Geomega Resources Inc.

Consolidated Financial Statements

For the years ended May 31, 2025 and 2024

Raymond Chabot
Grant Thornton

Independent Auditor's Report

Raymond Chabot
Grant Thornton LLP
Suite 2000
600 De La Gauchetière Street West
Montréal, Quebec
H3B 4L8

T 514-878-2691

To the Shareholders of
Geomega Resources Inc.

Opinion

We have audited the consolidated financial statements of Geomega Resources Inc. (hereafter "the Company"), which comprise the consolidated statement of financial position as at May 31, 2025, and the consolidated statement of loss and comprehensive loss, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to consolidated financial statements, including material accounting policy information.

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

Basis for opinion

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

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined that there are no key audit matters to communicate in our report.

Other matter – comparative information audited by a predecessor auditor

The consolidated financial statements of the Company for the year ended May 31, 2024 were audited by another auditor who expressed an unmodified opinion on those statements on August 21, 2024.

Information other than the consolidated financial statements and the auditor's report thereon

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

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

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

Responsibilities of management and those charged with governance for the consolidated financial statements

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

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

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

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

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

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

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

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control;

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern;

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation;

- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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

The engagement partner on the audit resulting in this independent auditor's report is Karine Desrochers.

Raymond Chabot Grant Thornton LLP[1]

Montréal
August 19, 2025

---

[1] CPA auditor, public accountancy permit no. A127023

Geomega Resources Inc.

Consolidated Statements of Financial Position

As at May 31, 2025 and 2024
(in Canadian Dollars)

	Note	As at May 31, 2025	As at May 31, 2024
		$	$
Assets			
Current assets			
Cash and cash equivalents	5	999,043	2,051,333
Accounts receivable	8	337,258	814,413
Tax credits and government grants receivable	9	1,483,442	1,224,420
Investments	6	22,000	22,000
Investment in a listed company	7	-	74,665
Prepaid expenses and others	10	305,529	331,227
Inventories		25,092	21,759
Current assets		3,172,364	4,539.817
Non-current assets			
Investment in an associate	11	252,857	421,429
Deposits on equipment		188,803	191,602
Property, plant and equipment	12	2,203,060	753,674
Right-of-use assets	13	1,863,140	2,011,755
Non-current assets		4,507,860	3,378,460
Total assets		**7,680,224**	**7,918,277**
Liabilities			
Current liabilities			
Trade and other payables		978,699	801,124
Deferred revenue		459,969	217,297
Deferred grants	15	623,435	1,051,542
Current portion of the lease obligations	16	30,146	18,343
Current portion of convertible debentures	14	40,455	-
Current liabilities		2,132,704	2,088,306
Non-current liabilities			
Lease obligations	16	2,192,339	2,222,485
Convertible debentures	14	1,641,709	-
Non-current liabilities		3,834,048	2,222,485
Total liabilities		**5,966,752**	**4,310,791**
Equity			
Share capital	17	38,778,372	38,778,372
Reserves	18	1,167,347	990,705
Equity component of convertible debentures		268,795	-
Contributed surplus		5,020,368	4,775,095
Deficit		(43,521,410)	(40,936,686)
Total equity		**1,713,472**	**3,607,486**
Total liabilities and equity		**7,680,224**	**7,918,277**

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

On behalf of the Board

(s) Kiril Mugerman
Kiril Mugerman
Director

(s) Gilles Gingras
Gilles Gingras
Director

Geomega Resources Inc.

Consolidated Statements of Loss and Comprehensive Loss

For the years ended May 31, 2025 and 2024

(in Canadian Dollars, except number of common shares)

	Note	2025	2024
		$	$
Operating expenses			
Exploration and evaluation expenses, net of tax credits	22	405,061	297,436
Research and development expenses, net of tax credits	23	1,954,163	2,319,901
Salaries, employee benefits and share-based compensation	21	722,050	547,966
Travel, conferences, and investor relations		80,262	113,191
Professional fees		307,765	140,329
Administration		86,355	92,755
Filing fees		62,477	62,348
Rent		131,351	92,971
Depreciation of right-of-use assets	13	148,615	181,614
Depreciation of property, plant and equipment		2,175	-
Insurance, taxes and permits		44,955	34,140
Government grants on operating expenses		(1,179,378)	(1,768,247)
Operating loss		**(2,765,851)**	**(2,114,404)**
Other income (expenses)			
Research income		230,208	464,188
Investment income		32,383	120,555
Finance costs		(337,778)	(295,101)
Loss on foreign exchange		(35,609)	(10,383)
Option income on exploration and evaluation properties		75,000	162,399
Loss on disposal of property, plant and equipment	12	-	(56,581)
Net gain on settlement of a lease agreement		-	171,242
Gain (loss) on fair value variation of investments in a listed company		288,583	(42,888)
Share of loss of an associate	11	(176,400)	(74,535)
Recovery (impairment) of an investment in an associate	11	7,828	(346,893)
		84,215	**92,003**
Loss before taxes		**(2,681,636)**	**(2,022,401)**
Deferred tax recovery	24	96,912	-
Net and comprehensive loss		**(2,584,724)**	**(2,022,401)**
Basic and diluted loss per share		(0.018)	(0.014)
Weighted average number of basic and diluted outstanding shares		**143,401,521**	**142,630,824**

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

Geomega Resources Inc.
Consolidated Statements of Changes in Equity
For the years ended May 31, 2025 and 2024
(in Canadian Dollars, except number of common shares)

	Note	Number of shares outstanding	Share Capital	Reserves	Equity Component of Convertible Debentures	Contributed Surplus	Deficit	Total Equity
			$	$	$	$	$	$
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		-	-	-	-	-	(2,584,724)	(2,584,724)
Expired stock options		-	-	(245,273)	-	245,273	-	-
Share-based compensation	18	-	-	421,915	-	-	-	421,915
Issuance of convertible debentures	14	-	-	-	268,795	-	-	268 795
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**

	Note	Numbers of shares outstanding	Share Capital	Reserves	Contributed Surplus	Deficit	Total Equity
			$	$	$	$	$
Balance at May 31, 2023		**141,826,521**	**38,515,697**	**1,152,537**	**4,524,149**	**(38,914,285)**	**5,278,098**
Net and comprehensive loss		-	-	-	-	(2,022,401)	(2,022,401)
Exercised stock options		1,575,000	262,675	(99,300)	-	-	163,375
Expired stock options		-	-	(250,946)	250,946	-	-
Shared-based compensation	18	-	-	188,414	-	-	188,414
Balance at May 31, 2024		**143,401,521**	**38,778,372**	**990,705**	**4,775,095**	**(40,936,686)**	**3,607,486**

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

Geomega Resources Inc.

Consolidated Statements of Cash Flows

For the years ended May 31, 2025 and 2024
(in Canadian Dollars)

	Note	2025	2024
		$	$
Operating activities			
Net and comprehensive loss		(2,584,724)	(2,022,401)
Adjustments for:			
Share-based compensation		421,915	188,414
Unrealized gain loss on foreign exchange rate		-	(196)
Depreciation of property, plant and equipment		196,914	241,787
Loss on disposal of property, plant and equipment		-	56,581
Impairment of deposits on equipment		15,093	-
Impairment of property, plant and equipment		71,379	223,679
Depreciation of right-of-use assets		148,615	181,614
Finance costs for the accretion of long-term debt		-	3,191
Finance costs for the accretion of the convertible debentures		53,645	-
Option income exploration and evaluation properties		-	(49,783)
Unrealized loss on variation of investments in a listed company		-	42,888
Gain on fair value variation of investments in a listed company		(288,583)	-
Impairment of an investment in an associate		(7,828)	346,893
Share of loss of an associate	11	176,400	74,535
Net gain on settlement of a lease agreement		-	(171,242)
Deferred tax recovery	24	(96,912)	-
Changes in non-cash working capital items	27	(293,200)	(331,189)
Cash flows used in operating activities		**(2,187,286)**	**(1,215,229)**
Investing activities			
Acquisitions of property, plant and equipment		(3,490,679)	(1,715,523)
Disposal of property, plant and equipment		-	155,000
Variation of deposit on equipment		75,703	(14,054)
Government grants received – portion attributable to the purchase of property, plant and equipment		2,210,841	305,665
Disposal of short-term investments		-	500,000
Disposal of investments in a listed company		363,248	-
Proceeds from the settlement of a lease agreement	13	-	175,000
Cash flows used in investing activities		**(840,887)**	**(593,912)**
Financing activities			
Proceeds from issuance of convertible debentures, net of fees		1,994,226	-
Exercise of stock options		-	163,375
Repayments of long-term debt		-	(80,000)
Repayments of lease obligations	15	(18,343)	(22,012)
Cash flows from financing activities		**1,975,883**	**61,363**
Net change in cash		**(1,052,290)**	**(1,747,778)**
Cash and cash equivalents – beginning		2,051,333	3,799,111
Cash and cash equivalents – ending		**999,043**	**2,051,333**

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

1. NATURE OF OPERATIONS AND LIQUIDITY RISK

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 Inc. (“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 August 19, 2025.

These Consolidated Financial Statements (the “Financial Statements”) have been prepared on the basis of accounting principles applicable to a going concern, which contemplates the realization of assets and settlement of liabilities in the normal course of business as they come due. In assessing whether the going concern assumption is appropriate, management takes into account all available information about the future, which is at least, but not limited to twelve months from the end of the reporting period. For the year ended May 31, 2025, the Corporation reported a net loss of $2,584,724 ($2,022,401 for the year ended May 31, 2024) and has accumulated a deficit of $43,521,410 up to that date ($40,936,686 as at May 31, 2024). As at May 31, 2025, the Corporation had a working capital of $1,039,660 ($2,451,511 as at May 31, 2024).

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. However, given the current cash position and foreseen cash inflows and outflows in the next twelve months, management believes that sufficient cash will be available to fund the Corporation’s operating expenses at least for the next 12 months.

2. BASIS OF PRESENTATION

These Financial Statements have been prepared in accordance with the *International Financial Reporting Standards* (“IFRS” accounting standards) as issued by the *International Accounting Standards Board* (“IASB”).

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES

3.1 Basis of measurement

These Financial Statements have been prepared on a historical cost basis. The Corporation has elected to present the statement of loss and comprehensive loss in a single statement.

3.2 Amendments and interpretations of existing standards that are not yet in force and that the Corporation has not adopted early

At the date these financial statements were authorized for issue, several new interpretations and amendments to existing standards had been published by the IASB but were not yet effective. The Corporation did not early adopted any of these standards or amendments to existing standards.

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

Management expects that all relevant pronouncements will be adopted in the first reporting period following their effective date. The new standards, amendments and interpretations that have not been adopted and have not been presented below are not expected to have a material impact on the Corporation's financial statements.

IFRS 18 - Presentation and Disclosure in Financial Statements

On April 9, 2024, the IASB published IFRS 18 "Presentation and Disclosure of Financial Statements" to improve the communication of financial performance. IFRS 18 replaces IAS 1 "Presentation of Financial Statements". It incorporates many of the requirements of IAS 1 without modification. This new accounting standard makes significant changes to the structure of a company's income statement, reinforces rigor and transparency in the presentation of management performance indicators (commonly referred to as "non-GAAP indicators"), and reduces the grouping of items into single figures. The main impacts of this new accounting standard are as follows:

- The introduction of a newly defined sub-total for "operating income" and the requirement to allocate all income and expenses to three new distinct categories based on the company's main activities (operating, investing and financing);
- Require the publication of information on management performance indicators (MPD); and
- Add new principles for aggregating and disaggregating information.
- IFRS 18 applies to annual periods beginning on or after January 1, 2027. Earlier application is permitted. The extent of the impact of adopting this new IFRS standard has not yet been determined, and the Corporation has not yet determined whether early adoption will be considered.

3.3 Consolidation

The Financial Statements include the accounts of the Corporation and those of its subsidiary Innord, which is wholly owned by the Corporation. The Corporation controls either when it is exposed, or has rights, to variable returns from its involvement with the subsidiary and has the ability to affect those returns through its power over the subsidiary. All intra-group transactions, balances, income and expenses are eliminated during consolidation.

3.4 Functional and presentation currency

Items included in the Financial Statements are measured using the currency of the primary economic environment in which the Corporation operates (the "functional currency"). The functional and presentation currency of the Corporation and Innord is the Canadian dollar.

3.5 Cash and cash equivalents

Cash and cash equivalents consist of cash on hand, bank balances and short-term liquid investments with original maturities of three months or less or cashable at any time without penalties.

3.6 Investment in an associate

Associate is an entity over which the Corporation has significant influence, but not control. The financial results of the Corporation's investment in its associate are included in the Corporation's results according to the equity method. Under the equity method, the investment is initially recognized at cost, and the carrying amount is increased or decreased to recognize the Corporation's share of comprehensive income or loss of the associate after the date of acquisition. The Corporation's share of profits or losses is recognized in the statement of (loss) income and its share of other comprehensive income or loss of an associate is included in other comprehensive (loss) income.

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

Unrealized gains on transactions between the Corporation and an associate are eliminated to the extent of the Corporation's interest in the associate. Unrealized losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Dilution gains and losses arising from changes in interests in an investment in an associate are recognized in the statement of (loss) income.

The Corporation assesses at each period-end whether there is any objective evidence that its investment in an associate is impaired. If impaired, the carrying value of the Corporation's share of the underlying assets of the associate is written down to its estimated recoverable amount (being the higher of fair value less costs of disposal and value in use) and charged to the statement of (loss) income.

3.7 Exploration and evaluation expenses

Exploration and evaluation ("E&E") expenses include rights in mining properties, paid or acquired through a business combination or an acquisition of assets, and costs related to the initial search for mineral deposits with economic potential or to obtain more information about existing mineral deposits.

E&E expenses also include costs associated with prospecting, sampling, trenching, drilling and other work involved in searching for ore such as topographical, geological, geochemical and geophysical studies. Expenditures relating to E&E activities are expensed as incurred.

E&E include costs related to establishing the technical and commercial viability of extracting a mineral resource identified through exploration or acquired through a business combination or asset acquisition. E&E include the cost of:

- establishing the volume and grade of deposits through drilling of core samples, trenching and sampling activities in an ore body that is classified as either a mineral resource or a proven and probable reserve;
- determining the optimal methods of extraction and metallurgical and treatment processes, including the separation process, for the Corporation's mining properties;
- studies related to surveying, transportation and infrastructure requirements;
- permitting activities; and
- economic evaluations to determine whether development of the mineralized material is commercially justified, including scoping, prefeasibility and final feasibility studies.

The E&E expenses are recorded in the statement of (loss) income until such time as the technical feasibility and commercial viability has been established that supports the future development of the property, and such development receives the Board of Directors approval, at which time the mine project moves into the development phase.

Gains and losses on disposals of E&E equipment are determined by comparing the proceeds with the carrying amount of the asset and are recorded in the statement of (loss) income. E&E include overhead expenses directly attributable to the related activities.

The Corporation has taken steps to verify the validity of title to mineral properties on which it is conducting exploration activities and is acquiring interests in accordance with industry standards that apply to the current stage of E&E of such property. However, these procedures do not guarantee the Corporation's title, as property title may be subject to unregistered prior agreements, aboriginal claims or noncompliance with regulatory requirements.

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

3.8 Research and development costs

Research costs are expensed during the year in which the expenses are incurred. Development costs are capitalized when they meet the criteria for capitalization in accordance with IAS 38 "Intangible Assets".

3.9 Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses. Cost includes expenditures that are directly attributable to the acquisition of an asset. Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefit associated with the item will flow to the Corporation and the cost can be measured reliably. The carrying amount of a replaced asset is derecognized when replaced.

Repairs and maintenance costs are charged to the statement of loss during the period in which they are incurred.

Depreciation is calculated to amortize the cost of the property and equipment less their residual values over their estimated useful lives using the straight-line method and following periods by major categories:

Office equipment	3 years
Leasehold improvements	10 years
Equipment related to E&E activities	3 years
Equipment related to R&D activities	2 to 10 years

Depreciation of property, plant and equipment, if related to exploration activities, is expensed consistently with the policy for E&E expenses. Depreciation of property and equipment, if related to research activities, is expensed consistently with the policy for R&D expenses. For those which are not related to E&E or R&D activities, depreciation expense is recognized directly in the statement of (loss) income.

Depreciation of an asset ceases when it is classified as held for sale (or included in a disposal group that is classified as held for sale) or when it is derecognized. Therefore, depreciation does not cease when the asset becomes idle or is retired from active use unless the asset is fully depreciated.

Residual values, methods of depreciation and useful lives of the assets are reviewed annually and restated if appropriate.

Gains and losses on disposals of property, plant and equipment are determined by comparing the proceeds with the carrying amount of the asset and are recorded in the statement of (loss) income.

3.10 Leases

The Corporation has entered into different lease agreements. Rental contracts are typically made for fixed periods. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions.

Leases with a term in excess of twelve months and for other than low-value assets are recognized as a right-of-use asset and corresponding liability at the date of which the leased asset is available for use by the Corporation.

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

Payments associated with short-term leases and leases of low-value assets are recognized on a straight-line basis as an expense in statement of loss.

3.11 Right-of-use assets

The Corporation recognizes right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognized, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Unless the Corporation is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognized right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term.

3.12 Lease obligations

At the commencement date of the lease, the Corporation recognizes a lease obligation measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Corporation and payments of penalties for terminating a lease, if the lease term reflects the Corporation exercising the option to terminate. The variable lease payments that do not depend on an index or a rate are recognized as expense in the period on which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Corporation uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of the lease obligation is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of the lease obligation is remeasured if there is a modification, a change in the lease term, a change in the in-substance fixed lease payments or a change in the assessment to purchase the underlying asset.

The Corporation determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

3.13 Inventories

The Inventories consist of raw materials, rare earth permanent magnets that will be recycled in the demonstration plant in order to extract the rare earths oxide to be sold. Inventories are valued at the lowest of the cost and net realizable value. The cost of raw material inventory is determined using the average cost method.

3.14 Tax credits and mining rights receivable

The Corporation is entitled to a refundable tax credit on qualified exploration expenditures incurred and refundable credit on duties for losses under the *Mining Tax Act*. These tax credits are recognized as a reduction of the E&E expenses incurred.

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

3.15 Investment tax credits

Investment tax credits are recognized when there is reasonable assurance that the Corporation has complied with, and will continue to comply with, all conditions necessary to obtain such assistance. The Corporation incurs research and development expenses that are eligible for investment tax credits. Refundable investment tax credits are based on management's estimates of amounts expected to be recovered and are subject to audit by tax authorities.

Investment tax credits are recognized as a reduction of the cost of the related assets or expenses in the year in which the expenditures are made when management deems that there is reasonable assurance that the conditions for government assistance or investment tax credits have been met.

3.16 Government grants

The Corporation receives financial assistance under government incentive programs for research and development. Government grants are recognized initially as government grants receivable at fair value when there is reasonable assurance that it will be received and the Corporation will comply with the conditions associated with the grant. Grants are recognized as a reduction of the related expenditures (in the statements of financial position or statements of income (loss) depending on the nature of the expenditures).

Grants are recognized in proportion to the total costs expected to the contract. Any payment received before the associated work is performed are recorded as deferred grants in the statement of financial position.

3.17 Impairment of non-financial assets

Property, plant and equipment and right-of-use asset are reviewed for impairment if there is any indication that the carrying amount may not be recoverable. If any such indication is present, the recoverable amount of the asset is estimated in order to determine whether impairment exists. Where the asset does not generate cash flows that are independent from other assets, the Corporation estimates the recoverable amount of the asset group to which the asset belongs.

An asset's recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value, using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which estimates of future cash flows have not been restated.

If the recoverable amount of an asset or asset group is estimated to be less than its carrying amount, the carrying amount is reduced to the recoverable amount. Impairment is recognized immediately in the statement of (loss) income. Where an impairment subsequently reverses, the carrying amount is increased to the revised estimate of recoverable amount but only to the extent that this does not exceed the carrying value that would have been determined if no impairment had previously been recognized. A reversal is recognized as a reduction in the impairment charge for the period.

3.18 Financial instruments

Financial assets and financial liabilities are recognized when the Corporation becomes a party to the contractual provisions of the instrument and are measured initially at fair value adjusted for transaction costs, except for those carried at fair value through profit or loss ("FVTPL"), which are measured initially at fair value.

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

Financial assets are derecognized when the rights to receive cash flows from the assets have expired or have been transferred and the Corporation has transferred substantially all risks and rewards of ownership. A financial liability is derecognized when it is extinguished, discharged, cancelled or expires.

Financial assets and financial liabilities are offset, and the net amount is reported in the statements of financial position when there is an unconditional and legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously.

a) Financial assets

Financial assets are initially measured at fair value. If the financial asset is not subsequently FVTPL, then the initial valuation includes transaction costs that are directly attributable to the acquisition or asset generation. At the time of initial recognition, the Corporation categorizes its financial instruments into the following categories, depending on the purposes for which the instruments were acquired: at amortized cost or at fair value.

At amortized cost:
Financial assets at amortized cost are non-derivative financial assets with specified or determinable payments that consist exclusively of capital and interest payments held under a business model whose purpose is to collect these amounts. Financial assets at amortized cost are initially recorded at the amount expected to receive less, when significant, a discount to bring them back to fair value. Subsequently, financial assets at amortized cost are assessed using the current interest rate method, which is reduced by a provision for anticipated losses. Cash and cash equivalents, accounts receivable and investments are classified in this category.

At fair value through profit or loss:
Investments in equity are subsequently measured at fair value and changes are recognized in net loss. The category includes the investment in a listed company. This instrument is measured at fair value and changes in fair value are recognized in net loss. Fair value is determined on the basis of stock market prices.

b) Financial liabilities

At amortized cost:
Trade and other payables and convertible debentures are initially recorded at the amount to be paid less, when significant, a discount to bring this amount back to fair value. Subsequently, they are assessed at the amortized cost using the effective interest method.

Compound financial instruments:
When the Corporation issues a financial instrument that contains both a liability and an equity component (e.g., convertible debentures), it is classified as a compound financial instrument under IAS 32. The liability component is initially measured at the fair value of a comparable instrument without a conversion feature, using a market interest rate. The equity component is determined as the residual amount, after deducting the fair value of the liability component from the total proceeds. Transaction costs are allocated to each component proportionally based on their initial carrying values.

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

The liability component is subsequently measured at amortized cost using the effective interest method, while the equity component is not remeasured.

c) Impairment of financial assets

At amortized cost:
The expected loss represents the difference between the amortized cost of financial assets and the present value of anticipated future cash flows, discounted to the instrument's initial effective interest rate. The book value of the asset is reduced by this amount either directly or indirectly through a value correction account. Provisions for anticipated losses are restated upwards or downwards in subsequent periods if the amount of the anticipated loss increases or decreases. The Corporation considers that there is no significant increase of credit risk for the financial instruments with low credit risk.

3.19 Current taxes

The tax expense for the period comprises current and deferred tax. Tax is recognized in the statement of loss, except to the extent that it relates to items recognized directly in equity. In this case, the tax is also recognized directly in equity. Mining taxes represent Canadian provincial taxes levied on mining operations and are classified as income taxes since such taxes are based on a percentage of mining profits.

The current income and mining tax charge is the expected tax payable or receivable on the taxable loss for the year, using the tax laws enacted or substantively enacted at the statement of financial position date in the jurisdictions where the Corporation operates. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation.

3.20 Deferred taxes

The Corporation uses the asset and liability method of accounting for income and mining taxes. Under this method, deferred income and mining tax assets and liabilities are recognized for the future tax consequences attributable to temporary differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. However, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit nor loss.

Deferred income and mining tax assets and liabilities are measured using enacted or substantively enacted tax rates (and laws) that are expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. Deferred income and mining tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred income and mining tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when deferred tax assets and liabilities relate to income or mining taxes levied by the same taxation authority on the same taxable entity where there is an intention to settle the balances on a net basis.

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

Changes in deferred tax assets or liabilities are recognized as deferred income tax recovery in the statement of (loss) income, except where they relate to items that are recognized directly in equity, in which case the related deferred tax is also recognized in equity. As management intends to realize the carrying value of its assets and settle the carrying value of its liabilities through the sale of its E&E properties, the related deferred tax has been calculated accordingly.

3.21 Equity-settled share-based compensation

The Corporation offers an equity settled share-based compensation plan for its eligible directors, officers, employees and consultants. Each award is considered a separate award with its own vesting periods and fair value. Fair value is measured at the date of grant using the Black-Scholes option pricing model or the share market price where applicable.

All equity settled share-based compensation (except broker warrants) are ultimately recognized as an expense in the statement of (loss) income with a corresponding credit to reserves (within shareholders' equity on the consolidated statement of financial position). Equity settled share-based compensation to broker, in respect of an equity financing are recognized as issuance cost of the equity instruments with a corresponding credit to broker warrants in equity.

If vesting periods or other vesting conditions apply, the expense is allocated over the vesting year, based on the best available estimate of the number of equity instruments expected to vest. Non-market vesting conditions are included in assumptions about the instruments that are expected to become exercisable. Estimates are subsequently revised if there is any indication that the number of instruments expected to vest differs from previous estimates. Any cumulative restatement prior to vesting is recognized in the current period.

Any consideration paid on exercise of share options is credited to share capital. The accumulated expenses resulting from stock options are transferred to share capital when the options are exercised.

Expenses recognized for forfeited awards are reversed. Where the terms of an equity settled award are modified, as a minimum, an expense is recognized as if the terms had not been modified over the original vesting period. In addition, an expense is recognized for any modification which increases the total fair value of the share-based payment arrangement as measured at the date of the modification, over the remainder of the vesting period.

3.22 Revenue recognition

Revenues classified as other income come from two sources: research fees for collaborative research work with third parties in the valuation of mining and industrial residues as the critical and strategic metals sectors and option income from the optioning of its mineral properties.

i) Research fees received are recognized in the statement of loss and comprehensive loss as the work is performed, all obligations under the contract 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 to be received. Revenue is recognized in proportion to the total costs expected to the contract. Any payment received from customers before the work is performed are recorded as deferred revenues in the statement of financial position while any amounts recognized in excess of amounts invoiced are recognized as a work in progress.

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

To depict the Corporation's progress in satisfying these performance obligations, in the case that no clear defined milestone exist to evaluate the progress of a research project, the Corporation measures its progress by comparing actual hours spent to date with the total estimated labour hours required for the research projects. The hours-to-hours basis provides the most faithful depiction of the transfer of goods and services to each customer due to the Corporation's ability to make reliable estimates of the total number of labour hours required on each project. In the early stages of some of these contracts, the Corporation is unable to make a reliable estimate of the outcome of the project but still expects to recover its costs. The Corporation then recognizes revenue equal to the costs incurred until it can make a reliable estimate.

ii) Option income is recognized when received or there is reasonable assurance of collection. Shares received under option agreements are valued at fair value which is determined at quoted market prices if the shares are quoted on an active market. If the market for the shares is not active, fair value is established by using a valuation technique. The fair value of common shares received was determined based on Black-Scholes option pricing model, after applying the discounts for lack of marketability due to the regulatory release period.

4. CRITICAL ACCOUNTING ESTIMATES, JUDGMENTS AND ERRORS

The preparation of the Financial Statements in conformity with IFRS accounting standards requires the Corporation's management to make judgements, estimates and assumptions about future events that affect the amounts reported in the Financial Statements and related notes to the Financial Statements. Although these estimates are based on management's best knowledge of the amounts, events or actions, actual results may differ from those estimates.

The areas which require management to make significant judgements, estimates and assumptions in determining carrying values include, but are not limited to:

4.1 Going concern/liquidity risk

The assessment of the Corporation's ability to execute its strategy by funding future working capital requirements involves judgment. Estimates and assumptions are continually assessed and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

4.2 Significant influence in Associate

The Corporation has used significant judgment in assessing the classification of its investment in Kintavar Exploration Inc. "Kintavar". As at May 31, 2025, the Company has an ownership percentage of 13.11% and has determined that it has significant influence over Kintavar as a result of other qualitative factors that include:

1) Ownership interest of 13.11% of voting shares
2) Representation on the board of Directors
3) Interchange of managerial personnel
4) Intercompany transactions between the companies

4. CRITICAL ACCOUNTING ESTIMATES, JUDGMENTS AND ERRORS (CONT'D)

4.3 Income taxes and recoverability of potential deferred tax assets

Periodically, the Corporation evaluates the likelihood of whether some portion of the deferred tax assets will not be realized. Once the evaluation is completed, if the Corporation believes that it is probable that some portion of the deferred tax assets will fail to be realized, the Corporation records only the remaining portion for which it is probable that there will be available future taxable profit against which the temporary differences can be utilized. Assessing the recoverability of deferred income tax assets requires management to make significant judgment. To the extent that future cash flows and taxable income differ significantly from estimates, the ability of the Corporation to realize the net deferred tax assets recorded at the statement of financial position date could be impacted. Significant judgment is required in determining the income tax recovery as there are transactions and calculations for which the ultimate tax determination is uncertain. Management intends to realize the carrying value of its assets and settle the carrying amount of its liabilities through the sale of its E&E properties, which is an important judgment.

4.4 Refundable credit on mining duties and refundable tax credit related to resources

The refundable credit for resources and refundable credit on mining duties (the "tax credits") for the current period and prior periods are measured at the amount the Corporation expects to recover from the tax authorities as at the closing date. However, uncertainties remain as to the interpretation of tax rules and the amount and timing of the recovery of such tax credits. To determine whether the expenses it incurs are eligible, the Corporation must exercise considerable judgment and interpretation, which makes the recovery of tax credits uncertain. Accordingly, there may be a significant difference between the recorded amount of tax credits receivable and the actual amount of tax credits received following the tax authorities' review of issues whose interpretation is uncertain.

Should such a difference arise, a restatement would have to be made to tax credits receivable and provisions may potentially need to be recognized for previous tax credits received by the Corporation. It may take considerable time for the tax administration to render its decisions on issues related to tax credits, and it can therefore take a long time to recover tax credits. Tax credits that the Corporation expects to recover within more than one year are classified as non-current assets. The amounts recognized in the Financial Statements are based on the Corporation's best estimates and according to its best judgment, as stated above.

However, given the uncertainty inherent in obtaining the approval of the relevant tax authorities, the amount of tax credits that will actually be recovered or the amount to be repaid, as well as the timing of such recovery or repayment, could differ materially from the accounting estimates, which would affect the Corporation's financial position and cash flows.

4.5 Convertible Debenture Discount Rate – Critical Judgment

The Corporation issued unsecured convertible debentures during the year, which were classified as compound financial instruments in accordance with IAS 32. The proceeds were allocated between a liability component and an equity component representing the holder's conversion option.

4. CRITICAL ACCOUNTING ESTIMATES, JUDGMENTS AND ERRORS (CONT'D)

A key area of judgment involved determining the appropriate market discount rate to apply in valuing the liability component. The Corporation used a 19% market interest rate, representing its best estimate of the rate that would apply to a comparable non-convertible borrowing instrument with similar terms, credit risk, and market conditions.

- This estimate required significant judgment and was based on:
- The Corporation's credit risk profile as a junior mining and R&D issuer;
- Market data for comparable instruments issued by similar TSXV-listed companies;
- Observed yield spreads on unsecured debt for high-risk issuers in similar sectors.

The selected rate directly affects the initial allocation between debt and equity and the resulting amortization of the liability over the term. Changes to the assumed market rate would have a material impact on the financial statements.

5. CASH AND CASH EQUIVALENTS

Cash and cash equivalents include the following investments:

As at May 31, 2025:

- Short term deposits totaling $708,403 with rates from 2.25% to 2.3% and expiring dates ranging from April 07, 2026 to April 28, 2026. Interest and principal are cashable at any time without penalties.

As at May 31, 2024:

- Short term deposits totaling $1,906,566 with rates from 4.5% to 5.15% and expiring dates ranging from January 13, 2025 to May 7, 2025. Interest and principal are cashable at any time without penalties.

6. INVESTMENTS

The investments as at May 31, 2025 and May 31, 2024 consist of guaranteed investment certificates that are non-cashable prior to maturity. The certificates totalize $22,000 in nominal value, bear interest at 3% (3% as at May 31, 2024) and expire on October 2, 2025 (October 2, 2024 as at May 31, 2024).

7. INVESTMENT IN A LISTED COMPANY

The Corporation holds marketable securities. The investment is listed on a public equity market and valued at fair value based on quoted market price as follows:

	As at May 31, 2025	**As at May 31, 2024**
	$	**$**
Classified as current asset		
MTM Critical Metals Limited – no common shares (2,327,273 as at May 31, 2024)	-	74,665
Investment in a listed company	**-**	**74,665**

8. ACCOUNTS RECEIVABLE

	As at May 31, 2025	As at May 31, 2024
	$	$
Trade receivable	45,699	44,150
Sales taxes receivable	277,371	356,906
Interest receivables	1,967	13,972
Other accounts receivable	12,221	399,385
Accounts receivable	**337,258**	**814,413**

9. TAX CREDITS AND GOVERNMENT GRANTS RECEIVABLE

	As at May 31, 2025	As at May 31, 2024
	$	$
Refundable tax credits	6,582	1,003
Government grants	1,476,860	1,223,417
Tax credits and government grants receivable	**1,483,442**	**1,224,420**

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

10. PREPAID EXPENSES AND OTHERS

	As at May 31, 2025	As at May 31, 2024
	$	$
Prepaid on operating expenses	118,502	144,200
Advance payment on inventories	187,027	187,027
Prepaid expenses and others	**305,529**	**331,227**

11. INVESTMENT IN AN ASSOCIATE

Kintavar Exploration Inc. (“Kintavar”) is the Corporation’s only associate. Kintavar’s share capital consists solely of ordinary shares, which are held directly by the Corporation. Kintavar is incorporated in Canada where its exploration and evaluation activities on bearing properties are carried out. The proportion of ownership interest is the same as the proportion of voting rights held. The investment in Kintavar is accounted for under the equity method. Its fair value as at May 31, 2025 is $252,857 (16,857,143 shares at $0.015, closing price on the Exchange). Considering the fair value of the investment is lower than its carrying value as at May 31, 2025, an impairment loss has been recorded in the consolidated statement of losses in order to reduce the investment to its estimated recoverable value, in this case its fair market value. Its fair value was $421,429 as at May 31, 2024. The Corporation categorized the fair value measurement as Level 1, as it is derived from quoted prices in active markets. There was no change in the percentage of shares owned by Geomega from May 31, 2024 to May 31, 2025, which was stable at 13.11%.

11. INVESTMENT IN AN ASSOCIATE (CONT'D)

Determination of significant influence

Management determines its ability to exercise significant influence over an investment in shares of other companies by looking at its percentage interest and other qualitative factors including but not limited to its voting rights, representation on the board of directors, participation in policy-making processes, material transactions between the Corporation and the associate, interchange of managerial personnel, provision of essential technical information and operating involvement. Considering these factors, Geomega is considered to have significant influence over Kintavar.

	As at May 31, 2025	As at May 31, 2024
	$	$
Balance at beginning of year	421,429	842,857
Share of net and comprehensive loss	(176,400)	(74,535)
Impairment	7,828	(346,893)
Balance at end of year	**252,857**	**421,429**

12. PROPERTY, PLANT AND EQUIPMENT

	Leasehold Improvements	Equipment [1]	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 [2]	-	(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**

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

	Office Equipment	Leasehold Improvements	Equipment [1]	Total
	$	$	$	$
Fiscal 2024				
Opening net book value	-	-	427,893	427,893
Additions	-	241,439	1,474,084	1,715,523
Disposal	-	-	(155,000)	(155,000)
Loss on disposal	-	-	(56,581)	(56,581)
Government grants	-	(157,305)	(555,390)	(712,695)
Depreciation	-	-	(241,787)	(241,787)
Impairment [2]	-	-	(223,679)	(223,679)
Closing net book value	-	84,134	669,540	753,674
As at May 31, 2024				
Cost	**14,984**	**84,134**	**1,076,127**	**1,175,245**
Accumulated depreciation	**(14,984)**	**-**	**(406,587)**	**(421,571)**
Closing net book value	**-**	**84,134**	**669,540**	**753,674**

1. The equipment category includes equipment used in E&E activities and R&D activities. Depreciation of property plant and equipment related to E&E properties is being recorded within E&E expenses while depreciation related to other R&D projects is recorded within R&D expenses. An amount of $8,348 ($8,792 in Fiscal 2024) was expensed as E&E expenses and $186,391 ($115,443 in Fiscal 2024) as R&D expenses during the year ended May 31, 2025.

2. In March 2024, the Corporation had to go through a process design change for its demonstration plant being built in Saint-Hubert due to capacity issues of the city sewage system. Therefore, certain equipment already ordered had to be canceled, while other equipment received were sold or put for sale. An impairment expense of $223,679 in Fiscal 2024 and $71,379 in Fiscal 2025 was recorded as a R&D expense to bring the cost of the equipment to its estimated net realisable value, based on the price these equipment are advertised on different reselling platforms.

13. RIGHT-OF-USE ASSETS

	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**

13. RIGHT-OF-USE ASSETS (CONT'D)

	Equipment	Industrial buildings	Total
	$	$	$
Fiscal 2024			
Opening net book value	-	2,298,752	2,298,752
Additions	28,500	-	28,500
Disposal [1]	-	(133,883)	(133,883)
Depreciation	(5,225)	(176,389)	(181,614)
Closing net book value	23,275	1,988,480	2,011,755
As at May 31, 2024			
Cost	**28,500**	**2,143,732**	**2,172,232**
Accumulated depreciation	**(5,225)**	**(155,252)**	**(160,477)**
Closing net book value	**23,275**	**1,988,480**	**2,011,755**

1. On October 2, 2023, the Corporation signed an agreement with the owner of the premises at 1123 Marie-Victorin in St-Bruno-de-Montarville to vacate the premises in exchange for a lump sum of $175,000. Since the signature binding LOI in Saint-Hubert in April 2023 (lease agreement in August 2023), the premises in St-Bruno-de-Montarville served no purpose for the Corporation. The right-of-use asset and the underlying lease were reversed, and the difference was recorded against the gain in the statement of loss and comprehensive loss.

14. CONVERTIBLE DEBENTURES

	2025	2024
	$	$
Balance, opening	-	-
Addition	1,628,519	-
Accretion expense	53,645	-
Balance, ending	**1,682,164**	**-**
Balance, current	(40,455)	-
Balance, non-current	**1,641,709**	**-**

In March 2025, the Corporation completed a private placement of unsecured convertible debentures (the "Debentures") for aggregate gross proceeds of $2,022,762. The Debentures bear interest at a rate of 12% per annum, payable annually, and mature in March 2028, unless converted earlier in accordance with their terms. The Debentures are convertible into common shares of the Corporation at a price of $0.12 per share at any time prior to maturity at the option of the holder.

The Debentures are unsecured and subordinated to all current and future senior indebtedness of the Corporation. The Corporation incurred transaction costs of $28,535 in connection with the offering.

In accordance with IAS 32 and IFRS 9, the Debentures were evaluated as a compound financial instrument and bifurcated into:

- A liability component, representing the contractual obligation to pay interest and principal, and
- An equity component, representing the holder's conversion right.

14. CONVERTIBLE DEBENTURES (CONT'D)

The liability component was initially measured at the fair value of a similar non-convertible debt instrument. The Corporation estimated a market discount rate of 19% for comparable unsecured non-convertible debt based on market conditions, credit risk profile, and similar financings by junior companies of similar size. Transaction costs of $28,535 were allocated on a pro rata basis between the liability and equity components:

- $23,339 deducted from the liability,
- $5,196 deducted from equity.

As a result, the initial carrying amount of the liability was $1,628,519, and the equity component was $365,707.

A deferred tax recovery of $96,912 was recognized (see note 24), reducing the equity component to $268,795.

The liability component is subsequently measured at amortized cost using the effective interest method at a rate of 19%. Interest expense is recognized in profit or loss, while the carrying value of the liability increases over time to reach the face value of the Debentures at maturity. Annual coupon payments of $242,731 are recognized as reductions of the liability.

15. DEFERRED GRANTS

	As at May 31, 2025	As at May 31, 2024
	$	$
Deferred grants attributable to the purchase of inventories	1,502	-
Deferred grants attributable to the purchase of property, plant and equipment	405,749	16,481
Deferred grants attributable to operations	216,184	1,035,061
Deferred grants	**623,435**	**1,051,542**

16. LEASE OBLIGATIONS

	2025	2024
	$	$
Balance, opening	2,240,828	2,364,465
Addition	-	28,500
Disposal	-	(130,125)
Repayments of lease liability	(18,343)	(22,012)
Balance, ending	2,222,485	2,240,828
Balance, current	(30,146)	(18,343)
Balance, non-current	**2,192,339**	**2,222,485**

17. SHARE CAPITAL

17.1 Authorized Share Capital

The Corporation's authorized share capital consists of an unlimited number of voting common shares.

17. SHARE CAPITAL (CONT'D)

17.2 Common Shares

Year Ended May 31, 2025

No shares were issued during Fiscal 2025.

Year Ended May 31, 2024

During Fiscal 2024, the Corporation issued a total of 1,575,000 shares for total gross proceeds of $163,375 in connection with the exercise of stock options.

18. RESERVES

18.1 Warrants

Changes in the Corporation's warrants were as follows:

	2025		2024	
	Number of warrants	**Weighted average exercise price**	**Number of warrants**	**Weighted average exercise price**
		$		**$**
Opening	16,517,788	0.22	16,517,788	0.27
Balance, end	**16,517,788**	**0.22**	**16,517,788**	**0.27**

Warrants outstanding as at May 31, 2025 are as follows:

Number of warrants	Exercise price	Expiry date
	$	
11,459,093	0.25	November 6, 2025 [1]
4,354,667	0.12	May 3, 2026 [2]
704,028	0.40	February 6, 2026
16,517,788		

1. These warrants were originally expiring on November 9, 2023. On October 2, 2024, they were extended for a additional period of 1 year until November 6, 2025. All other conditions stayed unchanged. This change had no impact on the financial statements.

2. These warrants were originally expiring on May 3, 2025. On March 25, 2025, they were extended for an additionnal period of 2 years May 3, 2027 and were repriced to $0.12. An acceleration clause was also added, allowing the Corporation to reduce the exercice period to 30 days following 10 consecutive days of the shares trading 25% above the modified exercice price. This change had no impact on the financial statements.

18. RESERVES (CONT'D)

18.2 Share-based Compensation

A) Omnibus Incentive Plan

On October 25, 2023, a new omnibus equity incentive plan (the "Omnibus Plan") was implemented to replace the previous stock option plan (the "Legacy Option Plan"). The Omnibus Plan offers a wider range of incentive awards, including stock options ("Options"), restricted share units ("RSUs"), performance share units ("PSUs"), and deferred share units ("DSUs") (collectively, the "Awards"). The options issued under the Legacy Option Plan are still eligible and are governed by the Legacy Option Plan. The Omnibus Plan was ratified by shareholders at the annual meeting held on November 20, 2024.

The aggregate number of common shares reserved for issuance pursuant to awards of Options granted under the Omnibus Plan (including the options currently outstanding under the Legacy Option Plan) shall not exceed 8% of the Corporation's total issued and outstanding common shares from time to time. In respect of DSUs, RSUs or PSUs, the aggregate number of common shares reserved for issuance pursuant to Awards other than for Options granted under the Omnibus Plan shall not exceed 5,000,000 common shares.

B) Stock Options

A summary of the Corporation's Options outstanding under both the Omnibus Plan and the Legacy Option Plan is as follows:

	2025		**2024**	
	Number of options	**Weighted Average Exercise Price**	**Number of options**	**Weighted Average Exercise Price**
		$		**$**
Balance, opening	7,220,500	0.22	10,295,500	0.21
Issued	2,300,000	0.10	845,000	0.22
Exercised	-	-	(1,575,000)	0.10
Expired	(2,453,000)	0.18	(2,040,000)	0.26
Forfeited	(407,500)	0.13	(305,000)	0.22
Balance, end	**6,660,000**	**0.20**	**7,220,500**	**0.22**
Balance, end, exercisable	4,472,500	0.24	6,680,500	0.22

18. RESERVES (CONT'D)

The number of Options outstanding as of May 31, 2025 are as follows:

Number of options outstanding	Number of options exercisable	Exercise Price	Expiry date
		$	
1,175,000	1,175,000	0.165	April 16, 2025 [1]
250,000	250,000	0.155	June 3, 2025
500,000	500,000	0.175	August 13, 2025
250,000	250,000	0.18	October 21, 2025
800,000	800,000	0.34	January 27, 2026
1,310,000	1,310,000	0.305	October 27, 2026
375,000	187,500	0.215	January 25, 2029
1,900,000	-	0.10	November 20, 2029
100,000	-	0.11	December 1, 2029
6,660,000	**4,472,500**		

1. The management and directors of the Corporation were in a blackout period when these Options expired. As per the Omnibus Plan, Awards may continue to subsist in certain circumstances, including management imposed blackout periods.

On December 1, 2024, the Corporation granted 100,000 Options to an employee at a price of $0.11, valid for 5 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 2.8751%, expected volatility of 78.52%, no dividend per share and expected duration of 3.75 years options. From the granting, Options are earned in increments of 25% each of the first two years and 50% the last year.

On November 20, 2024, the Corporation granted 2,200,000 Options to employees at a price of $0.10, valid for 5 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 3.1471%, expected volatility of 79.39%, no dividend per share and expected duration of 3.75 years options. From the granting, Options are earned in increments of 25% each of the first two years and 50% the last year.

On January 25, 2024, the Corporation granted 845,000 Options to employees at a price of $0.215, valid for 5 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 2.9479%, expected volatility of 76.21%, no dividend per share and expected duration of 3.75 years options. From the granting, options are earned in increments of 25% every 6 months.

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.

The total amount recorded as an expense in the consolidated statement of loss and comprehensive loss for the year ended May 31, 2025 is $63,070 ($93,873 for the year ended May 31, 2024).

18. RESERVES (CONT'D)

C) Restricted Share Units

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

	2025	**2024**
	Number of RSUs	**Number of RSUs**
Balance, opening	1,302,000	-
Issued	1,200,000	1,302,000
Forfeited	(186,000)	-
Balance, end	**2,316,000**	**1,302,000**

On November 20, 2024, the Corporation granted 1,200,000 RSUs to the management team for a total value of $125,000. From the granting, the RSUs vest in increments of 50% every 12 months. The RSUs can be settled after 3 years.

On January 25, 2024, the Corporation granted 1,302,000 RSUs to the management team for a total value of $279,930. From the granting, the RSUs vest in increments of 50% every 12 months. The RSUs can be settled after 3 years.

The total amount recorded as an expense in the consolidated statement of loss and comprehensive loss for the year ended May 31, 2025 is $189,813 ($42,350 for the year ended May 31, 2024).

D) Deferred Share Units

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

	2025	**2024**
	Number of DSUs	**Number of DSUs**
Balance, opening	971,000	-
Issued	900,000	971,000
Forfeited	(93,000)	-
Balance, end	**1,778,000**	**971,000**

On November 20, 2024, an aggregate of 900,000 DSUs were issued to the members of the Board of Directors with a total fair value of $94,500. The DSUs vest in a single installment one year from the date of grant.

On January 25, 2024, an aggregate of 971,000 DSUs were issued to the members of the Board of Directors with a total fair value of $208,765. The DSUs vest in a single installment one year from the date of grant.

The total amount recorded as an expense in the consolidated statement of loss and comprehensive loss for the year ended May 31, 2025 is $169,032 ($52,191 for the year ended May 31, 2024).

19. CAPITAL MANAGEMENT

The Corporation's objective in managing capital is to safeguard its ability to continue its operations as well as its E&E and R&D programs. The Corporation manages its capital structure and adjusts it in light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Corporation may issue new shares, secure new debt and acquire or sell mining rights to improve its financial performance and flexibility. In Fiscal 2025, the Corporation issued convertible debentures for a total of $2.02 M. In Fiscal 2024, the Corporation received proceeds from exercise of options for $163K, and secured grants for $1.9M. The Corporation's capital is composed of equity and the balances and changes in equity are presented in the statement of changes in shareholders' equity.

The Corporation is not subject to externally imposed capital requirements neither regulatory nor contractual requirements to which it is subject unless the Corporation closes a flow-through private placement in which case the funds are reserved in use for exploration expenses.

20. LOSS PER SHARE

The calculation of basic loss per share is based on the loss for the year divided by the weighted average number of shares outstanding during the year. In calculating the diluted loss per share, potential common shares such as stock options, broker warrants and warrants have not been included, as they would have the effect of decreasing the loss per share.

21. REMUNERATION

	2025	2024
	$	$
Wages, salaries	1,576,165	1,485,504
Benefits	265,359	260,224
Share-based compensation	421,915	188,414
	2,264,768	**1,934,142**
Salaries and benefits and share-based payments recorded in E&E expenses	(252,902)	(272,639)
Salaries and benefits and share-based payments recorded in R&D expenses	(1,288,487)	(1,089,477)
Share-based payments recorded in travel, conferences and investor relations	-	(24,060)
Salaries, employee benefits and share-based compensation presented on the statement of loss	**722,050**	**547,966**

22. EXPLORATION AND EVALUATION EXPENSES

	2025	2024
	$	$
Acquisition and maintenance	**924**	**-**
Exploration		
Salaries and benefits	361	-
Share-based compensation	1,329	727
Geology	13,103	-
Supplies	-	1,963
General and administration	692	-
Taxes, permits and insurances	426	413
Total exploration	**15,911**	**3,103**
Evaluation		
Salaries and benefits	251,212	271,912
Professional fees	3,720	-
Material and furniture	49,285	11,268
General and administration	82,656	2,492
Depreciation of property, plant and equipment	8,348	8,792
Total Evaluation	**395,221**	**294,464**
Total gross E&E expenses	**412,056**	**297,567**
Tax credits	(6,995)	(131)
Net E&E expenses	**405,061**	**297,436**

22.1 Montviel

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. The Montviel property comprises 96 mining claims totalling 5,333 hectares as at May 31, 2025.

22.2 Pomme (under option agreement)

The Pomme REE project (“Pomme”), also known as Montviel-Nord, is located adjacent to the north of the Montviel REE-Nb deposit that was discovered by Geomega in 2011. In the past years, the Pomme property and the Montviel property were considered as one property. During the year 2023, the 2 projects were divided in order to option Pomme. The Pomme property comprises 55 mining claims totalling 3,052 hectares as at May 31, 2025 (43 of the 55 claims are under the option agreement).

On February 22, 2023, the Corporation concluded an agreement with MTM Critical Metals Limited (ASX:MTM, “MTM”) to option out the Pomme property.

22. EXPLORATION AND EVALUATION EXPENSES (CONT'D)

The terms of the option agreement with MTM for pomme are as followed:

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 to November 30, 2025) [1]	100,000	100,000	700,000
On or before February 22, 2026	Nil	Nil	1,000,000
Total for a maximum participation of 100%	**270,000**	**250,000**	**2,000,000**

1. On March 31, 2025, following a notice sent by the Corporation for the expiry of the 4th milestone, a nine-months extension was given to MTM in exchange of a $75,000 lump sum payment. This payment does not act as an option payment. All other conditions of the farm-in agreement remain unchanged.

Pursuant to the agreement MTM will grant to the Corporation a 2% NSR on the property and the Corporation will grant MTM the right to buy-back at any time 1% for AUD $1,000,000.

22.3 Montviel-Sud

In August 2023, 10 claims at the southwestern limits of Montviel property were acquired by map designation and combined with 10 existing claims to form the Montviel-Sud. This second split-out property, totalling 20 claims and 1111 hectares, was optioned out to MTM for its REE-Nb mineralization potential.

On August 5, 2024, MTM sent a notice to the Corporation to opt out of the option agreement for this property. Therefore, Geomega still owns 100% of the rights to this property.

23. RESEARCH AND DEVELOPMENT EXPENSES

	2025	2024
	$	$
Salaries and benefits	1,164,993	1,045,805
Share-based compensation	123,494	43,672
Professional fees	60,701	607,667
Material and furniture	299,497	197,128
General and administration	177,665	253,707
Depreciation of property, plant and equipment	186,391	115,443
Impairment of deposits on equipment	15,093	-
Impairment of property, plant and equipment	71,379	108,131
	2,099,213	**2,371,554**
Tax credits	(145,050)	(51,653)
Net R&D expenses	**1,954,163**	**2,319,901**

23. RESEARCH AND DEVELOPMENT EXPENSES (CONT'D)

23.1 Patent ownership and royalty agreement

On August 11, 2017, the Corporation and Innord entered into a patent ownership and royalty agreement (the "Agreement") with its Chief Technology Officer ("CTO") to insure the long-term development and commercialization of the Corporation's proprietary rare earths extraction and separation technologies. On April 26, 2022, the Agreement was updated with the new reality of the Corporation to include new expected and possible revenue streams.

The Extraction Royalty and the Separation Royalty or Generic Royalty (the "Royalties") to be granted to the CTO on commercialization under the Agreement may be summarized as follows:

- Extraction Royalty of 1.5% of the Net Profits for the extraction products. The royalty will increase to 2% if the gross profit margin of the operation ("GPM"), before subtracting the Royalties, is greater than 40% and it will be reduced to 1% if the GPM, before subtracting the Royalties, is less than 15%.

- Separation Royalty or Generic Royalty of 3% of the Net Sales Revenue for the separation products or Generic Products. The royalty will increase to 4% if the GPM, before subtracting the Royalties, is greater than 40% and it will be reduced to 2.5% if the GPM, before subtracting the Royalties, is less than 15%.

Pursuant to the Agreement, commercialization is deemed to occur at the earliest of:

- Extraction Royalty – if the Corporation's Montviel project has reached 100% of nameplate capacity or 12 months after reaching 60% capacity or after reaching 60% of capacity and no longer ramping up to 100%.

- Separation Royalty - Oxide separation at a rate of 50 kg/day of Separation Products in oxide form for at least (i) 10 consecutive business days or (ii) 20 business days during any 2-month period, and the receipt by the Corporation of the full payment of a first order relating to such production.

- Generic Royalty – Production of 50 kg / day of associated product to any of Generic Work Product in designated form for at least (i) 10 consecutive business days or (ii) 20 business days during any 2 months period, and received the full payment of a first order relating to such production.

In addition, and in order to secure the long-term commitment of the CTO, the Agreement provides that development work not currently covered by the patents that the Corporation has already filed, will be jointly owned by the CTO and the Corporation (for the extraction work) and Innord (for the separation work) until commercialization at which point such rights shall be assigned to the Corporation and Innord, as the case may be. Notwithstanding the CTO's joint ownership rights in respect of new development work described above, the CTO shall not have any right to make, use, sell, dispose, offer for sale, grant licenses, import, export or otherwise distribute products or practice processes covered by one or more claims of the patents or any intellectual property without the prior written consent of the Corporation and/or Innord, which may be withheld in their sole discretion. Nevertheless, if there is a change of control or if there is no commercialization, the CTO would be granted a non-exclusive commercialization licence.

24. INCOME TAXES

Income tax recovery differs from the amount that would be computed by applying the Canadian statutory income tax rate of 26.50% (2024 – 26.50%) to income before taxes. The reasons for the differences are as follows:

	2025	2024
	$	$
Loss before income taxes	(2,681,636)	(2,022,401)
Statutory tax rate	26.50%	26.50%
Expected income tax recovery	(710,634)	(535,936)
Non-deductible expenses and other	82,458	167,025
Change in deferred tax assets not recognized	531,264	368,911
Deferred tax recovery	**(96,912)**	**-**

The ability to realize the tax benefits is dependent upon a few factors, including the future profitability of operations. Deferred tax assets are recognized only to the extent that it is probable that sufficient taxable profits will be available to allow the asset to be recovered. Accordingly, some deferred tax assets have not been recognized; these deferred tax assets not recognized amount to $9,929,805 (2024 - $8,659,576).

The significant components of the deferred tax assets and (liabilities) of the Corporation are as follows:

	As at May 31, 2025	As at May 31, 2024
	$	$
Right of use assets	(493,732)	(533,115)
Lease obligations	493,732	-
Convertible debentures	(100,979)	-
Non-capital losses	100,979	533,115
	-	-

The Corporation has not recognized a deferred tax asset in respect of the following unrecognized deductible temporary differences:

	As at May 31, 2025	As at May 31, 2024
	$	$
Intangible assets	14,870	14,870
Investment in an associate	2,107,143	-
Property, plant and equipment	1,071,770	638,431
Exploration expenses	11,592,317	11,285,073
Research and development expenditures	2,597,486	2,993,541
Lease obligations	359,345	2,240,827
Share issuance costs	26,953	39,576
Non-capital losses	16,365,288	12,785,445
	34,135,172	**29,997,763**

24. INCOME TAXES

As at May 31, 2025, the Corporation has not recognized a deferred tax asset in respect of the following non-capital losses, which are available to reduce future year's income for tax purposes and expire as follows:

	Federal	Provincial
	$	$
2031	201,024	201,024
2032	1,943,591	1,943,591
2033	2,398,375	2,444,550
2034	1,483,287	1,483,287
2035	1,978,913	1,978,913
2036	1,250,612	1,250,613
2037	821,796	819,923
2038	512,820	512,363
2039	403,562	403,562
2040	560,477	519,290
2041	768,317	694,822
2042	613,763	596,270
2043	362,239	362,239
2044	1,199,349	1,199,349
2045	1,867,163	1,867,163
	16,365,288	**16,276,959**

As at May 31, 2025, the Corporation has tax credits of $448,866 ($448,866 as at May 31, 2024) which are available to reduce future year's income taxes payable.

25. FINANCIAL INSTRUMENTS AND RISKS

Objectives and policies concerning financial risk management.

The Corporation is exposed to different financial risks resulting from its operating, investing and financing activities. The management of financial risks is done by the management of the Corporation. The Corporation does not enter into agreements for financial instruments, including financial derivatives, for speculation purposes.

25.1 Interest rate risk

When the Corporation has cash balances, the current policy is to invest excess cash in certificates of deposit or other low-risk short-term investments. The other financial assets and liabilities of the Corporation excluding the convertible debentures do not bear interest. The Corporation does not use financial derivatives to decrease its exposure to interest risk. A variation of plus or minus 1% change in the rates would not have a material impact on the assets and liabilities and net loss of the Corporation.

25.2 Liquidity risk

Liquidity risk is the risk that the Corporation will not be able to meet the obligations associated with its financial liabilities. Management believes that it has sufficient funds to finance its operations and meet its obligations as they come due.

25. FINANCIAL INSTRUMENTS AND RISKS (CONT'D)

As at May 31, 2025, the Corporation is committed to future minimum payments of principal and interest on the debt, as follows:

	Up to 1 year	1 to 5 years	More than 5 years	Total
	$	$	$	$
Trade and other payables, excluding salaries and vacations payable	834,359	-	-	834,359
Lease Liabilities – Current contractual maturities[1]	313,174	599,928	-	913,102
Lease Liabilities – Future renewal options[1]	-	734,287	3,120,181	3,854,468
Convertible debentures	242,731	2,508,225	-	2,750,956
	1,390,264	**3,842,440**	**3,120,181**	**8,352,885**

1. The amount presented as a liability in the consolidated statement of financial position is based on an expected duration of 15 years for the Saint-Hubert lease (including two terms of 5 years renewals).

25.3 Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. Generally, the maximum credit risk is equivalent to the carrying value of financial assets exposed to credit risk, less any impairment. The Corporation is subject to credit risk through cash and accounts receivables and investments in guaranteed investment certificates. The Corporation reduces its credit risk by maintaining its cash and guaranteed investment certificates in Canadian chartered bank accounts from which management believes the risk of loss is minimal. The Corporation considers the risk associated with the accounts receivable to be insignificant, as they are owed by major companies.

25.4 Foreign exchange risk

The Corporation is exposed to foreign exchange risk arising from currency volatility, primarily with respect to the US dollar. The Corporation holds balances in cash denominated in U.S. dollars and is therefore exposed to gains or losses on foreign exchange.

As at May 31, 2025, the balance in U.S. dollars held by the Corporation was as follows:

	As at May 31, 2025	As at May 31, 2024
	$	$
Cash	3,915	60,891
Investments included in cash equivalents	-	86
Accounts receivable	31,470	-
Net exposure, in US dollars	35,385	60,977
Equivalent in Canadian dollars	**47,532**	**83,453**

Based on the balance as at May 31, 2025, a 5% fluctuation in the exchange rates on that date (with all other variables being constant) would have resulted in a variation of net earnings and equity of $2,377 as at May 31, 2025 ($4,173 as at May 31, 2024).

25. FINANCIAL INSTRUMENTS AND RISKS (CONT'D)

25.5 Fair value of financial instruments

The carrying value of cash and cash equivalents, accounts receivables, investments, y and trade and other payables are considered to be a reasonable approximation of their fair value because of the short-term maturity and contractual terms of these instruments.

The fair value of the convertible debentures (Level 2) is based on discounted cash flows and is not materially different from its carrying value because there was no material change in the assumptions used for fair value determination at inception. Therefore, their principal amounts approximate their fair value.

The investments in a listed company are measured on the basis of stock market prices(Level 1).

26. RELATED PARTY TRANSACTIONS

26.1 Transactions with related parties

In the normal course of business:

- A firm in which a director was a partner charged professional fees amounting to $24,842 during Fiscal 2025 ($48,074 in Fiscal 2024).

Out of the normal course of business:

- No officers or directors of the Corporation exercised options or participated in a private placement during Fiscal 2025 (1,250,000 options exercised for a value of $106,250 in Fiscal 2024).

26.2 Billing according to agreement with Kintavar

	2025	2024
	$	$
Salaries, employee benefits and share-based compensation	2,946	4,312
Exploration and evaluation, net of tax credits	(15,080)	(1,863)
Research and development, net of tax credits	-	(6,379)
Travel, conventions and investor relations	12,673	14,975
Administration	8,550	-
Rent	11,100	11,100
Total	**20,189**	**22,145**

As of May 31, 2025, there was an amount of $7,770 payable to Kintavar (a receivable of $14,450 as of May 31, 2024).

26.3 Allowance for Termination or Change of Control

There are certain employment agreements between key management and the Corporation that contain a termination provision and a change of control provision. If the provision for termination without cause or change of control involving adverse changes to duties assigned to key management had occurred as of May 31, 2025, the amounts payable for the executive team would have totalled $380,000 and $1,160,000 respectively. In the case of termination for cause, no compensation would be paid.

27. ADDITIONAL INFORMATION RELATING TO THE CONSOLIDATED STATEMENT OF CASH FLOW

Change in non-cash working capital items

	2025	2024
	$	$
Accounts receivable	477,155	(219,450)
Tax credits and government grants receivable	186,666	(776,414)
Prepaid and other expenses	25,698	(275,176)
Inventories	(186)	(2,692)
Trade and other payables	(407,830)	175,117
Deferred revenues	242,672	(121,371)
Deferred grants attributable to operations	(817,375)	888,797
	(293,200)	**(331,189)**

Non-Cash Transactions

	2025	2024
	$	$
Government grants receivable for the acquisition of inventories	3,147	506
Government grants receivable for deposits made on the purchase of equipment	87,997	(106,011)
Government grants receivable for the purchase of property, plant and equipment	(536,832)	110,875
Property, plant and equipment acquired in accounts payables	(585,405)	-
Acquisition of a right-of-use asset against a lease obligation	-	28,500
Disposal of a right-of-use asset against a lease obligation	-	130,125

28. SUBSEQUENT EVENTS

Between May 31, 2025 and August 19, 2025, 4,854,667 warrants and 500,000 Options were exercised for total proceeds of $735,060.