4. CASH AND CASH EQUIVALENTS

Cash and cash equivalents held as February 28, 2026 include the following investments:

- Guaranteed investment certificates totalling \$1,952,000, bearing interest at rates of 1.80% and 2.00% and maturing on November 4, 2026 and January 25, 2027. Interest and principal may be cashed at any time without penalty.

5. INVESTMENTS

The investment as at February 28, 2026 consist of guaranteed investment certificates that are non-cashable prior to maturity. The certificates totalize \$23,170 in nominal value, bear interest at 3% and expire on October 2, 2026.

6. INVESTMENT IN LISTED COMPANIES

The Corporation holds marketable securities that are listed on a public equity market.

During the period, the Corporation transferred its investment in Auriginal Mining Corp. (formerly Kintavar Exploration Inc.) from Investment in an associate to Investment in listed companies following the loss of significant influence over the investee in September 2025 (note 7).

On February 10, 2026, the Corporation received the final option payment related to its Pomme Property. This payment included consideration in the form of equity instruments, comprising 108,225 common shares of Metallium Ltd. (ASX: MTM), representing an aggregate value equivalent to AUD 100,000 on the transaction date. Refer to Note 17 for more information on the transaction.

6. INVESTMENT IN LISTED COMPANIES (CONT'D)

The fair value of the investments is determined based on quoted market prices on an active market (Level 1 fair value measurement).

The investments are summarized as follows:

	As at February 28, 2026	As at May 31, 2025
	\$	\$
<u>Classified as current assets</u>		
Auriginal Mining Corp. - 16,857,143 common shares	1,264,286	-
Metallium Ltd. - 108,225 common shares	79,296	-
Investment in listed companies	1,343,582	-

7. INVESTMENT IN AN ASSOCIATE

Auriginal Mining Corp. (formerly Kintavar Exploration Inc.) was previously the Corporation's only associate. Auriginal is incorporated in Canada, where its exploration and evaluation activities on mineral-bearing properties are conducted.

As at May 31, 2025, the Corporation held 16,857,143 common shares, representing 13.11% of the issued and outstanding shares and voting rights of Auriginal.

Up to September 2025, the Corporation had significant influence over Auriginal and accounted for its investment accordingly.

Loss of significant influence

In September 2025, Auriginal completed a transaction that resulted in:

- a change of control;
- a significant issuance of new shares; and
- the appointment of new management and a reconstituted board of directors.

Following this transaction, the Corporation's ownership interest decreased to approximately 7.6%, and the Corporation no longer had the ability to participate in Auriginal's financial and operating policy decisions. Accordingly, the Corporation determined that it lost significant influence over Auriginal as of September 15, 2025.

As a result, the investment ceased to qualify as an associate and was transferred to Investments in listed companies during the period (note 6).

	Nine months ended February 28, 2026	Year ended May 31, 2025
	\$	\$
Balance at beginning of period	252,857	421,429
Share of net and comprehensive gain (loss)	1,047	(176,400)
Impairment to fair market value	-	7,828
Transfer to Investment in listed companies	(253,904)	-
Balance at end of period	-	252,857

8. ACCOUNTS RECEIVABLE

	As at February 28, 2026	As at May 31, 2025
	\$	\$
Trade receivables	35,121	45,699
Sales taxes receivable	125,602	277,371
Interest receivables	3,297	1,967
Other accounts receivable	11,292	12,221
Contract Assets	100,000	-
Accounts receivable	275,312	337,258

9. TAX CREDITS AND GOVERNMENT GRANTS RECEIVABLE

	As at February 28, 2026	As at May 31, 2025
	\$	\$
Refundable tax credits	101,393	6,582
Government grants	1,963,388	1,476,860
Tax credits and government grants receivable	2,064,781	1,483,442

Refundable tax credits are related to eligible mining exploration expenses incurred in the province of Quebec and the refundable portion of the research and development (SR&ED) and Quebec Investment & Innovation (C3i) tax credits.

The government grants are related to expenditures on research and development incurred by the corporation and its subsidiary.

10. PROPERTY, PLANT AND EQUIPMENT

	Leasehold Improvements	Equipment ¹	Total
	\$	\$	\$
Nine months ended February 28, 2026			
Opening net book value	935,080	1,267,980	2,203,060
Additions	680,849	2,020,173	2,701,022
Government grants	(461,825)	(1,334,164)	(1,795,989)
Depreciation	(40,112)	(217,623)	(257,735)
Closing net book value	1,113,992	1,736,366	2,850,358
As at February 28, 2026			
Cost	1,156,278	2,555,018	3,711,296
Accumulated depreciation	(42,286)	(818,652)	(860,938)
Closing net book value	1,113,992	1,736,366	2,850,358

¹ The equipment category includes equipment used R&D activities. Depreciation of property plant and equipment related to R&D projects is recorded within R&D expenses. An amount of \$218,553 was recorded as R&D expenses during the nine months ended February 28, 2026.

10. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

	Leasehold Improvements	Equipment	Total
	\$	\$	\$
Fiscal 2025			
Opening net book value	84,134	669,540	753,674
Additions	2,093,401	1,982,683	4,076,084
Government grants	(1,237,039)	(851,825)	(2,088,864)
Depreciation	(5,416)	(461,039)	(466,455)
Impairment	-	(71,379)	(71,379)
Closing net book value	935,080	1,267,980	2,203,060
As at May 31, 2025			
Cost	937,254	1,869,306	2,806,560
Accumulated depreciation	(2,174)	(601,326)	(603,500)
Closing net book value	935,080	1,267,980	2,203,060

11. RIGHT-OF-USE ASSETS

	Equipment	Industrial buildings	Total
	\$	\$	\$
Nine months ended February 28, 2026			
Opening net book value	17,575	1,845,565	1,863,140
Depreciation	(4,275)	(107,187)	(111,462)
Closing net book value	13,300	1,738,378	1,751,678
As at February 28, 2026			
Cost	28,500	2,143,732	2,172,232
Accumulated depreciation	(15,200)	(405,354)	(420,554)
Closing net book value	13,300	1,738,378	1,751,678

	Equipment	Industrial buildings	Total
	\$	\$	\$
Fiscal 2025			
Opening net book value	23,275	1,988,480	2,011,755
Depreciation	(5,700)	(142,915)	(148,615)
Closing net book value	17,575	1,845,565	1,863,140
As at May 31, 2025			
Cost	28,500	2,143,732	2,172,232
Accumulated depreciation	(10,925)	(298,167)	(309,092)
Closing net book value	17,575	1,845,565	1,863,140

12. CONVERTIBLE DEBENTURES

	Nine months ended February 28, 2026	Year ended May 31, 2025
	\$	\$
Balance, opening	1,682,164	-
Addition	-	1,628,519
Accretion expense	254,175	53,645
Conversion	(425,579)	-
Balance, ending	1,510,760	1,682,164
Balance, current	(186,811)	(40,455)
Balance, non-current	1,323,949	1,641,709

During the period, a portion of the convertible debentures, including amounts accrued through accretion under the effective interest method, was converted into common shares of the Corporation. Upon conversion, the carrying amount of the liability component corresponding to the portion converted was derecognized and credited to share capital, together with the related proportionate amount of the equity component. No gain or loss was recognized in profit or loss as a result of the conversion.

13. LEASE OBLIGATIONS

	Nine months ended February 28, 2026	Year ended May 31, 2025
	\$	\$
Balance, opening	2,222,485	2,240,828
Repayments of lease liabilities	(21,699)	(18,343)
Balance	2,200,786	2,222,485
Balance, current	(40,236)	(30,146)
Balance, non-current	2,160,550	2,192,339

14. LONG-TERM DEBT

During the nine months ended February 28, 2026, the Corporation received \$65,992 under a repayable, non-interest-bearing government contribution agreement providing for total funding of up to \$750,000. The contribution is repayable in 60 monthly instalments commencing 36 months after project completion, which is expected no later than September 30, 2026. In the event of default, the outstanding balance may become immediately due.

Because the contribution is non-interest-bearing, the liability was initially recognized at fair value and is subsequently measured at amortized cost using the effective interest method. The difference between the cash proceeds received and the initial fair value of the liability, amounting to \$32,404, was recognized in profit or loss as a gain on concessional loan. During the period, \$115 of accretion expense was recognized in finance costs.

As of February 28, 2026, the carrying amount of the long-term debt was \$33,703 (May 31, 2025 – nil), all of which was classified as non-current.

15 RESERVES
15.1 Warrants

The Corporation's warrants were as follows:

	Nine months ended February 28, 2026		Year ended May 31, 2025	
	Number of warrants	Weighted average exercise price	Number of warrants	Weighted average exercise price
Balance, opening	16,517,788	\$ 0.22	16,517,788	\$ 0.22
Exercised	(15,703,760)	0.21	-	-
Expired	(110,000)	0.25	-	-
Balance, end	704,028	0.40	16,517,788	0.22

Warrants outstanding as at February 28, 2026 are as follows:

Number of warrants	Exercise price	Expiry date
	\$	
704,028	0.40	February 8, 2027 ¹
704,028		

- ¹ These warrants were expiring on February 8, 2026. On February 6, 2026 they were extended for a period of 1 year until February 8, 2027. All other conditions stayed unchanged. This change had no impact on the financial statements.

15.2 Share-based Compensation
A) Omnibus Incentive Plan.

On October 25, 2023, the Corporation adopted an omnibus equity incentive plan (the "Omnibus Plan") to replace the previous stock option plan. The Omnibus Plan permits the grant of stock options ("Options"), restricted share units ("RSUs"), performance share units ("PSUs") and deferred share units ("DSUs") (collectively, the "Awards") to eligible directors, officers, employees and consultants of the Corporation and its subsidiaries. Awards granted under the Omnibus Plan are generally settled in common shares of the Corporation, unless otherwise determined by the Board of Directors.

On September 12, 2025, the Board of Directors approved amendments to the Omnibus Plan to provide that the aggregate number of common shares reserved for issuance pursuant to all Awards granted under the Omnibus Plan shall not exceed 10% of the Corporation's issued and outstanding common shares from time to time. As a result of this amendment, the Omnibus Plan is now a rolling plan in respect of all Awards. The amended Omnibus Plan was subsequently ratified by shareholders at the annual general meeting held on October 22, 2025.

15. RESERVES (CONT'D)
B) Stock Options

A summary of the Corporation's Options outstanding is as follows:

	Nine months ended February 28, 2026		Year ended May 31, 2025	
	Number of options	Weighted Average Exercise Price	Number of options	Weighted Average Exercise Price
		\$		\$
Balance, opening	6,660,000	0.20	7,220,500	0.22
Issued	1,850,000	0.335	2,300,000	0.10
Exercised	(2,856,250)	0.21	-	-
Expired	(250,000)	0.165	(2,453,000)	0.18
Forfeited	(175,000)	0.10	(407,500)	0.13
Balance, end	5,228,750	0.24	6,660,000	0.20
Balance, end, exercisable	2,078,750	0.26	4,472,500	0.24

Options outstanding as of February 28, 2026 are as follows:

Number of options outstanding	Number of options exercisable	Exercise Price	Expiry date
		\$	
1,310,000	1,310,000	0.305	October 27, 2026
375,000	375,000	0.215	January 25, 2029
1,618,750	325,000	0.10	November 20, 2029
75,000	-	0.11	December 1, 2029
1,850,000	68,750	0.335	October 22, 2030
5,228,750	2,078,750		

On October 22, 2025, the Corporation granted 1,575,000 Options to employees and 275,000 Options to consultants at a price of \$0.335. Options granted to employees are valid for 5 years while options granted to consultants are valid for 2 years. The fair value of the options granted was estimated using the Black-Scholes model based on the following assumptions: risk-free interest rate of 2.5247%, expected volatility of 89.41%, no dividend per share and expected duration of 3.75 years options. Employee Options vest over a period of 3 years in increments of 25% in the first two years and 50% in the last year. Consultant Options vest over a period of one year in increments of 25% per quarter

The expected life was estimated by benchmarking comparable situations for companies that are similar to the Corporation. The expected volatility was determined by calculating the historical volatility of the Corporation's share price back from the date of grant and for a period corresponding to the expected life of the Options.

15. RESERVES (CONT'D)
C) Restricted Share Units

A summary of the Corporation's RSUs outstanding under the Omnibus Plan is as follows:

	Nine months ended February 28, 2026	Year ended May 31, 2025
Balance, opening	2,316,000	1,302,000
Issued	300,000	1,200,000
Forfeited	-	(186,000)
Balance, end	2,616,000	2,316,000

On October 22, 2025, the Corporation granted 300,000 RSUs to the management team for a total value of \$100,500. From the granting, the RSUs vest in increments of 50% every 12 months. The RSUs can be settled after 3 years.

D) Deferred Share Units

A summary of the Corporation's DSUs outstanding under the Omnibus Plan is as follows:

	Nine months ended February 28, 2026	Year ended May 31, 2025
Balance, opening	1,778,000	971,000
Issued	326,000	900,000
Settled	(482,000)	-
Forfeited	-	(93,000)
Balance, end	1,622,000	1,778,000

On October 22, 2025, an aggregate of 326,000 DSUs were issued to the members of the Board of Directors with a total fair value of \$109,210. The DSUs vest in a single installment one year from the date of grant.

16. RESEARCH AND DEVELOPMENT EXPENSES

	Three months ended February 28,		Nine months ended February 28,	
	2026	2025	2026	2025
	\$	\$	\$	\$
Salaries and benefits	492,694	327,273	1,431,925	799,281
Share-based compensation	63,709	42,020	133,321	92,943
Professional fees	-	3,323	32,538	37,459
Material and supplies	142,735	81,876	265,435	279,915
General and administration	29,066	12,135	95,771	65,581
Depreciation of property, plant and equipment	52,502	52,714	218,553	157,474
Impairment of property, plant and equipment	2,371	-	(8,725)	1,252
Total R&D expenses	783,077	519,341	2,168,818	1,433,905
Tax credits	-	-	(158,923)	(145,050)
Net R&D expenses	783,077	519,341	2,009,895	1,288,855

17. DISPOSITION OF THE POMME PROPERTY

On February 10, 2026, the Corporation completed the option agreement with Metallium Ltd. (ASX: MTM) ("MTM") in respect of the Pomme rare earth elements property, pursuant to which MTM earned a 100% interest in the property and legal title was transferred.

In connection with the completion of the option, the Corporation received the final milestone payment, which included a cash consideration of 100,000 AUD and a consideration in the form of 108,225 common shares of MTM, representing an aggregate value equivalent to AUD 100,000 at the date of receipt.

As no exploration and evaluation assets related to the Pomme property were capitalized on the statement of financial position, the proceeds received under the option agreement were recognized as income. As at February 28, 2026 the Corporation recognized an option income on exploration and evaluation properties of \$184,946 in the statement of profit (loss) and comprehensive income.

Pursuant to the agreement, the Corporation retained a 2% net smelter return ("NSR") royalty on the property. MTM has the right to repurchase 1% of the NSR royalty at any time for consideration of AUD 1,000,000.

18. EARNINGS PER SHARE

Basic earnings per share are calculated by dividing the net gain attributable to common shareholders by the weighted average number of common shares outstanding during the period. Diluted earnings per share are calculated by adjusting the weighted average number of common shares outstanding to reflect the potential dilution from outstanding stock options, warrants, restricted share units, deferred share units and the conversion feature of the Corporation's convertible debentures.

For the nine-month period ended February 28, 2026, diluted earnings per share include the dilutive effect of these instruments, as the Corporation reported a net gain.

19. ADDITIONAL INFORMATION RELATING TO THE CONSOLIDATED STATEMENT OF CASH FLOW
Change in non-cash working capital items

	Nine months ended	
	2026	February 28, 2025
	\$	\$
Accounts receivable	(89,823)	381,412
Tax credits and government grants receivable	921	(416,064)
Prepaid and other expenses	(189,548)	29,368
Inventories	(20,959)	(2,544)
Trade and other payables	(116,244)	285,457
Deferred grants – portion attributable to operating expenses	(216,185)	65,412
Deferred revenues	(449,563)	(62,441)
	(1,081,401)	(280,600)

Non-Cash Transactions

	Nine months ended	
	2026	February 28, 2025
	\$	\$
Government grants receivable for the acquisition of inventories	4,186	1,839
Government grants receivable for deposits made on the purchase of property, plant and equipment	54,720	15,073
Government grants receivable for the purchase of property, plant and equipment	481,025	1,728,985
Property, plant and equipment acquired in accounts payables	-	1,162,179
Amortisation of deferred grant against the acquisition of inventories	1,502	-
Transfer of an investment in an associate to investment in listed companies	1,095,714	-
Proceeds from disposal of e&e asset received in shares of a listed company	92,870	-

20. SUBSEQUENT EVENTS

On March 24, 2026, the Corporation received a second tranche of \$393,184 under the repayable, non-interest-bearing government contribution agreement described in Note 14. Following receipt of this additional tranche, total cash proceeds received under the agreement amounted to \$459,176. This additional funding had not been recognized in the condensed interim consolidated financial statements as at February 28, 2026.

Also on March 24, 2026, the Corporation elected to settle the annual interest due on its outstanding convertible debentures through the issuance of common shares, as permitted under the terms of the debenture agreement. Accordingly, 562,009 common shares were issued to the debenture holders in full satisfaction of the interest payment.