

GEOMEGA Resources Inc.

Management's Discussion and Analysis

May 31, 2026



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The following management discussion and analysis (the “MD&A”) of the financial condition and results of the operations of Geomega Resources Inc. (the “Corporation” or “Geomega”) constitutes management’s review of the factors that affected the Corporation’s financial and operating performance for the year ended May 31, 2026. This MD&A should be read in conjunction with the Corporation’s audited consolidated financial statements as at and for the year ended May 31, 2026, prepared in accordance with International Financial Reporting Standards (“IFRS Accounting Standards”) as issued by the International Accounting Standards Board (“IASB”). All figures are in Canadian dollars unless otherwise noted.

The MD&A contains forward-looking statements not based on historical facts. Forward-looking statements express, as of the date of this MD&A, management’s estimates, forecasts, projections, expectations and opinions as to future events or results. Forward-looking statements herein expressed are reasonable, but involve a number of risks and uncertainties, and there can be no guarantee that such statements will prove to be accurate. Therefore, actual results and future events could differ materially from those anticipated in such statements. Factors that could cause results or events to differ materially from current expectations expressed or implied by the forward-looking statements include, but are not limited to, economic conditions, fluctuations in the market price of metals, mining and technology development risks, construction and commissioning risks, uncertainty as to the calculation of mineral resources, requirements for additional financing and the capacity of the Corporation to obtain financing.

Further information regarding the Corporation and its operations is filed electronically on the System for Electronic Document Analysis and Retrieval (SEDAR+) in Canada and can be found at www.sedarplus.com.

Abbreviation	Period
Q1-26	June 1, 2025 to August 31, 2025
Q2-26	September 1, 2025 to November 30, 2025
Q3-26	December 1, 2025 to February 28, 2026
Q4-26	March 1, 2026 to May 31, 2026
Fiscal 26	June 1, 2025 to May 31, 2026
Q1-25	June 1, 2024 to August 31, 2024
Q2-25	September 1, 2024 to November 30, 2024
Q3-25	December 1, 2024 to February 28, 2025
Q4-25	March 1, 2025 to May 31, 2025
Fiscal 25	June 1, 2024 to May 31, 2025

1. NATURE OF ACTIVITIES

Geomega is a mineral exploration and evaluation corporation focused on the discovery and sustainable development of economic deposits of metals in Quebec, as well as the development and commercialization of innovative processing technologies for critical and strategic metals. Geomega is committed to meeting Canadian mining-industry standards and distinguishing itself through innovative engineering, stakeholder engagement and dedication to local transformation benefits. The common shares of the Corporation trade under the symbol GMA on the TSX Venture Exchange (the “Exchange”) and under the symbol GOMRF on the OTCQB market.

As demand for critical metals rises—particularly for high-technology, electrification and energy-transition applications—geopolitical shifts and supply restrictions are increasing the importance of secure, domestic supply chains. Mining tailings and industrial residues contain valuable metals that remain under-valorized. Geomega believes innovation in recovering these resources will help reshape the metals and mining industries in the decades ahead. Innord Inc. (“Innord”) is the innovation arm of Geomega and was created in March 2015 to optimize the value of the Corporation’s technologies and facilitate its development with key financial and industrial partners. Innord is a wholly owned subsidiary of Geomega that holds the Corporation’s technologies rights and laboratory equipment. Its primary goal is to develop, scale up and commercialize proprietary technologies. All research and development initiatives of Geomega are conducted by Innord.

2. CORPORATE UPDATE

2.1 Corporate Overview

Geomega is focused on the development and commercialization of process technologies for the extraction, separation and recycling of rare earth elements and other critical metals from a variety of feed streams, including rare earth magnets, bauxite residue, sulphide tailings from base and precious mining operations and selected other mining and industrial residues. Through Innord, the Corporation develops technologies designed to recover value from complex materials while reducing effluents, recycling major reagents and lowering overall environmental impact. The Corporation's strategy is to progressively de-risk its technologies and advance them toward commercial deployment with industry partners.

During Fiscal 26, Geomega's two most advanced technology platforms remained its rare earth magnet recycling technology and its bauxite residue valorization technology. The rare earth magnet recycling project advanced through construction and integration of the continuous demonstration plant in Saint-Hubert, Quebec. The bauxite residue valorization technology advanced from pilot-scale validation toward pre-commercial deployment through a demonstration license and Joint Development Agreement with Rio Tinto. During that same period, the Corporation also restarted and expanded its sulphide-tailings valorization program in response to renewed industry interest, including through testwork on materials supplied by global mining companies.

The Corporation also commenced construction of expanded laboratories, pilot areas and office space at its Saint-Hubert site. These integrated facilities are intended to consolidate activities, expand the number of projects that may be advanced simultaneously and support a broader base of clients and partners as the technology portfolio moves toward commercialization.

In addition to these lead programs, Geomega continued to evaluate opportunities to apply its technology platform to the Montviel rare earth project and to other mining and industrial residues. Across the portfolio, the Corporation's objective is to convert technically validated process know-how into commercial opportunities while maintaining a consistent focus on waste reduction, reagent recycling, lower environmental impact and long-term value creation.

2.2 Demonstration Plant

During Fiscal 26, the Corporation continued construction of its rare earth magnet recycling continuous demonstration plant. All major process equipment was delivered to the Saint-Hubert site and substantially installed. The remaining conveyors were delivered and positioned during Q3-26. Pipe rack installation was completed; all required valves were received and piping installation advanced under the construction contract. Electrical installation and the control and automation system also progressed, including control cable pulling and connections. Repairs and modifications to the chiller unit and its related piping circuit were completed and pressure tested. Subsequent to year end, the Corporation continued advancing construction, piping installation and further electrical, automation and control-system work.

The plant is designed to process NdFeB magnet feedstock and produce recycled rare earth oxides at a planned throughput of approximately 1.5 tonnes of feed material per day. The continuous design uses smaller equipment and lower utility requirements than the earlier batch design while maintaining the planned throughput capacity.

Subsequent to year end, on June 3, 2026, Geomega announced that it had received the required environmental authorization from the Ministère de l'Environnement, de la Lutte contre les changements climatiques, de la Faune et des Parcs ("MELCCFP"). The authorization permits operation of the demonstration plant and collection of operational and environmental performance data through December 31, 2028. Subject to satisfactory results from the demonstration phase, the Corporation intends to apply for a full commercial environmental permit.

As disclosed in September 2026, construction activities continued through the summer, with the project entering its final installation and integration phase. Process piping installation was more than 75% complete and was expected to be finalized during the fall, while piping insulation was expected to be completed by the end of October. Subject to completion of these activities and associated pre-

commissioning work, the Corporation expects to begin commissioning the related process equipment in November 2026. Significant progress was also made on plant control systems required for the safe and integrated operation of the plant's process circuits. The Corporation continued discussions with potential suppliers of magnet scrap and other suitable feed materials, as well as potential customers for recycled rare earth oxides.

2.3 Bauxite Residue Valorization Technology

On October 8, 2025, Geomega and Rio Tinto announced that Innord had entered into a Joint Development Agreement (the "JDA") in connection with Geomega's bauxite residue valorization technology. The JDA includes the purchase by Rio Tinto of a demonstration license for Circuits 1 and 2 and engineering studies that, if successful, could lead to the construction of a demonstration plant in Saguenay, Quebec.

As at May 31, 2026, Geomega received payments totalling \$1,500,000 in conformity with the JDA and may receive up to \$3,000,000 of additional payments if Rio Tinto elects to proceed with construction of the demonstration plant, for total potential payments of up to \$4,500,000.

The pre-feasibility engineering phase included the preparation of process flow diagrams, piping and instrumentation diagrams, a hazard identification review, and equipment selection and sizing. Subsequent to year-end, the Corporation reported that it had completed all deliverables for which it was responsible under this phase. The resulting study is intended to support Rio Tinto's decision on whether to proceed with definitive and detailed engineering and, ultimately, with the construction of a demonstration plant. As disclosed in June 2026, the completed pre-feasibility work was delivered to Rio Tinto for review and consideration of the next phase of the project.

During Fiscal 2026 and after year-end, the Corporation completed the development and validation of Circuit 3 ("C3") at bench and pilot scale. C3 is designed to enable the recovery and purification of additional valuable constituents from bauxite residue following processing through Circuits 1 and 2, while supporting reagent regeneration and recycling. This milestone resulted in Geomega's first production, using its integrated flowsheet, of titanium dioxide with purity exceeding 98% and a rare earth and scandium concentrate with purity exceeding 90% from bauxite residue. As disclosed in September 2026, the Corporation tested 12 bauxite residue samples from eight alumina refineries. Techno-economic assessments continued to indicate a potentially robust economic profile supported by multi-product recovery and process optimization. The Corporation also continued discussions with alumina refineries globally regarding potential next-stage demonstration and on-site development opportunities.

2.4 Pyrrhotite Tailings Valorization Technology

Innord's technological solution was selected in September 2024 as one of the laureates of Vale Base Metals' Pyrrhotite Resource Recovery Innovation Challenge, which sought technologies to improve recovery of valuable metals and minerals contained in low-grade pyrrhotite tailings.

During Fiscal 2026, the Corporation restarted and expanded its sulphide-tailings valorization program following renewed interest from major mining companies seeking potential alternatives for the treatment of complex sulphide-tailings materials from precious-metal and base-metal mining operations. The Corporation advanced testwork using materials supplied by global mining companies, building on prior sulphide-tailings work and on process knowledge and operating experience developed through its bauxite residue valorization activities.

Sulphide tailings may contain unrecovered precious and base metals, but treatment can be complicated by mineralogical complexity, low grades, iron content and sulphur-bearing minerals. The Corporation's ongoing testwork is evaluating the potential to liberate and recover target metals, while also assessing recovery of iron and separation of sulphur-bearing streams for potential further valorization. The Corporation is continuing to evaluate industry partnerships, additional feed materials and the technical and economic parameters required to identify potential applications and advance the platform toward demonstration-scale validation.

2.5 Sources of Financing

New sources of financing

From June 1, 2025 to May 31, 2026, 2,866,250 stock options and 15,703,760 warrants were exercised for aggregate gross cash proceeds of \$3,520,709. In addition, 5,257,260 common shares were issued following conversion of a portion of the Corporation's convertible debentures.

On March 24, 2026, the Corporation elected to settle the annual interest due on its outstanding convertible debentures through the issuance of 562,009 common shares, as permitted under the debenture agreement.

In December 2025, the Corporation secured a \$750,000 interest-free repayable contribution from Canada Economic Development for Quebec Regions ("CED") under the Regional Economic Growth through Innovation program. The contribution is intended to finance construction and equipping of the integrated research, development and piloting facility at Saint-Hubert. Repayment is expected to begin 36 months after project completion and will be made in 60 equal monthly instalments. As at May 31, 2026, \$459,176 had been received.

On September 14, 2026, subsequent to year-end, the Corporation entered into a secured loan agreement for a principal amount of \$1,350,000. The loan has a two-year term, bears interest at a rate of 10.5% per annum, with interest payable monthly, and matures on September 14, 2028. A portion of the principal will be repaid as certain refundable R&D tax credits are received, with the remaining balance due at maturity. An administrative fee of 2%, or \$27,000, was deducted at closing, resulting in net proceeds of \$1,323,000. The loan is secured by certain assets of the Corporation and Innord Inc., its wholly owned subsidiary, including refundable R&D tax credits.

Follow-up on grants received

During previous fiscal years, the Corporation secured several government grants to finance research and development activities and the construction of the rare earth magnet recycling demonstration plant. As at May 31, 2026, tax credits and government grants receivable totalled \$1,769,311. During Fiscal 26, government grants of \$2,598,601 were recognized as a reduction of operating expenses, while grants of \$803,536 reduced the cost of additions to property, plant and equipment. In addition, tax credits reduced R&D expenses by \$161,176 and E&E expenses by \$1,056. The amounts received and accrued under each of the Corporation's principal government funding programs are summarized below.

For the \$2.04M grant from Next Generation Manufacturing Canada (NGen) toward construction of the magnet recycling demonstration plant:

	\$
Payment received	1,215,793
Accrued as at May 31, 2026	1,829,217

For the \$493K grant administered by the Consortium de Recherche et d'Innovation en Transformation Métallique (CRITM) toward development of a hydrochloric-acid recycling process (project completed):

	\$
Payment received	492,793
Accrued as at May 31, 2026	492,793

For the \$3.0M funding under the Government of Canada's Critical Minerals Research, Development and Demonstration Program, administered by Natural Resources Canada, toward construction of the magnet recycling demonstration plant:

	\$
Payment received	2,700,000
Accrued as at May 31, 2026	3,000,000

For the \$3.0M Technoclimat grant administered by MELCCFP toward construction of the magnet recycling demonstration plant:

	\$
Payment received	2,400,000
Accrued as at May 31, 2026	3,000,000

For the \$1.691M of funding from Sustainable Development Technology Canada and the Quebec Innovation Program toward bauxite residue technology development (project completed):

	\$
Payment received	1,536,900
Accrued as at May 31, 2026	1,691,000

2.6 Option Agreement on the Pomme Property

The Pomme rare earth element project ("Pomme"), also known as Montviel-Nord, is located immediately north of the Montviel REE-Nb deposit. On February 10, 2026, Metallium Ltd. (ASX: MTM, "MTM") completed the option agreement and earned a 100% interest in the optioned property. In connection with the completion of the option, the Corporation received the final milestone payment, consisting of AUD 100,000 in cash and 108,225 common shares of MTM with an aggregate value equivalent to AUD 100,000 at the date of receipt.

All amounts are in AUD	Cash Payments	Issuance of common shares	Work
	\$	\$	\$
Option to earn 100%			
At the signature of the LOI (completed)	20,000	Nil	Nil
At the signature of the final agreement (completed)	50,000	50,000	Nil
On or before February 22, 2024 (completed)	100,000	100,000	300,000
On or before February 22, 2025 (extended and completed in Fiscal 2026)	100,000	100,000	700,000
On or before February 22, 2026 (completed)	Nil	Nil	1,000,000
Total for a maximum participation of 100%	270,000	250,000	2,000,000

Pursuant to the agreement, the Corporation retains 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 AUD \$1,000,000.

2.7 Integrated Research, Development and Piloting Facility

Construction of new laboratories, piloting areas and office space at the Saint-Hubert site began during Fiscal 26. Subsequent to year end, Geomega reported that the required operational permits for the integrated facility had been obtained.

As at September 2026, rough-in work in the piloting areas, laboratories and offices was substantially complete. Construction of the facility was at an advanced stage, with interior finishing and building-system completion activities planned for October. Installation of laboratory equipment is scheduled for November 2026.

3. OUTLOOK ON THE MAJOR ONGOING PROJECTS

Geomega's objectives are to develop processing technologies and apply them to rare earth elements and other critical and strategic metals where existing technologies may have poor environmental performance, including large footprints, high consumption of acids, low recoveries, large amounts of waste or loss of valuable metals. The Corporation's projects are at different stages of development and, because the underlying technologies and applications have synergies, priorities and the rate of progress may change. Geomega intends to deploy its technologies through licensing to major companies, building and operating plants, or a combination of both, depending on the project. Geomega also owns the Montviel rare earth deposit in Quebec, Canada.

The Corporation's intended activities are presented below and are divided by major ongoing projects.

Rare Earths Recycling Demonstration Plant

- Complete piping installation, control-system connections, testing and the control room.
- Complete remaining civil, electrical, fire-protection and utility work.
- Complete the process HAZOP and any resulting design or operating actions.
- Commission utilities and process equipment and initiate section-by-section start-up under the environmental authorization.
- Conduct process, product, by-product and environmental-performance test campaigns.
- Continue magnet-feed sourcing and build commissioning inventory.
- Advance product qualification and discussions with potential oxide buyers, magnet manufacturers and prospective technology licensees.

Bauxite Residue Sustainable Processing

- Support Rio Tinto during its ongoing activities for bauxite residue valorization.
- Continue optimization of Circuits 1, 2 and 3.
- Continue bench- and pilot-scale work, modelling and process design on residue from various global alumina refineries.
- Secure additional clients for pilot-scale or engineering work and advance additional opportunities toward licensing.

Sulphide Residue

- Continue bench scale work on residue from various precious and base metal deposits, modeling and process design.

Montviel

- Evaluate strategic, technical and financing alternatives to advance the project.

Other Sources & Other Metals

- Continue research and development on selected mining and industrial waste streams, including sulphide tailings.
- Evaluate new partnerships where the Corporation's extraction, iron-recovery and reagent-recycling modules may be deployed.

Corporate

- Complete construction and equipping of the integrated laboratories, piloting and office spaces at Saint-Hubert and consolidate activities at the site.
- Continue hiring for selected key positions as needed.
- Maintain funding, grant-compliance and commercial-development activities required to advance the portfolio.

4. EXPLORATION AND VALIDATION OF THE SEPARATION TECHNOLOGY ACTIVITIES

Pierre-Luc Lalonde, P.Geo., a qualified person as defined by National Instrument 43-101, supervised and approved the preparation of the technical information in sections 4.1, 4.2 and 4.3.

4.1 Expenses Summary - Montviel Property

	Fiscal 2026	Fiscal 2025
	\$	\$
Acquisition and maintenance	5,340	924
Exploration		
Salaries and benefits	-	361
Share-based compensation	9,553	1,329
Geology	4,262	13,103
Supplies	604	-
General and administration	-	692
Taxes, permits and insurances	489	426
Total exploration	14,908	15,911
Evaluation		
Salaries and benefits	-	251,212

	Fiscal 2026	Fiscal 2025
Professional fees	-	3,720
Materials and supplies	-	49,285
General and administration	-	82,656
Depreciation of property, plant and equipment	-	8,348
Total evaluation	-	395,221
Total gross E&E expenses	20,248	412,056
Tax credits	(1,056)	(6,995)
Net E&E expenses	19,192	405,061

The Corporation owns 100% of the Montviel property, located approximately 100 km north of Lebel-sur-Quévillon and 45 km west of the Cree First Nation of Waswanipi. As at May 31, 2026, the Montviel property comprised 116 mining claims covering 6,445.3 hectares.

4.2 Environmental Geochemistry

Several environmental studies on the Montviel property were launched between 2012 and 2015. Data were collected until 2017 by different research groups. No sampling activities are currently being conducted. Results from these studies could be used in the future for environmental permitting and baseline studies.

4.3 Montviel Process Development and Path Toward a Preliminary Economic Assessment (“PEA”)

The Corporation's commitment to sustainable development informed the following operating parameters for the Montviel project: an underground mining scenario with paste backfill, reduced transport of reagents by road, and electrically powered operations connected through a low-voltage power line. Metallurgical work and optimization have been directed toward meeting these parameters.

In 2015, Montviel's flowsheet was simplified. Acid required for hydrometallurgy was to be generated on site through a closed-loop acid-regeneration unit, and physical beneficiation steps reduced the mass directed to hydrometallurgy. The Corporation has since incorporated knowledge gained through its rare earth magnet recycling and bauxite residue programs to further simplify the process and improve product recovery and waste valorization.

On June 17, 2025, Geomega announced results from an updated process that eliminated fine grinding and flotation beneficiation and indicated the potential to valorize approximately 40% of the overall ore into several offtake streams, excluding carbonates. The updated process is divided into three circuits:

Circuit 1

- Recovery of carbonates as a potential minor revenue stream, for waste-rock reduction or for use in paste backfill.
- Recovery and recycling of the principal Circuit 1 reagent.

Circuit 2

- Recovery of a high-purity iron product suitable for direct-reduced-iron applications, providing a potential revenue stream and significant waste-volume reduction.
- Recovery and recycling of the principal Circuit 2 reagent.
- Approximately 75% iron recovery to the iron-oxide stream in the test work completed.

Circuit 3

- Production of a critical-minerals concentrate containing rare earth elements, scandium and niobium, with test-work recoveries of approximately 95% for rare earth oxides and scandium and 85% for niobium.
- Potential recovery of iron phosphate (FePO₄) for lithium-iron-phosphate battery markets.
- Potential recovery of manganese and magnesium salts for agricultural and battery markets.

Following completion of the test work, the Corporation completed an internal techno-economic assessment. The hydrometallurgical process was modelled using Aspen Plus software and supported by the test-work results, while mining parameters were based on work completed between 2012 and 2015. Additional work by an external firm would be required before a PEA could be completed and publicly

disclosed. The positive conclusions of the internal assessment are being used in evaluating the next steps for the Montviel deposit.

The potential social and environmental benefits of the updated concept include reduced water consumption, lower liquid effluents, reduced volumes of solid mining waste, lower overall energy consumption and greenhouse-gas emissions compared with the previous flowsheet, and further evaluation of paste-backfill opportunities. These modifications are intended to make the project more robust, less sensitive to rare earth oxide price fluctuations and more environmentally sustainable.

5. RESEARCH AND DEVELOPMENT ACTIVITIES

5.1 Expenses Summary

	2026	2025
	\$	\$
Salaries and benefits	1,969,830	1,164,993
Share-based compensation	192,748	123,494
Professional fees	51,043	60,701
Materials and supplies	316,952	299,497
General and administration	164,287	177,665
Depreciation of property, plant and equipment	290,102	186,391
Impairment of deposits on equipment	-	15,093
Impairment of property, plant and equipment	45,033	71,379
Total R&D expenses	3,029,995	2,099,213
Tax credits	(161,176)	(145,050)
Net R&D expenses	2,868,819	1,954,163

5.2 Rare Earths Recycling Technology Development

Dr. Pouya Hajiani, process inventor, engineer and Chief Technology Officer of Geomega, supervised and approved the technical information in this section.

Geomega develops technologies for the extraction and separation of rare earth elements and other critical metals. Rare earth magnets, or neo-magnets (NdFeB), are important components in renewable energy, vehicle electrification, automation and other applications. Geomega's strategy is to progressively de-risk its technology while working directly with industry participants that manufacture, use or recycle these magnets and to make the technology available through licensing to the magnet manufacturing facilities that are being built outside of China.

Geomega began the first engineering study for a demonstration plant to recycle rare earth magnets and produce rare earth oxides in 2019. The Front-End Engineering and Design study contemplated a capacity of approximately 1.5 tonnes of feed material per shift and confirmed that the process was technically feasible using commercially available equipment. Subsequent pilot results were published in January 2021 and engineering updates followed in 2021 and 2022.

Following the decision in April 2023 to relocate the demonstration plant to Saint-Hubert, the layout was redesigned and a baseline environmental study was completed. In early 2024, municipal sewer-capacity constraints prompted a design change from batch processing to continuous 24-hour operation. The revised design reduced utility demand while maintaining planned throughput of approximately 1.5 tonnes per day.

Construction began in March 2024. The principal civil works were completed by January 2025 and procurement of long-lead equipment was largely completed by April 2025. During Fiscal 26, all remaining major process equipment was delivered, mechanical and electrical installation advanced and the chiller circuit finalized and pressure tested. Subsequent to year-end, construction activities continued with the project entering its final installation and integration phase. By September 2026, process piping installation was more than 75% complete and was expected to be finalized during the fall, while piping insulation was expected to be completed by the end of October. Subject to completion of these activities and associated pre-commissioning work, the Corporation expected to begin commissioning the related process equipment in November 2026. See section 2.2 for the latest construction and commissioning update.

After year end, the MELCCFP environmental authorization was received. The permit allows operation of the demonstration plant and collection of operational and environmental-performance data through December 31, 2028. The resulting operational data are expected to support technology validation, product qualification and potential commercial licensing discussions with magnet manufacturers and other industry participants. The Corporation also continued discussions with potential suppliers of magnet scrap and other suitable feed materials, as well as with potential customers for recycled rare earth oxides.



Figure 1: View of the rare earth recycling demonstration plant assembly

5.3 Bauxite Residue Valorization Technology Development

Large quantities of caustic red mud, also known as bauxite residue (“BR”), are generated by alumina refineries and present significant storage, environmental and safety challenges. Many refineries operate near urban areas where storage space is constrained, and environmental requirements continue to increase. With more than four billion tonnes of BR stored globally, Geomega believes that the material represents a significant opportunity to recover valuable metals and reduce long-term environmental liabilities.

Innord’s technology platform is designed for feeds with high iron content, losses of critical and strategic metals in the residue and a need for reagent recycling and substantial tailings-volume reduction. Intellectual property developed by Innord through this work remains with the Corporation, subject to specific partner-funded extensions. The Corporation’s objective is to deploy the technology globally through licensing and royalty arrangements once economic and environmental performance has been demonstrated at larger scale.

- Potential tailings-volume reduction greater than 80%.
- Minimization of effluents through recycling of major reagents, with corresponding operating-cost benefits.
- Recovery of bulk metals such as aluminum and iron and strategic-metal concentrates containing rare earth elements, scandium, titanium, vanadium and other metals.

Bench-scale work began in 2020. Funding from industrial partners and government programs supported advancement to pilot scale. Pilot equipment was installed at the Boucherville facility beginning in 2023 and progressive commissioning, testing and pilot operations were conducted to validate process parameters and produce samples for end-user testing.

The technology is structured around three circuits that may be deployed separately or together depending on refinery objectives and residue composition. Circuit 1 removes alkalinity and produces sodium, calcium, aluminum and silica streams. Circuit 2 removes and recovers iron, including the potential production of direct-reduced-iron-grade material. Circuits 1 and 2 together are expected to account for more than 70% cumulative waste-volume reduction. Circuit 3 targets remaining high-value metals, including rare earth elements, titanium, scandium, gallium and other products. Each circuit incorporates reagent recycling to minimize effluents and avoid creation of additional hazardous waste streams.

During Fiscal 26, Innord entered into the JDA and demonstration license with Rio Tinto for Circuits 1 and 2. The pre-feasibility engineering program advanced through process flow diagrams, piping and instrumentation diagrams, hazard identification, equipment selection and sizing, mass balances and review of design assumptions. Subsequent to year-end, the Corporation completed the deliverables for which it was responsible under the pre-feasibility phase and delivered the resulting work to Rio Tinto for review and consideration of the next phase of the project. During Fiscal 2026 and subsequent to year-end, the Corporation also completed development and validation of Circuit 3 ("C3") at bench and pilot scale. C3 is designed to enable the recovery and purification of additional valuable constituents from bauxite residue following processing through Circuits 1 and 2, while supporting reagent regeneration and recycling. The Corporation also tested bauxite residue samples from multiple alumina refineries to assess the applicability of the technology across different feed materials. See section 2.3 for the latest update.

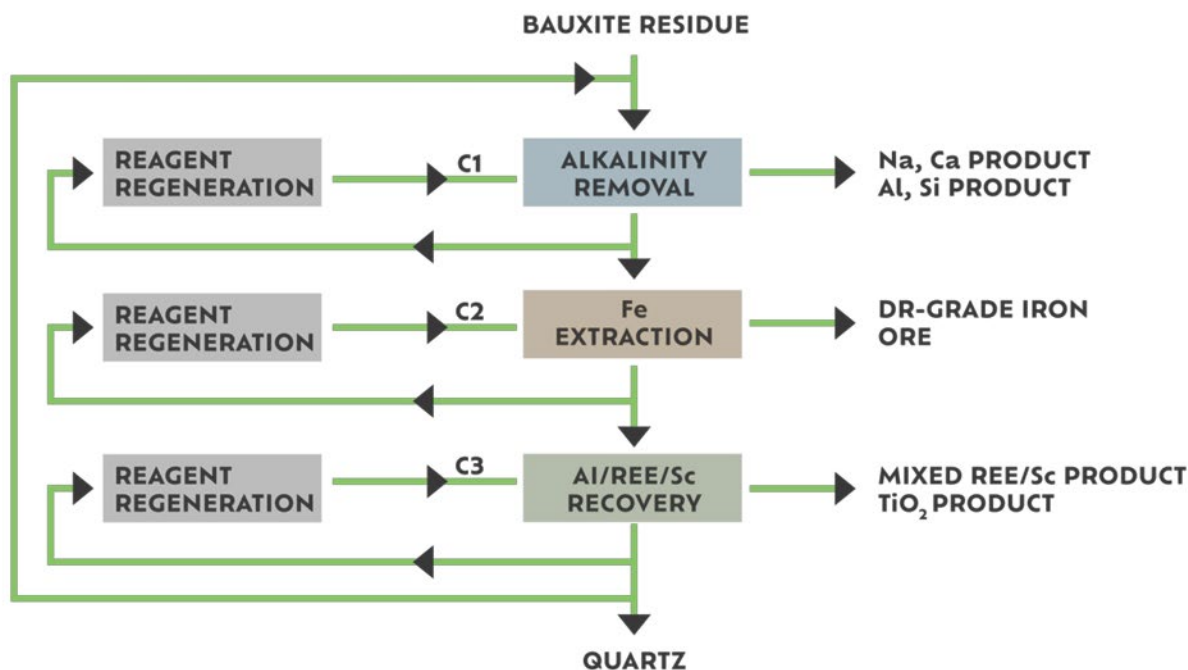


Figure 2: Bauxite residue valorization process overview



Figure 3: Pilot plant setup at the Boucherville facility



Figure 4: Pilot plant setup at the Boucherville facility

5.4 Pyrrhotite Tailings Valorization Technology

Innord has developed a technology platform intended to recover value from sulphide-rich tailings and other complex mining ores and residues. The platform is directed at addressing the mineralogical complexity, low grades, iron content and sulphur-bearing minerals that can limit recovery of valuable constituents from such materials. Initial testwork on materials from refractory gold deposits began in 2022 and informed the Corporation's subsequent evaluation of broader sulphide-tailings applications.

In September 2024, Innord's technological solution was selected as one of three laureates of Vale Base Metals' Pyrrhotite Resource Recovery Innovation Challenge, which sought solutions to enhance recovery of valuable metals and minerals contained in pyrrhotite tailings.

During Fiscal 2026, the Corporation restarted and expanded its sulphide-tailings valorization program following renewed interest from major mining companies in potential treatment alternatives for complex sulphide-tailings materials. Subsequent to year-end, the Corporation advanced testwork using materials supplied by global mining companies, building on prior sulphide-tailings work, and on process knowledge and operating experience developed through its bauxite residue valorization activities.

The Corporation is evaluating potential recovery and valorization pathways for target metals and other products from complex sulphide tailings, together with additional feed materials, potential industry partnerships, and the technical and economic parameters required to identify potential applications and advance the platform toward demonstration-scale validation. See Section 2.4 for the latest update.

6. FINANCIAL HIGHLIGHTS

Geomega had \$1,194,277 in cash and cash equivalents as at May 31, 2026 and working capital of \$4,099,354, compared with cash and cash equivalents of \$999,043 and working capital of \$1,039,660 as at May 31, 2025. Total equity was \$6,996,968 at May 31, 2026, compared with \$1,713,472 at May 31, 2025.

In Fiscal 26, the Corporation recorded a net and comprehensive income of \$556,692, compared with a net and comprehensive loss of \$2,584,724 in Fiscal 25. Operating loss was \$62,371, compared with \$2,535,643 in Fiscal 25. The principal year-over-year variations included the following:

- Licensing income of \$1,500,000 (nil in Fiscal 25), attributable to licensing revenue recognized under the Joint Development Agreement entered into with Rio Tinto in October 2025, including the demonstration license for Circuits 1 and 2 of Geomega's bauxite residue valorization technology and related engineering activities. No comparable licensing revenues were recognized in the prior year. The licensing income also triggered technology royalties of \$375,000. This royalty was recognized in accordance with the patent ownership and royalty agreement, which is described in note 23.1 of the Fiscal 25 financial statements.
- Technical support and development income of \$918,998 (\$230,208 in Fiscal 25). Innord continued to perform research and development services applying its technologies to critical-metal recovery from bauxite residues and other industrial feeds, with higher contributions from industrial partners than in the comparative periods.
- Exploration and evaluation expenses, net of tax credits, of \$19,192 (\$405,061 in Fiscal 25). Activities in Fiscal 26 were limited primarily to maintaining the Montviel property and evaluating alternatives for its advancement, whereas Fiscal 25 expenditures were largely associated with research activities supporting the continued development of the Montviel project.
- Research and development expenses, net of tax credits, of \$2,868,819 (\$1,954,163 in Fiscal 25). The increase reflects continued activity on the rare earth magnet recycling demonstration plant and the bauxite residue valorization technology, as well as new hires, higher salaries and increased material costs associated with a greater number of ongoing projects. The year-over-year increase also reflects the classification of certain Fiscal 25 research activities related to the Montviel project as exploration and evaluation expenses rather than research and development expenses. Refer to Sections 5.2 and 5.3 for additional information on ongoing R&D activities.
- Travel, conference and investor-relations expense of \$182,951 (\$80,262 in Fiscal 25). The increase reflects a higher level of business-development, investor-relations and partner-engagement activities, including travel and participation in industry conferences and meetings, as well as \$34,411 of share-based compensation recorded in this expense category.
- Government grants credited against operating expenses increased to \$2,598,601 from \$1,179,378 in Fiscal 25, reflecting the recognition of funding related to eligible project expenditures incurred during the year. In addition, grants of \$803,536 were recognized as a reduction of additions to property, plant and equipment.

- Finance costs of \$608,209 (\$337,778 in Fiscal 25). The increase primarily reflects a full year of interest and accretion expense on the convertible debentures, which were issued in March 2025 and therefore affected only a portion of the prior year, together with accretion recognized on the CED interest-free repayable contribution during Fiscal 26.
- Option income on exploration and evaluation properties of \$184,946 (\$75,000 in Fiscal 25). The Fiscal 26 income arose primarily from the completion of the Pomme option transaction and the recognition of the related final milestone payment.
- Gain from fair-value changes in listed investments was \$49,803, compared with \$288,583 in Fiscal 25. The gain reflects changes in the quoted market value of the Corporation's investments in Aurigal Mining Corp. and Metallium Ltd. during the year.
- A gain of \$841,810 on the loss of significant influence in Aurigal Mining Corp. was recognized in September 2025. Upon the loss of significant influence, the Corporation discontinued the equity method and remeasured its retained investment at fair value, with the resulting gain recognized in income.
- Other Fiscal 26 items generated net income of \$150,713 and included investment income, other income, gain on the disposal of property, plant and equipment, foreign-exchange movements and the Corporation's share of gain of associate.

6.1 Selected Annual Information

	Fiscal 26	Fiscal 25	Fiscal 24
	\$	\$	\$
Revenues	2,418,998	230,208	464,188
Operating loss	(62,371)	(2,535,643)	(1,650,216)
Other income (expenses)	619,063	(145,994)	(372,185)
Net and comprehensive income (loss)	556,692	(2,584,724)	(2,022,401)
Basic earnings (loss) per share	0.004	(0.018)	(0.014)
Diluted earnings (loss) per share	0.003	(0.018)	(0.014)
Total assets	11,732,596	7,680,224	7,918,277
Non-current financial liabilities	3,608,303	3,834,048	2,222,485

6.2 Equity Instruments Outstanding

	As at September 25, 2026	As at May 31, 2026
	Number of shares	Number of shares
Shares	167,128,348	167,128,348
Stock options	5,218,750	5,218,750
Deferred Share Units	1,622,000	1,622,000
Restricted Share Units	2,616,000	2,616,000
Warrants	704,028	704,028
Common shares issuable upon conversion of convertible debentures	11,723,017	11,723,017
Shares - Fully diluted	189,012,143	189,012,143

7. SUMMARY OF QUARTERLY RESULTS

For the eight most recent quarters:

	Q4-26	Q3-26	Q2-26	Q1-26
	\$	\$	\$	\$
Revenues	(40,968)	438,398	1,778,211	243,357
Operating profit (loss)	278,784	(380,156)	756,047	(717,046)
Other income (expenses)	(474,151)	125,802	867,468	99,944
Net and comprehensive income (loss)	(195,368)	(254,354)	1,623,516	(617,102)
Basic earnings (loss) per share	(0.001)	(0.002)	0.011	(0.004)
Total assets	11,732,596	11,359,788	11,720,784	7,503,079

	Q4-25	Q3-25	Q2-25	Q1-25
	\$	\$	\$	\$
Revenues	(23,696)	52,569	59,670	141,665
Operating loss	(1,064,104)	(535,766)	(545,596)	(390,177)
Other income (expenses)	(136,981)	276,091	(109,583)	(175,520)
Net and comprehensive loss	(1,104,173)	(259,675)	(655,179)	(565,697)
Basic and diluted loss per share	(0.005)	(0.002)	(0.005)	(0.004)
Total assets	7,680,224	8,338,966	7,544,152	7,287,764

Fiscal 26 results were significantly affected by the recognition of licensing and technical support revenue, as well as several non-recurring items. Q2-26 included the initial licensing revenue recognized under the Rio Tinto JDA and the \$841,810 gain arising from the loss of significant influence in Aurigal Mining Corp. Q3-26 included continuing technical support revenue and option income recognized upon completion of the Pomme transaction. Q4-26 generated revenues of \$114,777 but included a negative adjustment from previous quarters of \$155,745, which resulted in a negative amount of \$40,968. The Corporation generated during this quarter an operating profit of \$278,784, compared with an operating loss of \$1,064,104 in Q4-25. The improvement in operating results primarily reflected the recognition of government funding against eligible project expenditures, together with ongoing technical support activities, partially offset by continued research and development expenditures associated with the Corporation's technology programs and demonstration plant activities. Other expenses totalled \$474,151 during the quarter, resulting in a net and comprehensive loss of \$195,368. These other expenses primarily reflected finance costs and fair-value movements in listed investments. Q4-26 continued to reflect a period of significant investment in construction, technology development and preparation for commissioning of the rare earth magnet recycling demonstration plant. As at May 31, 2026, the magnet recycling demonstration plant remained under construction and had not commenced revenue-generating operations.

8. LIQUIDITY AND CAPITAL RESOURCES

As at May 31, 2026, the Corporation had cash and cash equivalents of \$1,194,277 and working capital of \$4,099,354, compared with \$999,043 and \$1,039,660, respectively, as at May 31, 2025.

The Corporation's objective in managing capital is to safeguard its ability to continue its operations, research and development programs and exploration and evaluation activities. The Corporation manages its capital structure and adjusts it in light of economic conditions, project priorities and the risk characteristics of its underlying assets and technologies. To maintain or adjust its capital structure, the Corporation may issue shares, secure debt or government contributions, enter into licensing or development arrangements, or acquire or dispose of mineral rights and other assets.

During Fiscal 26, the Corporation strengthened its liquidity through option and warrant exercises, partial conversion of convertible debentures, licensing and technical support receipts, government grants and the CED repayable contribution. Through May 31, 2026, option and warrant exercises generated gross cash proceeds of \$3,520,709. The Corporation also received \$1,500,000 from Rio Tinto under the JDA signed in Fiscal 26.

Construction and equipping of the magnet recycling demonstration plant and the integrated R&D and piloting facility require significant capital and working capital. Future commercialization, demonstration campaigns and expansion may require additional funding. While management has been successful in obtaining financing, grants and industrial-partner support, there can be no assurance that future financing will be available when required or on acceptable terms.

Subsequent to year end, on September 14, 2026, the Corporation entered into a secured loan agreement for gross proceeds of \$1,350,000. The loan has a two-year term, bears interest at 10.5% per annum, payable monthly, and matures on September 14, 2028. An administrative fee of 2%, or \$27,000, was deducted at closing, resulting in net proceeds of \$1,323,000. A portion of the principal will be repaid as certain refundable R&D tax credits are received, with the remaining balance due at maturity. The financing increased the Corporation's available liquidity subsequent to year end and is intended to support ongoing operating, research and development and capital requirements.

Accordingly, management estimates that working capital as at May 31, 2026 will not be sufficient to meet the Corporation's obligations and its budgeted operating and research and development expenditures for the next twelve months, and that additional financing will be required for 2027. Any shortfall may be met in a number of ways, including the issuance of new equity or debt financing, and management is currently in negotiations with different parties in that respect. These circumstances indicate the existence of material uncertainties that may cast significant doubt on the Corporation's ability to continue as a going concern, and the consolidated financial statements do not reflect the adjustments to the carrying values of assets and liabilities, expenses and classifications that would be necessary should the going-concern basis of accounting not be appropriate.

The Corporation is not subject to externally imposed capital requirements, other than restrictions that may apply to specific government funding programs or to proceeds raised under flow-through financing arrangements.

9. COMMITMENTS

As at May 31, 2026, the Corporation was committed to future minimum payments of principal and interest on debt and lease obligations as follows:

	Up to 1 year	1 to 5 years	More than 5 years	Total
	\$	\$	\$	\$
Trade and other payables, excluding salaries and vacation payable	863,360	-	-	863,360
Lease obligations - current contractual maturities ¹	322,363	304,577	-	626,940
Lease obligations - future renewal options ¹	-	1,062,364	2,765,092	3,827,456
Convertible debentures	168,811	1,575,573	-	1,744,384
Long-term debt	-	160,712	298,464	459,176
	1,354,534	3,103,226	3,063,556	7,521,316

¹ The lease liability recognized in the consolidated statement of financial position reflects management's assessment of the expected lease term for the Saint-Hubert premises, including renewal options where reasonably certain to be exercised.

10. OFF-BALANCE SHEET ARRANGEMENTS

The Corporation has no off-balance sheet arrangements.

11. RELATED PARTY TRANSACTIONS

11.1 Transactions with Related Parties

In the normal course of business:

- A firm in which a director was a partner charged professional fees of \$120,568 during Fiscal 26 (\$24,842 in Fiscal 25).

Outside the normal course of business:

- Officers and directors of the Corporation exercised 1,030,860 stock options and warrants during Fiscal 26 for aggregate proceeds of \$37,750.

11.2 Allowance for Termination or Change of Control

Certain employment agreements between key management and the Corporation contain termination and change-of-control provisions. If termination without cause or a change of control involving adverse changes to duties assigned to key management had occurred as at May 31, 2026, the amounts payable to the executive team would have totalled \$380,000 and \$1,160,000, respectively. In the case of termination for cause, no compensation would be payable.

12. FINANCIAL INSTRUMENTS

The Corporation is exposed to financial risks arising from its operations, financing activities and investments. These risks include credit risk, liquidity risk, foreign-exchange risk, interest-rate risk and market-price risk. The Corporation does not use derivative financial instruments for speculative purposes. During Fiscal 26, the Corporation's financial instruments included cash and cash equivalents, receivables and contract assets, investments in Auriginal and Metallium measured at fair value through profit or loss, trade and other payables, lease liabilities, convertible debentures and the CED repayable contribution. Market-price changes in listed investments may result in material non-cash gains or losses. The convertible debentures and concessional government loan are measured using the effective-interest method. Further information regarding financial-instrument classification, fair value and risk management is provided in notes 26.1 to 26.5 in the Fiscal 26 audited consolidated financial statements.

13. OMNIBUS INCENTIVE PLAN

The Omnibus Incentive Plan is intended to align the interests of directors, officers, employees and service providers with the success of the Corporation and to promote ownership of common shares. The plan permits grants of stock options, restricted share units, performance share units and deferred share units.

On September 12, 2025, the Board of Directors approved amendments converting the Omnibus Incentive Plan to a rolling plan under which the aggregate number of common shares reserved for issuance pursuant to all awards is limited to 10% of the Corporation's issued and outstanding common shares from time to time. The amendments were approved by shareholders at the annual general and special meeting held on October 22, 2025.

During Fiscal 26, the Corporation granted 1,850,000 stock options at an exercise price of \$0.335, 300,000 restricted share units and 326,000 deferred share units. The final year-end balance of awards outstanding is presented in section 6.2 and in the notes 19.1 to 19.4 in the audited consolidated financial statements.

14. RISK AND UNCERTAINTIES

An investment in the securities of the Corporation is highly speculative and involves numerous and significant risks. Such an investment should be undertaken only by investors whose financial resources are sufficient to enable them to assume these risks and who have no need for immediate liquidity. Prospective investors should carefully consider the risk factors that have affected, and in the future could affect, the Corporation and its financial position.

The following discussion reviews important risks that management believes could affect the Corporation's business. Other risks not identified below may currently exist or may arise in the future. The

occurrence of any one or more of these risks could materially and adversely affect the Corporation's operations, financial condition and ability to execute its strategy.

14.1 Volatility Risk of the Financial Markets

Securities markets have experienced significant price and volume volatility. Market prices of many issuers, particularly early-stage technology and mineral-development companies, may fluctuate for reasons unrelated to operating performance or asset values. The Corporation's share price may be affected by general market conditions, investor sentiment, commodity prices, financing conditions, project milestones and expectations regarding commercialization. Market volatility may also make it more difficult or costly for the Corporation to raise capital.

14.2 Dilution Risk of Common Shares

Outstanding stock options, warrants, restricted and deferred share units and convertible debentures may result in dilution to existing shareholders. Holders may exercise or convert these instruments when the Corporation could otherwise raise capital on more favourable terms. The Corporation may also need to issue additional equity to fund technology development, commissioning, exploration or commercialization, which may further dilute existing shareholders.

14.3 Risks Inherent to the Industry

Mineral exploration, hydrometallurgical process development, construction, commissioning and industrial-scale demonstration involve technical, operational and commercial risks. Laboratory and pilot results may not be reproduced at demonstration or commercial scale. Equipment performance, material handling, corrosion, reagent consumption, product quality, recoveries, utility requirements and waste characteristics may differ from estimates. Delays, cost overruns, equipment failures, shortages of qualified labour or materials, utility interruptions and health and safety incidents could adversely affect project schedules and costs. The commercial viability of any mineral deposit or processing technology also depends on infrastructure, regulation, product specifications, customer acceptance, metal prices, taxes, royalties and financing.

14.4 Titles to Property

Although the Corporation has taken steps to verify title to properties in which it holds an interest in accordance with industry practice, these procedures do not guarantee title. Property interests may be subject to unregistered prior agreements, Indigenous claims, title defects, competing claims or non-compliance with regulatory requirements. The Corporation's retained royalty on Pomme is also subject to the terms of the underlying agreement and future actions by the property owner.

14.5 Permits and Licenses

The Corporation's activities require permits, authorizations and licenses from governmental authorities. The environmental authorization for the magnet recycling demonstration plant permits operation and data collection through December 31, 2028 and is subject to compliance with its conditions and monitoring requirements. A separate commercial authorization would be required for ongoing commercial operation. There can be no assurance that all required approvals will be obtained or maintained, that conditions will be acceptable, or that approvals will be obtained on the expected schedule.

14.6 Environmental and Other Regulations

Environmental legislation, regulations and standards may impose additional costs, capital expenditures, operating restrictions, monitoring requirements or delays. Requirements may change as the Corporation advances from research and demonstration toward commercial deployment. Process incidents, spills, emissions, waste-management issues or non-compliance could result in remediation costs, penalties, suspension of activities or reputational harm. The Corporation maintains environmental management practices and believes it is in material compliance with applicable requirements, but no assurance can be given that future liabilities will not arise.

14.7 Research and Development Goals and Timeframes

The Corporation sets goals and makes public statements regarding research results, engineering milestones, construction, commissioning and commercialization schedules. These outcomes and timelines are uncertain and may be affected by technical challenges, permitting, availability of financing, partner decisions, contractor performance, supply-chain constraints, reliance on key personnel and other factors. There can be no assurance that current schedules or performance targets will be achieved.

14.8 Mining Law and Governmental Regulation

The Corporation's mineral properties and technology projects are subject to federal, provincial and municipal laws, regulations and review processes. Changes in mining, environmental, labour, tax, trade, critical-minerals or industrial policy may affect costs, schedules, project design, access to incentives and the ability to develop or commercialize projects. Certain mineral properties are located in Eeyou Istchee James Bay territory and may be affected by land-use regimes and stakeholder consultation requirements.

14.9 Internal Controls over Financial Reporting

The Corporation is responsible for designing internal controls over financial reporting to provide reasonable assurance regarding reliable financial reporting. The Corporation has a limited number of finance and administrative personnel, which restricts segregation of incompatible duties. Management and the Board seek to mitigate this limitation through review and oversight controls, but there can be no assurance that a material misstatement will always be prevented or detected on a timely basis. Growth in licensing, partner contracts, grants and construction activity may increase the complexity of accounting and reporting.

14.10 Metal Prices

The value and marketability of products recovered through the Corporation's technologies and the economics of its mineral properties are affected by metal and product prices. Prices may fluctuate widely due to economic conditions, inflation, exchange rates, interest rates, trade policy, technology substitution, supply and demand, geopolitical events and speculative activity. Sustained adverse price movements could reduce partner interest, licensing opportunities or project economics.

14.11 Competition

The mining, recycling, hydrometallurgy and industrial waste-valorization sectors are highly competitive. The Corporation competes with companies that may have greater financial, technical, operating and commercial resources for financing, partners, feedstock, customers, intellectual property, equipment and personnel. Competing technologies may achieve better performance, lower cost, faster market acceptance or stronger intellectual-property protection.

14.12 Conflicts of Interest

Certain directors and officers may also be directors, officers or shareholders of other companies engaged in related businesses. These associations may give rise to conflicts of interest. Directors and officers are required to act honestly and in good faith in the best interests of the Corporation and to disclose interests in transactions or opportunities. A conflicted director must abstain from voting where required.

15. MATERIAL ACCOUNTING POLICIES, ESTIMATES, JUDGEMENTS AND ERRORS

The Corporation's audited consolidated financial statements have been prepared in accordance with IFRS Accounting Standards. Their preparation requires management to select and apply accounting policies and to make judgements, estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses, as well as the related disclosures. Actual results may differ from these estimates.

The Corporation's material accounting policies are described in Note 3, while the principal areas involving significant judgements and estimates are described in Note 4 to the audited consolidated financial statements as at and for the year ended May 31, 2026.

The accounting policies applied during Fiscal 26 were generally consistent with those applied in Fiscal 25. However, certain policies were expanded or separately presented to address transactions and arrangements that became material during Fiscal 26, principally technology licensing revenue, technical support and development services, technology royalties, investments in listed companies, the loss of significant influence over Aurigal Mining Corp. and the interest-free repayable government contribution from Canada Economic Development for Quebec Regions.

15.1 Amendments and Interpretations of Existing Standards Not Yet in Force and Not Adopted Early

At the date the audited consolidated financial statements were authorized for issue, several new standards, amendments and interpretations had been issued by the IASB but were not yet effective. The Corporation did not early adopt any of these pronouncements and expects to adopt those that are applicable in the first reporting period following their respective effective dates. Except for IFRS 18, the pronouncements not yet adopted, including the amendments to IFRS 9 and IFRS 7 described below, are not expected to have a material effect on the Corporation's consolidated financial statements.

IFRS 18 — Presentation and Disclosure in Financial Statements

IFRS 18 replaces IAS 1, Presentation of Financial Statements, and introduces new requirements relating primarily to the presentation and disclosure of financial performance. The standard requires defined subtotals in the statement of profit or loss, the classification of income and expenses into operating, investing and financing categories, disclosures concerning management-defined performance measures and enhanced principles for the aggregation and disaggregation of financial information.

IFRS 18 is effective for annual reporting periods beginning on or after January 1, 2027, with earlier application permitted. The Corporation is assessing the effect of adopting the standard and has not determined whether it will apply IFRS 18 before its mandatory effective date. This disclosure is substantially consistent with the disclosure included in Fiscal 25.

Amendments to the Classification and Measurement of Financial Instruments (Amendments to IFRS 9 and IFRS 7).

In May 2024, the IASB issued amendments to IFRS 9, Financial Instruments, and IFRS 7, Financial Instruments: Disclosures, dealing with the classification and measurement of financial instruments. The amendments clarify that a financial liability is derecognized on the settlement date and introduce an accounting policy choice permitting the derecognition of financial liabilities settled through an electronic payment system before the settlement date where specified conditions are met. They also provide additional guidance for assessing whether the contractual cash flows of a financial asset are consistent with a basic lending arrangement, including for financial assets with features linked to environmental, social and governance factors, and clarify what constitutes non-recourse features and the characteristics of contractually linked instruments. The amendments further introduce additional disclosure requirements for investments in equity instruments designated at fair value through other comprehensive income and for contractual terms that could change the timing or amount of contractual cash flows upon the occurrence, or non-occurrence, of a contingent event that is not directly related to basic lending risks and costs.

The amendments are effective for annual reporting periods beginning on or after January 1, 2026, with earlier application permitted, and are to be applied retrospectively in accordance with IAS 8, subject to specific exceptions. The Corporation did not apply the amendments early and does not expect them to have a material effect on its consolidated financial statements.

15.2 Material Accounting Policies Adopted or Expanded During Fiscal 26

Revenue recognition

In Fiscal 25, the Corporation's revenue-recognition policy primarily addressed research fees from collaborative research arrangements and income from option agreements on mineral properties. During Fiscal 26, the policy was expanded to separately address technical support and development services, technology licensing arrangements and option income.

Revenue from technical support and development services is recognized over time as the services are performed and the related performance obligations are satisfied. Progress is generally measured by comparing actual labour hours incurred with the total estimated labour hours required to complete the services. When the outcome of an arrangement cannot initially be estimated reliably but the related costs are expected to be recovered, revenue is recognized only to the extent of costs incurred until a reliable estimate can be made. Amounts received before the services are performed are recorded as contract liabilities, while revenue recognized in excess of amounts invoiced is recorded as a contract asset.

Technology licensing revenue is recognized at a point in time when control of a right-to-use licence is transferred to the customer. This generally occurs when the customer obtains access to the functional intellectual property and can direct its use and obtain substantially all of its remaining benefits. When an arrangement includes both a licence and technical services, the transaction price is allocated to each performance obligation based on its relative stand-alone selling price, and revenue is recognized as the respective performance obligations are satisfied.

Option income continues to be recognized when received or when there is reasonable assurance of collection. Equity instruments received under option agreements are measured at fair value on the date of receipt using quoted market prices when available or an appropriate valuation technique when no active market exists.

Investments in listed companies and loss of significant influence

During Fiscal 26, the Corporation separately presented and expanded its accounting policy for listed equity investments. Investments over which the Corporation does not exercise significant influence are measured at fair value through profit or loss using quoted market prices, with subsequent changes in fair value recognized in income.

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 is remeasured at fair value on 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. This policy was applied during Fiscal 26 when the Corporation ceased to exercise significant influence over Aurigal Mining Corp., formerly Kintavar Exploration Inc.

Technology royalties

During Fiscal 26, the Corporation began recognizing royalties payable to a third party based on a percentage of qualifying technology licensing revenue. Technology royalties are recognized as operating expenses in the same period as the related licensing revenue.

Interest-free repayable government contribution

During Fiscal 26, the Corporation applied its existing financial-instrument and government-grant accounting policies to the interest-free repayable contribution from Canada Economic Development for Quebec Regions. The related financial liability was initially measured at fair value and is subsequently measured at amortized cost using the effective-interest method.

The difference between the proceeds received and the initial fair value of the liability was recognized as a government grant related to assets and deducted from the carrying amount of the related leasehold improvements.

15.3 Critical Accounting Estimates and Judgements

The preparation of the consolidated financial statements requires management to make judgements, estimates and assumptions about future events. These judgements and estimates are reviewed on an ongoing basis and are based on historical experience and other factors considered reasonable under the circumstances. Changes in these assumptions could materially affect the amounts reported in the consolidated financial statements.

The principal areas involving significant judgement or estimation during Fiscal 26 were as follows:

Going concern and liquidity

Management exercises judgement in assessing whether the Corporation will have sufficient financial resources to meet its obligations and fund its working-capital, construction, commissioning, research and development and exploration requirements.

This assessment considers available cash resources, expected operating and capital expenditures, anticipated receipts from government programs and industrial partners, contractual obligations and the Corporation's ability to obtain additional financing. The assessment is updated as circumstances and expected future cash flows change.

Loss of significant influence over Auriginal Mining Corp.

Determining whether the Corporation exercises significant influence over an investee requires judgement and consideration of both the Corporation's ownership interest and qualitative factors, including board representation, interchange of managerial personnel, participation in policy-making processes and transactions between the entities.

As at May 31, 2025, management concluded that the Corporation exercised significant influence over Kintavar Exploration Inc. based on its 13.11% ownership interest and other qualitative factors. During Fiscal 26, changes in these factors led management to conclude that significant influence over Auriginal Mining Corp. had been lost. This determination affected the date on which the equity method was discontinued, the fair value assigned to the retained investment and the resulting gain recognized in income.

Income taxes and recoverability of deferred tax assets

Management exercises judgement in determining the recognition and measurement of current and deferred income taxes. Deferred tax assets are recognized only to the extent that it is probable that future taxable profits will be available against which deductible temporary differences and tax losses can be utilized.

Estimates of future taxable income depend on assumptions regarding future transactions, the realization of assets and the settlement of liabilities. Changes in these assumptions, expected future taxable income or the interpretation of applicable tax legislation could affect the amount of deferred tax assets recognized and the related income tax expense or recovery.

Recoverability of refundable tax credits

Refundable tax credits are recorded based on management's estimate of the amounts expected to be recovered from the relevant taxation authorities. Significant judgement is required to determine whether expenditures satisfy the applicable eligibility requirements and to estimate the amount and timing of recovery.

Amounts ultimately approved by the taxation authorities may differ from those recorded by the Corporation. Such differences could result in adjustments to tax credits receivable, the related expenses or assets and, where applicable, the recognition of amounts repayable in respect of credits previously received.

Discount rates applied to financing arrangements

The initial measurement of financing arrangements that do not bear interest at a market rate requires management to estimate the rate that would apply to a comparable borrowing with similar terms, duration, security and credit risk.

The liability component of the convertible debentures was initially measured using an estimated market interest rate of 19%. During Fiscal 26, the interest-free repayable CED contribution was initially measured using an estimated market discount rate of 12%. In selecting these rates, management considered the Corporation's credit-risk profile, the contractual terms of the arrangements, available market information and observed borrowing rates for issuers with similar risk characteristics.

The selected discount rates affect the initial carrying amounts of the related financial liabilities, the amounts recognized in equity or as government assistance, as applicable, and the finance costs recognized over the terms of the arrangements using the effective-interest method.

16. MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL INFORMATION

The Corporation's financial statements are the responsibility of the Corporation's management. The financial statements were prepared by management in accordance with IFRS Accounting Standards and include certain amounts based on estimates, judgements and assumptions. Management has established these amounts in a reasonable manner to ensure that the financial statements are presented fairly in all material respects.

The financial statements have been approved by the Board of Directors based on the estimates, judgements and assumptions presented by management and the certifications of the Chief Executive Officer and Chief Financial Officer.

September 25, 2026

(s) Kiril Mugerman

Kiril Mugerman
President and CEO

(s) Mathieu Bourdeau

Mathieu Bourdeau
CFO

Management

Kiril Mugerman, President & CEO
Mathieu Bourdeau, CFO
Pouya Hajiani, CTO

Board of directors

Geneviève Ayotte, Chair of the Audit Committee ¹⁾
Kosta Kostic ²⁾
Matt Silvestro, Chair of the Governance Committee ^{1) 2)}
Nick Nickoletopoulos ^{1) 2)}
Kiril Mugerman

Notes :

¹⁾ Member of the Audit Committee

²⁾ Member of the Corporate Governance, Nomination and Compensation Committee

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