

# RockTech Lithium

Rock Tech Lithium Inc.  
Consolidated Financial Statements  
December 31, 2025

Expressed in Canadian Dollars (CAD)

Independent Auditor's Report  
Consolidated Statements of Financial Position  
Consolidated Statements of Loss and Comprehensive Loss  
Consolidated Statements of Shareholders' Equity  
Consolidated Statements of Cash Flows  
Notes to the Consolidated Financial Statements

To the Shareholders of Rock Tech Lithium Inc.:

## Opinion

We have audited the consolidated financial statements of Rock Tech Lithium Inc. (the "Company"), which comprise the consolidated statements of financial position as at December 31, 2025 and December 31, 2024, and the consolidated statements of loss and comprehensive loss, consolidated statements of shareholders' equity and consolidated statements of cash flows for the years then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Company as at December 31, 2025 and December 31, 2024, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with IFRS® Accounting Standards.

## Basis for Opinion

We conducted our audits 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 audits 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. We have determined that there are no key audit matters to communicate in our report.

## Other Information

Management is responsible for the other information. The other information comprises Management's Discussion and Analysis, but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audits of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audits 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. 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 as issued by the International Accounting Standards Board, 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 consolidated financial information of the entities or business units within the Company as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for the 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 audits and significant audit findings, including any significant deficiencies in internal control that we identify during our audits.

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.

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

Vancouver, British Columbia

April 10, 2026

*MNP* **LLP**  
Chartered Professional Accountants

Rock Tech Lithium Inc.  
Consolidated Statements of Financial Position  
(Expressed in Canadian dollars)

	<i>Note</i>	<b>December 31, 2025</b>	December 31, 2024
<b>ASSETS</b>			
<b>Current assets</b>			
Cash		\$ 2,660,049	\$ 3,684,092
Restricted cash	9	341,168	-
Receivables	3	758,470	298,916
Prepaid expenses and deposits		343,646	368,596
<b>Total Current Assets</b>		<b>4,103,333</b>	4,351,604
<b>Non-current assets</b>			
Property, plant and equipment	4	3,312,493	3,268,862
Right of use assets	5	381,796	565,868
Exploration and evaluation assets	6	27,555,393	26,997,254
Investment in joint venture	7	797,677	759,605
<b>TOTAL ASSETS</b>		<b>\$ 36,150,692</b>	\$ 35,943,193
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>			
<b>Current liabilities</b>			
Accounts payable and accrued liabilities	8, 11	\$ 1,425,474	\$ 2,477,404
Current portion of lease liabilities	5	267,865	234,115
Deferred government grant	9	341,168	-
<b>Total Current Liabilities</b>		<b>2,034,507</b>	2,711,519
<b>Non-current liabilities</b>			
Non-current portion of lease liabilities	5	151,221	381,447
<b>TOTAL LIABILITIES</b>		<b>2,185,728</b>	3,092,966
<b>SHAREHOLDERS' EQUITY</b>			
Share capital	10	181,938,793	172,341,548
Reserves	10	28,334,230	25,470,439
Accumulated other comprehensive income		587,303	282,465
Deficit		(176,895,362)	(165,244,225)
<b>TOTAL SHAREHOLDERS' EQUITY</b>		<b>33,964,964</b>	32,850,227
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>		<b>\$ 36,150,692</b>	\$ 35,943,193

SUBSEQUENT EVENT (Note 17)

Approved on behalf of the Board on April 10, 2026:

*"Dirk Harbecke"*

Dirk Harbecke – Director

*"Michelle Gahagan"*

Michelle Gahagan – Director

Rock Tech Lithium Inc.  
Consolidated Statements of Loss and Comprehensive Loss  
(Expressed in Canadian dollars)

		<b>Year ended December 31,</b>	
	<i>Note</i>	<b>2025</b>	<b>2024</b>
<b>Expenses</b>			
Consulting fees		\$ 2,166,545	\$ 1,770,653
Community relations	10	798,708	54,723
Depreciation	4, 5	437,781	425,057
Downstream development	12	792,764	3,815,641
Finance charges	5	21,801	28,905
Foreign exchange loss	13	105,119	104,569
General administration		1,207,791	1,521,882
Marketing and communication		244,999	275,089
Professional fees		1,136,215	1,267,536
Research and development	9	248,189	-
Salaries and wages		2,834,754	2,984,683
Stock-based payments	10	1,927,703	3,192,244
<b>Total expenses</b>		<b>(11,922,369)</b>	<b>(15,440,982)</b>
<b>Other items:</b>			
Interest income	3	(67,532)	(241,574)
Government grant income	9	(111,997)	-
Share of net loss (income) in joint venture	7	(75,714)	65,913
<b>Net loss for the period (before taxes)</b>		<b>(11,667,126)</b>	<b>(15,265,321)</b>
Current income tax recovery (expense)	16	15,989	(25,577)
<b>Net loss for the year</b>		<b>\$ (11,651,137)</b>	<b>\$ (15,290,898)</b>
Other comprehensive income:			
Item that may be reclassified to profit or loss			
Foreign currency translation		304,838	235,831
<b>Comprehensive loss for the year</b>		<b>\$ (11,346,299)</b>	<b>\$ (15,055,067)</b>
<b>Loss per share - basic and diluted</b>		<b>\$ (0.11)</b>	<b>\$ (0.15)</b>
<b>Weighted average number of shares outstanding - basic and diluted</b>		<b>109,513,968</b>	<b>101,940,155</b>

Rock Tech Lithium Inc.  
Consolidated Statements of Shareholders' Equity  
(Expressed in Canadian dollars)

	Common Shares		Reserves			Accumulated other comprehensive income	Deficit	Total Shareholders' Equity	
	Note	Number	Amount	Conversion feature reserve	Stock option reserve				Warrant reserve
<b>Balance, December 31, 2023</b>		<b>101,255,039</b>	<b>\$ 168,981,921</b>	<b>\$ 75,994</b>	<b>\$ 19,464,293</b>	<b>\$ 2,809,440</b>	<b>\$ 46,634</b>	<b>\$ (149,953,327)</b>	<b>\$ 41,424,955</b>
Units issued in private placement		2,761,498	3,313,798	-	-	-	-	-	3,313,798
Share issuance costs		-	(104,103)	-	-	-	-	-	(104,103)
Shares issued on exercise of stock options		80,000	149,932	-	(71,532)	-	-	-	78,400
Stock-based payments	10	-	-	-	3,192,244	-	-	-	3,192,244
Loss and comprehensive income for the year		-	-	-	-	-	235,831	(15,290,898)	(15,055,067)
<b>Balance, December 31, 2024</b>		<b>104,096,537</b>	<b>\$ 172,341,548</b>	<b>\$ 75,994</b>	<b>\$ 22,585,005</b>	<b>\$ 2,809,440</b>	<b>\$ 282,465</b>	<b>\$ (165,244,225)</b>	<b>\$ 32,850,227</b>
Units issued in private placements	10	11,231,621	10,223,206	-	-	285,253	-	-	10,508,459
Share issuance costs	10	-	(625,961)	-	-	(25,497)	-	-	(651,458)
Stock-based payments	10	-	-	-	1,927,703	-	-	-	1,927,703
Expenses paid by issuance of warrants	10	-	-	-	-	676,332	-	-	676,332
Loss and comprehensive income for the year		-	-	-	-	-	304,838	(11,651,137)	(11,346,299)
<b>Balance, December 31, 2025</b>		<b>115,328,158</b>	<b>\$ 181,938,793</b>	<b>\$ 75,994</b>	<b>\$ 24,512,708</b>	<b>\$ 3,745,528</b>	<b>\$ 587,303</b>	<b>\$ (176,895,362)</b>	<b>\$ 33,964,964</b>

The accompanying notes are an integral part of the consolidated financial statements

Rock Tech Lithium Inc.  
Consolidated Statements of Cash Flows  
(Expressed in Canadian dollars)

		Year ended December 31,	
	Note	2025	2024
<b>Operating Activities</b>			
Net loss for the year		\$ (11,651,137)	\$ (15,290,898)
Items Not Affecting Cash:			
Depreciation	4, 5	437,781	425,057
Finance charges	5	21,801	28,905
Interest income	3	9,864	-
Share of net (income) loss in joint venture	7	(75,714)	65,913
Stock-based payments	10	1,927,703	3,192,244
Lease modification	5	-	(5,319)
Current income tax expense	16	-	25,577
Expenses paid by issuance of warrants	10	676,332	-
Government grant income	9	(111,997)	-
Changes in Non-Cash Operating Working Capital:			
Receivables		(469,418)	192,228
Prepaid expenses and deposits		24,950	262,324
Accounts payable and accrued liabilities		(559,304)	(1,293,189)
<b>Net Cash used in Operating Activities</b>		<b>(9,769,139)</b>	<b>(12,397,158)</b>
<b>Investing Activities</b>			
Expenditures on exploration and evaluation assets	6	(608,802)	(1,743,562)
Purchase of property, plant and equipment	4	(201,528)	(25,543)
Transfer to restricted cash	9	(341,168)	-
<b>Net Cash used in Investing Activities</b>		<b>(1,151,498)</b>	<b>(1,769,105)</b>
<b>Financing Activities</b>			
Proceeds from private placements	10	10,508,459	3,313,798
Share issuance costs	10	(651,458)	(104,103)
Proceeds from option exercises	10	-	78,400
Receipt of government grant	9	212,730	-
Lease payments made	5	(272,839)	(249,750)
<b>Net Cash provided by Financing Activities</b>		<b>9,796,892</b>	<b>3,038,345</b>
Effect of foreign exchange on cash		99,702	101,593
Net change in cash and cash equivalents		(1,024,043)	(11,026,325)
Cash, beginning of year		3,684,092	14,710,417
<b>Cash, end of year</b>		<b>\$ 2,660,049</b>	<b>\$ 3,684,092</b>

**Supplemental cash flow information:**

- As at December 31, 2025, exploration and evaluation expenditures included in accounts payable and accrued liabilities totaled \$39,283 (December 31, 2024 - \$89,946).
- As at December 31, 2025, purchases of property, plant and equipment included in accounts payable and accrued liabilities totaled \$nil (December 31, 2024 - \$201,528).
- During the year ended December 31, 2025, the Company paid income taxes of \$108,642 (2024 - \$150,632).

Rock Tech Lithium Inc.  
Notes to the Consolidated Financial Statements  
For the years ended December 31, 2025 and 2024  
(Expressed in Canadian dollars)

**1. Nature of operations**

Rock Tech Lithium Inc. (the “Company”) was incorporated in British Columbia (“BC”) and is a Tier I listed issuer on the TSX Venture Exchange (“TSX-V”) and trades under the symbol “RCK”. The Company is strategically focused on developing and optimizing high-quality battery grade lithium hydroxide monohydrate through the construction and operation of multiple lithium hydroxide manufacturing plants (each, a “Converter”) in Europe and North America, beginning with the Company’s proposed lithium hydroxide merchant Converter and refinery facility in Guben, Germany (the “Guben Converter”) and on developing its wholly-owned Georgia Lake spodumene project located in the Thunder Bay Mining District of Ontario, Canada (the “Georgia Lake Project”). The head office, principal address and records office of the Company is located at 40 Temperance Street, Suite 2700, Toronto, ON, Canada, M5H 0B4.

**2. Basis of preparation and material accounting policies**

These consolidated financial statements were authorized for issue on April 10, 2026, by the directors of the Company.

***Basis of preparation***

The consolidated financial statements have been prepared in accordance with accounting policies as prescribed under IFRS® Accounting Standards as issued by the International Accounting Standards Board (“IASB”) and interpretations of the International Financial Reporting Interpretations Committee (“IFRIC”) (together, “IFRS”).

The consolidated financial statements of the Company have been prepared on an accrual basis and are based on historical costs, modified where applicable. The consolidated financial statements are presented in Canadian dollars (CAD) unless otherwise noted.

***Functional and presentation currency***

The Company’s functional currency is the Canadian dollar. The functional currency is determined based on the primary economic environment in which the Company operates. The consolidated financial statements are prepared in Canadian dollars, which is the Company’s reporting currency.

***Foreign Currency Transactions and Translations***

Foreign currency transactions are recorded at the exchange rate as at the date of the transaction. All gains and losses on translation of these foreign currency transactions are included in profit and loss.

Gains and losses resulting from translating the financial statements of an entity whose functional currency differs from the presentation currency are recorded in other comprehensive income (loss). Assets and liabilities denominated in foreign currencies are translated into Canadian dollars at rates prevailing at the balance sheet date. Income and expenses of foreign operations are translated at average rates of exchange for the reporting period.

Rock Tech Lithium Inc.  
Notes to the Consolidated Financial Statements  
For the years ended December 31, 2025 and 2024  
(Expressed in Canadian dollars)

**2. Basis of preparation and material accounting policies (continued)**

***Consolidation***

The consolidated financial statements include the accounts of the Company and its wholly owned subsidiaries. Details of wholly owned subsidiaries are as follows:

<b>Subsidiary</b>	<b>Province / Country of incorporation</b>	<b>Functional currency</b>	<b>Percentage owned</b>	
			<b>December 31, 2025</b>	<b>December 31, 2024</b>
Rock Tech Georgia Lake Inc.	Ontario	CAD	100%	100%
Rock Tech Consulting GmbH	Germany	EUR	100%	100%
Rock Tech Guben GmbH	Germany	EUR	100%	100%
Rock Tech Superior North	Ontario	CAD	100%	100%

Inter-company balances and transactions, including income and expenses arising from inter-company transactions, are eliminated on consolidation.

***Cash and cash equivalents***

Cash and cash equivalents include cash on hand, deposits held at call with banks, and other short-term highly liquid investments with original maturities of three months or less.

***Property, plant and equipment***

Property, plant and equipment are stated at historical cost less accumulated amortization and accumulated impairment losses. 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 benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognized. All other repairs and maintenance are charged to the statement of loss and comprehensive loss during the financial period in which they are incurred. Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognized in profit or loss.

The following table discloses the useful life of each property, plant, and equipment category:

<b>Category</b>	<b>Useful Life (Years)</b>
Building	16
Leasehold Improvements	4
Equipment	4
Computer Software	3

Land and asset under construction are recorded at cost and are not subject to amortization.

***Exploration and evaluation expenditures***

Exploration and evaluation expenditures include the costs of acquiring licenses, costs associated with exploration and evaluation activity, and the fair value (at acquisition date) of exploration and evaluation assets acquired in a business combination. Exploration and evaluation expenditures are capitalized. Costs incurred before the Company has obtained the legal rights to explore an area are recognized in profit or loss. Government tax credits received are recorded as a reduction to the cumulative costs incurred and capitalized on the related property.

Once the technical feasibility and commercial viability of the extraction of mineral resources in an area of interest are demonstrable, exploration and evaluation assets attributable to that area of interest are first tested for impairment and then reclassified to mining property and development assets within property, plant and equipment.

**2. Basis of preparation and material accounting policies (continued)**

Recoverability of the carrying amount of any exploration and evaluation assets is dependent on successful development and commercial exploitation, or alternatively, sale of the respective areas of interest.

***Downstream development expenditures***

Downstream development expenditures include the costs of conducting prospective site due diligence, basic engineering, drafting, metallurgical testing and project management related to the Company's planned lithium hydroxide converter facility. Downstream development expenditures are expensed in the period in which they are incurred and will be capitalized only after technical and commercial feasibility of the facility as been established.

***Impairment of assets***

The carrying amount of the Company's assets (which include property, plant and equipment and exploration and evaluation assets) is reviewed at each reporting date to determine whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. An impairment loss is recognized whenever the carrying amount of an asset or its cash generating unit exceeds its recoverable amount. Impairment losses are recognized in the statement of loss and comprehensive loss.

The recoverable amount of assets is the greater of an asset's fair value less cost 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 the current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

An impairment loss is only reversed if there is an indication that the impairment loss may no longer exist and there has been a change in the estimates used to determine the recoverable amount, however, not to an amount higher than the carrying amount that would have been determined had no impairment loss been recognized in previous years.

Intangible assets that have an indefinite useful life are not subject to amortization and are tested annually for impairment.

***Investment in joint venture***

A joint venture is a joint arrangement whereby the parties to the joint arrangement have joint control of the investee and has rights to the net assets of the investee. On the initial recognition, the investment in joint venture is recognised at cost, and the carrying amount is increased or decreased to recognise the company's share of the profit or loss of the investee after the date of investment. The Company's share of the investee's profit or loss is recognised in the Company's consolidated statement of loss and comprehensive loss. The distributions received from an investee reduce the carrying amount of the investment. The carrying amount is also adjusted for changes in the Company's proportionate interest in the investee arising from changes in the investee's other comprehensive income. The Company's share of those changes is recognised in the Company's other comprehensive income on the consolidated statement of loss and comprehensive loss.

## 2. Basis of preparation and material accounting policies (continued)

### ***Right of use assets and lease liabilities***

The Company assesses whether a contract is or contains a lease at inception of the contract. A lease is recognized as a right-of-use asset and corresponding liability at the commencement date. Each lease payment included in the lease liability is apportioned between the repayment of the liability and an interest expense. Lease liabilities represent the net present value of fixed lease payments (including in-substance fixed payments); variable lease payments based on an index, rate, or subject to a fair market value renewal condition; amounts expected to be payable by the lessee under residual value guarantees, the exercise price of a purchase option if the Company is reasonably certain to exercise that option, and payments of penalties for terminating the lease, if it is probable that the lessee will exercise that option.

The Company's lease liability is recognized net of lease incentives receivable. The lease payments are discounted using the interest rate implicit in the lease or, if that rate cannot be determined, the Company's incremental borrowing rate. The period over which the lease payments are discounted is the expected lease term, including renewal and termination options that the Company is reasonably certain to exercise. Payments associated with short-term leases and leases of low-value assets are recognized as an expense on a straight-line basis in general and administration and sales and marketing expense in the statement of loss and comprehensive loss. Short-term leases are defined as leases with a lease term of 12 months or less. Variable lease payments that do not depend on an index, rate, or subject to a fair market value renewal condition are expensed as incurred, in the statement of loss and comprehensive loss.

Right-of-use assets are measured at cost, which is calculated as the amount of the initial measurement of lease liability plus any lease payments made at or before the commencement date, any initial direct costs and related restoration costs. The right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the useful life of the asset.

### ***Government grant***

Government grants are recognized in accordance with IAS 20 – *Accounting for Government Grants and Disclosure of Government Assistance*. Government grants are recognized when there is reasonable assurance that the Company will comply with the conditions attached to the grant and that the grant will be received. Grants related to assets are presented in the statement of financial position either by setting up the grant as deferred income or by deducting the grant from the carrying amount of the asset. The Company has elected to present asset-related grants as a deduction from the carrying amount of asset.

### ***Restoration and environmental obligations***

The Company recognizes liabilities for statutory, contractual, constructive or legal obligations associated with the retirement of long-term assets, when those obligations result from the acquisition, construction, development or normal operation of the assets. The net present value of future restoration cost estimates arising from the decommissioning of plant and other site preparation work is capitalized to exploration and evaluation assets along with a corresponding increase in the restoration provision in the period incurred. Discount rates using a pre-tax rate that reflect the time value of money are used to calculate the net present value. The restoration asset will be depreciated on the same basis as other mining assets.

The Company's estimates of restoration costs could change as a result of changes in regulatory requirements, discount rates and assumptions regarding the amount and timing of the future expenditures. These changes are recorded directly to mining assets with a corresponding entry to the restoration provision. The Company's estimates are reviewed annually for changes in regulatory requirements, discount rates, effects of inflation and changes in estimates.

Changes in the net present value that relate to updated reclamation cost estimates are recorded against the associated mineral property. Accretion arising from unwinding of the discount is charged to consolidated statement of loss and comprehensive loss for the period.

**2. Basis of preparation and material accounting policies (continued)**

The net present value of restoration costs arising from subsequent site damage that is incurred on an ongoing basis during production are charged to consolidated statement of loss and comprehensive loss in the period incurred.

The costs of restoration projects are recorded against the provision as incurred. The costs to prevent and control environmental impacts at specific properties are capitalized in accordance with the Company's accounting policy for exploration and evaluation assets.

***Share capital***

Common shares are classified as equity. Transaction costs directly attributable to the issuance of common shares and common share warrants are recognized as a deduction from equity. The Company has adopted the residual method with respect to the measurement of common shares and warrants issued as equity units, whereby the value of the units is allocated to the value of the common shares first and the residual is allocated to the warrants.

***Stock-based payments***

The Company operates an employee stock option plan. Stock-based payments to employees are measured at the fair value of the instruments issued and amortized over the vesting periods. Stock-based payments to non-employees are measured at the fair value of goods or services received or the fair value of the equity instruments issued, if it is determined the fair value of the goods or services cannot be reliably measured and are recorded at the date the goods or services are received. The corresponding amount is recorded to the option reserve. The fair value of options is determined using the Black–Scholes Option Pricing Model. The number of shares and options expected to vest is reviewed and adjusted at the end of each reporting period such that the amount recognized for services received as consideration for the equity instruments granted shall be based on the number of equity instruments that eventually vest.

***Financial Instruments***

**Classification**

The Company classifies its financial instruments in the following categories: at fair value through profit and loss ("FVTPL"), at fair value through other comprehensive loss ("FVTOCI") or at amortized cost. The Company determines the classification of financial assets at initial recognition. The classification of financial instruments is driven by the Company's business model for managing the financial assets and their contractual cash flow characteristics. Equity instruments that are held for trading are classified as FVTPL. For other equity instruments, on the day of acquisition the Company can make an irrevocable election (on an instrument-by-instrument basis) to designate them as at FVTOCI. Financial liabilities are measured at amortized cost, unless they are required to be measured at FVTPL (such as instruments held for trading or derivatives) or if the Company has opted to measure them at FVTPL.

The following table shows the classification under IFRS 9:

Financial assets/liabilities	Classification under IFRS 9
Cash and cash equivalents	Amortized cost
Restricted cash	Amortized cost
Receivables	Amortized cost
Trade payables	Amortized cost

**Measurement**

**Financial assets and liabilities at amortized cost**

Financial assets and liabilities at amortized cost are initially recognized at fair value plus or minus transaction costs, respectively, and subsequently carried at amortized cost less any impairment.

## 2. Basis of preparation and material accounting policies (continued)

### Financial assets and liabilities at FVTPL

Financial assets and liabilities carried at FVTPL are initially recorded at fair value and transaction costs are expensed in the statements of comprehensive loss. Realized and unrealized gains and losses arising from changes in the fair value of the financial assets and liabilities held at FVTPL are included in the statements of comprehensive loss in the period in which they arise. Where management has opted to recognize a financial liability at FVTPL, any changes associated with the Company's own credit risk will be recognized in other comprehensive loss.

### **Impairment of financial assets at amortized cost**

The Company recognizes a loss allowance for expected credit losses on financial assets that are measured at amortized cost. At each reporting date, the Company measures the loss allowance for the financial asset at an amount equal to the lifetime expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition. If at the reporting date, the credit risk of the financial asset has not increased significantly since initial recognition, the Company measures the loss allowance for the financial asset at an amount equal to the twelve month expected credit losses. The Company shall recognize in the statements of loss and comprehensive loss, as an impairment gain or loss, the amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognized.

### **Derecognition**

#### Financial assets

The Company derecognizes financial assets only when the contractual rights to cash flows from the financial assets expire, or when it transfers the financial assets and substantially all of the associated risks and rewards of ownership to another entity. Gains and losses on derecognition are generally recognized in the statements of comprehensive loss.

#### Financial liabilities

The Company derecognizes a financial liability when its contractual obligations are discharged, cancelled or expire. The Company also derecognizes a financial liability when the terms of the liability are modified such that the terms and/or cash flows of the modified instrument are substantially different, in which case a new financial liability based on the modified terms is recognized at fair value.

Gains and losses on derecognition are generally recognized in profit or loss.

### **Income taxes**

#### Current income tax:

Income tax expense consisting of current tax expense is recognized in profit or loss. Current tax expense is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at year-end, adjusted for amendments to tax payable with regard to previous years.

#### Deferred income tax:

Deferred income tax is recognized, using the asset and liability method, on temporary differences at the reporting date arising between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

The carrying amount of deferred income tax assets is reviewed at the end of each reporting period and recognized only to the extent that it is probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

## 2. Basis of preparation and material accounting policies (continued)

Deferred income tax assets and deferred income tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred income taxes relate to the same taxable entity and the same taxation authority.

### ***Recent accounting pronouncements***

#### **Amendments to IFRS 9 and IFRS 7 – Classification and Measurement Updates**

In May 2024, the IASB issued Amendments to the Classification and Measurement of Financial Instruments (Amendments to IFRS 9 and IFRS 7), updating classification, measurement, and disclosure requirements.

The amendments clarify the recognition and derecognition dates for certain financial assets and liabilities and update the treatment of financial liabilities settled via electronic payment systems. They also refine the assessment of contractual cash flow characteristics to determine whether financial assets meet the ‘solely payments of principal and interest’ (SPPI) criterion, particularly for assets with environmental, social, and governance (ESG)-linked or other contingent features.

Additionally, new disclosure requirements have been introduced for financial instruments with contingent features unrelated to basic lending risks and costs, along with revisions to disclosures for equity instruments designated at fair value through other comprehensive income.

These amendments are effective for annual periods beginning on or after January 1, 2026. The Company expects these amendments to have minimal impact on its consolidated financial statements.

#### **Issuance of IFRS 18 *Presentation and Disclosures in Financial Statements***

On April 9, 2024, the IASB issued IFRS 18 *Presentation and Disclosures in Financial Statements*, which replaces IAS 1 while retaining many of its existing principles with limited changes. IFRS 18 is effective for reporting periods beginning on or after January 1, 2027, including comparative information. It does not affect the recognition or measurement of financial statement items but may impact the presentation of “operating profit or loss”. Key changes introduced by IFRS 18 include:

- a revised structure for the statement of profit or loss;
- new disclosure requirements for management-defined performance measures reported outside the financial statements; and
- enhanced principles for aggregation and disaggregation across the primary financial statements and notes.

The Company is currently assessing the impact of IFRS 18 on its consolidated financial statements. The standard is expected to result in changes to the presentation of the Company’s consolidated statements of income, by requiring all income and expenses to be classified into the three main categories of operating, investing and financing. Specifically, we anticipate changes to the presentation of certain income and expense items, for example, that foreign exchange gains and losses will be classified in the same category as the items that gave rise to the exchange difference, rather than being combined into one line. The cash flow statement will begin with the new IFRS 18-specified subtotal of operating profit. We expect to apply IFRS 18 on its effective date with full retrospective application, including restated comparative information.

**2. Basis of preparation and material accounting policies (continued)**

***Significant estimates and assumptions***

The preparation of the Company's consolidated financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities and contingent liabilities at the date of the consolidated financial statements and reported amounts of revenues and expenses during the reporting period. Estimates and assumptions are continuously evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. However, actual outcomes can differ from these estimates.

Estimates and assumptions where there is significant risk of material adjustments to assets and liabilities in future accounting periods include the useful lives of property, plant and equipment, the recoverability of the carrying value of exploration and evaluation assets, fair value measurements for financial instruments and stock-based payments and other equity-based payments, the recognition and valuation of provisions for restoration and environmental liabilities, and the recoverability and measurement of deferred tax assets and liabilities. Actual results may differ from those estimates and assumptions.

***Significant judgments***

The preparation of financial statements in accordance with IFRS requires the Company to make judgments, apart from those involving estimates, in applying accounting policies. The most significant judgments applying to the Company's financial statements include: the assessment of the Company's ability to continue as a going concern and whether there are events or conditions that may give rise to significant uncertainty, the classification / allocation of expenditures as exploration and evaluation expenditures or operating expenses, the classification / allocation of downstream development costs as capital assets or operating expenses, whether the Company has control, joint control or significant influence over its investments, whether joint arrangements are joint ventures or jointly controlled operations, and whether mineral properties are in the exploration and evaluation stage or have established technical feasibility and commercial viability.

The Company does not yet have a source of revenue and its continuation as a going-concern is dependent upon the successful results of its mineral property exploration and downstream development activities and its ability to raise equity capital sufficient to meet current and future obligations. The Company has a successful track record of raising equity financing (note 10), and as at December 31, 2025, the Company had cash of \$2,900,483 (December 31, 2024 - \$3,684,092) which, in management's judgement, alleviates significant doubt about the Company's ability to continue as a going concern given its budgeted cashflow requirements.

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**3. Receivables**

	<b>December 31 2025</b>	<b>December 31 2024</b>
Promissory note receivable	\$ 503,040	\$ -
GST/VAT receivables	255,430	298,916
	<b>758,470</b>	<b>298,916</b>

On October 6, 2025, the Company entered into a promissory note with a shareholder of the Company, pursuant to which the Company advanced €300,000 (\$493,176). The note bears interest at a rate of 8% per annum and matures on March 31, 2026. Principal and accrued interest are payable at maturity. Any amounts of principal or interest not paid when due will accrue interest at a rate of 12% per annum, payable on demand, from the date of default until paid in full. During the year ended December 31, 2025, the promissory note earned interest income of \$9,864.

**4. Property, plant, and equipment**

	Land	Building	Leasehold Improvements	Equipment	Computer Software	Asset under Construction	Total
<b>Cost:</b>							
At December 31, 2023	\$ 1,854,308	\$ 76,752	\$ 28,224	\$ 164,086	\$ 506,729	\$ 1,310,181	\$ 3,940,280
Foreign exchange	39,064	-	595	2,216	10,676	27,601	80,152
Adjustment to purchase price	(36,409)	-	-	-	-	(447,488)	(483,897)
Additions for the year	23,503	-	-	2,040	-	201,528	227,071
At December 31, 2024	\$ 1,880,466	\$ 76,752	\$ 28,819	\$ 168,342	\$ 517,405	\$ 1,091,822	\$ 3,763,606
Foreign exchange	146,250	-	2,241	23,860	40,240	84,915	297,506
<b>At December 31, 2025</b>	<b>\$ 2,026,716</b>	<b>\$ 76,752</b>	<b>\$ 31,060</b>	<b>\$ 192,202</b>	<b>\$ 557,645</b>	<b>\$ 1,176,737</b>	<b>\$ 4,061,112</b>
<b>Accumulated amortization:</b>							
At December 31, 2023	\$ -	\$ (1,209)	\$ (3,003)	\$ (128,144)	\$ (145,960)	\$ -	\$ (278,316)
Foreign exchange	-	-	(117)	(1,725)	(4,350)	-	(6,192)
Charge for the year	-	(1,209)	(7,304)	(30,530)	(171,193)	-	(210,236)
At December 31, 2024	\$ -	\$ (2,418)	\$ (10,424)	\$ (160,399)	\$ (321,503)	\$ -	\$ (494,744)
Foreign exchange	-	-	47	(23,425)	(27,730)	-	(51,108)
Charge for the year	-	(8,435)	(8,788)	(7,294)	(178,250)	-	(202,767)
<b>At December 31, 2025</b>	<b>\$ -</b>	<b>\$ (10,853)</b>	<b>\$ (19,165)</b>	<b>\$ (191,118)</b>	<b>\$ (527,483)</b>	<b>\$ -</b>	<b>\$ (748,619)</b>
<b>Net book value:</b>							
At December 31, 2024	\$ 1,880,466	\$ 74,334	\$ 18,395	\$ 7,943	\$ 195,902	\$ 1,091,822	\$ 3,268,862
<b>At December 31, 2025</b>	<b>\$ 2,026,716</b>	<b>\$ 65,899</b>	<b>\$ 11,895</b>	<b>\$ 1,084</b>	<b>\$ 30,162</b>	<b>\$ 1,176,737</b>	<b>\$ 3,312,493</b>

**5. Right of use asset and lease liability**

The right-of-use asset and lease liability relate to the Company's long-term office lease, which expires in 2027. In July 2025, the lease agreement was amended to reflect a change in the base rent, resulting in an additional recognition of right-of-use asset and lease liability of \$10,252. For the year ended December 31, 2025, the Company recorded interest expense on the lease liability of \$21,801 (2024 - \$28,905), which was recorded within finance charges.

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**5. Right of use asset and lease liability (continued)**

**Right-of-use assets:**

Balance - December 31, 2023	\$ 690,145
Lease modification	78,411
Foreign exchange	12,133
Depreciation	(214,821)
Balance - December 31, 2024	\$ 565,868
Lease modification	10,252
Foreign exchange	40,690
Depreciation	(235,014)
<b>Balance - December 31, 2025</b>	<b>\$ 381,796</b>

**Lease liability:**

Balance - December 31, 2023	\$ 749,912
Lease modification	73,092
Foreign exchange	13,403
Lease payments	(249,750)
Finance expense	28,905
Balance - December 31, 2024	\$ 615,562
Lease modification	10,252
Foreign exchange	44,310
Lease payments	(272,839)
Finance expense	21,801
<b>Balance - December 31, 2025</b>	<b>\$ 419,086</b>

Current lease liability	\$ 267,865
Non-current lease liability	151,221
<b>Total</b>	<b>\$ 419,086</b>

**Maturity Analysis - Undiscounted contractual remaining payments:**

Year ended December 31,	
2026	\$ 279,753
2027	\$ 153,144
<b>Total</b>	<b>\$ 432,897</b>

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**6. Exploration and evaluation assets**

	For the year ended December 31, 2025		For the year ended December 31, 2024	
<b>Georgia Lake:</b>				
Balance, beginning of year	\$	26,997,254	\$	25,896,959
Costs incurred during the year:				
General management		403,231		905,224
Exploration		32,270		72,641
Environment and permitting		122,638		122,430
<b>Balance, end of year</b>		<b>27,555,393</b>		<b>26,997,254</b>

**Georgia Lake, Ontario**

The Company holds a 100% interest in the Georgia Lake lithium project. The Georgia Lake project is subject to a 1.5% Net Smelter Return Royalty.

**7. Investment in joint venture**

In October 2022, the Company and Transamine Holdings and Investments Limited (“Transamine”) entered into a definitive agreement to form a joint venture entity called RTT Lithium SA (“RTT”). Pursuant to the definitive agreement, RTT shall identify, pursue, and secure the supply of and establish a new route for lithium-bearing spodumene for the Company’s planned European lithium converters. During the year ended December 31, 2022, the Company contributed a 500,000 Swiss Francs (“CHF”) initial investment, representing 50% ownership of RTT.

As the Company does not have unilateral control over RTT, but exercises joint control through the contractual arrangement, the investment in RTT is accounted for using the equity method.

	December 31, 2025		December 31, 2024	
Balance, beginning of year	\$	759,605	\$	763,970
Company's share of RTT's net income (loss)		75,714		(65,913)
Company's equity - other comprehensive income (loss)		(37,642)		61,548
<b>Investment in joint venture, carrying value</b>	<b>\$</b>	<b>797,677</b>	<b>\$</b>	<b>759,605</b>

	December 31, 2025		December 31, 2024	
As at				
Current assets	\$	1,639,390	\$	1,539,334
Current liabilities		(44,036)		(20,124)
Net assets	\$	1,595,354	\$	1,519,210
The Company's share of net assets - 50% (2024 - 50%)	\$	797,677	\$	759,605

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**8. Accounts payable and accrued liabilities**

	December 31, 2025	December 31, 2024
Trade payables	\$ 728,121	\$ 1,386,504
Accrued liabilities	697,353	1,090,900
	<b>\$ 1,425,474</b>	<b>\$ 2,477,404</b>

**9. Restricted cash and Deferred government grant**

Energy-Efficient Spodumene Processing Grant

On May 12, 2025, the Company entered into a funding agreement with the Province of Ontario (the "Province") to support the development of an energy-efficient process for sorting and upgrading low-grade spodumene ores from the Company's Georgia Lake site. Under the agreement, the Province has committed to contribute a maximum of \$388,074 toward eligible project costs, representing 50% of the total approved project budget.

On May 20, 2025, the Company received the initial payment of \$155,230 upon execution of the agreement, and on October 31, 2025, the Company received a second payment of \$57,500. Subsequent disbursements will be made conditional on submission and acceptance of interim and final project reports. Any unused funds are required to be either returned to the Province or applied against future disbursements.

The grant received is recorded as a deferred government grant liability, with a corresponding increase in restricted cash. As the project relates to the development of new processing technology rather than exploration and evaluation of mineral resources, expenditures are recognized as research and development expenses in the consolidated statement of loss and comprehensive loss as incurred. As eligible expenditures are paid by the Company, the deferred grant will be applied as an offset to the related expenses. The grant funds are restricted to the specified project under the agreement, which expires in April 2026.

During the year ended December 31, 2025, the Company incurred \$248,189 in research and development costs related to this project. Of this amount, \$223,994 had been paid as at December 31, 2025, resulting in recognition of government grant income of \$111,997. As at December 31, 2025, restricted cash and the corresponding deferred government grant liability were \$100,733 (December 31, 2024 - \$nil).

MaaSiveTwin Project

The Company is a beneficiary under the Horizon Europe project "MaaSiveTwin" funded by the European Health and Digital Executive Agency. The Company's maximum grant entitlement is EUR 309,188 at a 100% funding rate for eligible project costs.

As of December 31, 2025, the Company received C\$240,435 (EUR 149,440) as its allocated share of the project's initial pre-financing. No eligible project expenditures have yet been incurred or claimed, and accordingly no grant income has been recognized.

**10. Share capital**

***Authorized share capital***

Unlimited number of common shares without par value.

***Issued share capital***

During the year ended December 31, 2025, the Company had the following share transactions:

- On March 25, 2025, the Company closed a private placement in which it issued 4,000,000 units for gross proceeds of \$4,000,000. Each unit consists of one common share and one common share purchase warrant. Each warrant entitles the holder to acquire one common share of the Company at \$1.30 until March 24, 2028. Using the residual method, all gross proceeds were allocated to share capital, as the closing share price on the issuance date exceeded the unit price. In connection with the private placement, the Company incurred cash share issuance costs of \$69,714.
- In September 2025, the Company closed a private placement in which it issued 7,231,621 units for gross proceeds of \$6,508,459. Each unit consisted of one common share and one common share purchase warrant. Each warrant entitles the holder to acquire one common share of the Company at \$1.17 within 36 months of issuance. Using the residual method, \$6,223,206 of the proceeds was allocated to share capital and \$285,253 to warrant reserves. In connection with the private placement, the Company incurred cash share issuance costs of \$581,744, of which \$556,247 was allocated to share capital and \$25,497 to warrant reserve.

During the year ended December 31, 2024, the Company had the following share transactions:

- On October 7, 2024, the Company issued 2,761,498 units at \$1.20 per unit through a private placement for total gross proceeds of \$3,313,768. Share issuance costs of \$104,103 were paid in cash, resulting in net proceeds of \$3,209,695. Each unit comprised one common share and one share purchase warrant, with each warrant exercisable for one common share at \$1.59 until October 7, 2027. Using the residual method, all gross proceeds were allocated to share capital, as the closing share price on the issuance date exceeded the unit price.
- On June 28, 2024, the Company issued 60,000 common shares related to the exercise of share option agreements and received proceeds of \$67,800. The share price on the exercise date was \$1.72.
- On June 5, 2024, the Company issued 20,000 common shares related to the exercise of share option agreements and received proceeds of \$10,600. The share price on the exercise date was \$1.70.

***Basic and diluted loss per share***

The calculation of basic and diluted loss per share for the years ended December 31, 2025 and 2024 were based on the loss attributable to common shareholders and the weighted average number of common shares outstanding. Diluted loss per share did not include the effect of stock options and warrants as the effect would be anti-dilutive.

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**10. Share capital (continued)**

***Stock options***

The Company has adopted an incentive stock option plan, which provides that the Board of Directors of the Company may from time to time, in its discretion, and in accordance with the TSX-V requirements, grant to directors, officers, employees and technical consultants to the Company, non-transferable stock options to purchase common shares, provided that the number of common shares reserved for issuance will not exceed 10% of the Company's issued and outstanding common shares. In connection with the foregoing, the number of Common Shares reserved for issuance to any one person in any 12-month period under this Plan and any Other Share Compensation Arrangement shall not exceed 5% of the outstanding Common Shares at the time of the grant, unless the Company has obtained Disinterested Shareholder Approval to exceed such limit.

On March 25, 2025, the Company granted 2,380,000 stock options to employees, officers and directors of the Company. The options have an exercise price of \$1.00 and fully vested immediately on grant date, with an expiry date of March 24, 2030. The grant date fair value of these options was \$1,642,200 based on the Black-Scholes Option Pricing Model, with the following inputs: share price of \$1.00; risk free rate of 2.65%; volatility of 87%; dividend rate of 0%; forfeiture rate of 0%; and expected life of 5 years. Expected volatility was determined based on the historical volatility of the Company's share price returns over a period equivalent to the expected life of the options as of the grant date.

On June 20, 2025, the Company the Company granted 410,000 stock options to certain officers and consultants of the Company. The options have an exercise price of \$1.00 and fully vested immediately on grant date, with an expiry date of June 19, 2030. The grant date fair value of these options was \$276,556 based on the Black-Scholes Option Pricing Model, with the following inputs: share price of \$0.99; risk free rate of 2.85%; volatility of 85%; dividend rate of 0%; forfeiture rate of 0%; and expected life of 5 years. Expected volatility was determined based on the historical volatility of the Company's share price returns over a period equivalent to the expected life of the options as of the grant date.

The changes in options during the years ended December 31, 2025 and 2024 are as follows:

	December 31, 2025		December 31, 2024	
	Number of options	Weighted average exercise price	Number of options	Weighted average exercise price
Options outstanding, beginning	5,694,500	\$1.91	3,873,500	\$2.84
Options granted	2,790,000	\$1.00	3,340,000	\$1.13
Options exercised	-	-	(80,000)	\$0.98
Options expired	(2,421,469)	\$1.73	(77,500)	\$4.55
Options forfeited	(19,531)	\$3.26	(1,361,500)	\$2.56
<b>Options outstanding, ending</b>	<b>6,043,500</b>	<b>\$1.56</b>	<b>5,694,500</b>	<b>\$1.91</b>

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**10. Share capital (continued)**

Details of options outstanding and exercisable at December 31, 2025 are as follows:

Expiry date	Exercise price	Number outstanding	Number exercisable	Remaining life		WA grant date
						FV
January 12, 2026	\$6.08	370,000	370,000	0.03	years	\$4.10
June 21, 2029	\$2.00	620,000	620,000	3.47	years	\$1.53
February 21, 2029	\$1.13	1,890,000	1,890,000	3.15	years	\$0.81
March 24, 2030	\$1.00	2,320,000	2,320,000	4.23	years	\$0.69
June 19, 2030	\$1.00	410,000	410,000	4.47	years	\$0.67
October 17, 2026	\$2.77	100,000	100,000	0.79	years	\$1.86
December 25, 2028	\$2.50	20,000	19,412	2.99	years	\$1.93
January 12, 2028	\$6.08	10,000	9,792	2.03	years	\$4.90
February 14, 2028	\$5.03	25,000	23,958	2.12	years	\$4.03
April 8, 2028	\$5.57	1,000	917	2.27	years	\$4.31
October 21, 2026	\$3.73	30,000	30,000	0.81	years	\$2.58
October 21, 2028	\$3.73	35,000	27,708	2.81	years	\$2.47
April 21, 2029	\$2.48	2,500	1,667	3.31	years	\$1.85
May 29, 2029	\$2.33	25,000	16,146	3.41	years	\$1.77
August 3, 2029	\$1.96	15,000	15,000	3.59	years	\$1.48
August 20, 2029	\$1.20	170,000	170,000	3.64	years	\$0.87
	<b>\$1.56</b>	<b>6,043,500</b>	<b>6,024,600</b>	<b>3.45</b>	<b>years</b>	<b>\$1.10</b>

Subsequent to December 31, 2025, 370,000 stock options with an exercise price of \$6.08 expired unexercised.

**Warrants**

On June 20, 2025, the Company granted 1,000,000 common share purchase warrants to certain First Nations groups under a revised field exploration agreement related to the Georgia Lake lithium project. These warrants replace the 750,000 warrants previously issued in June 2022, which have been cancelled. The new warrants have an exercise price of \$0.99 per share and expire five years from the grant date. The fair value of the warrants is \$676,332 and was recognized as community relations expense.

The changes in warrants during the years ended December 31, 2025 and 2024 are as follows:

	December 31, 2025		December 31, 2024	
	Number of warrants	Weighted average exercise price	Number of warrants	Weighted average exercise price
Warrants outstanding, beginning	11,475,746	\$3.35	18,476,153	\$5.42
Warrants issued	12,231,621	\$1.20	2,761,498	\$1.59
Warrants cancelled	(750,000)	-	-	-
Warrants expired	(5,724,871)	\$4.50	(9,761,905)	\$6.77
<b>Warrants outstanding, ending</b>	<b>17,232,496</b>	<b>\$1.32</b>	<b>11,475,746</b>	<b>\$3.35</b>

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**10. Share capital (continued)**

Details of warrants outstanding and exercisable as at December 31, 2025 are as follows:

<b>Expiry Date</b>	<b>Number outstanding</b>	<b>Price</b>	<b>Remaining Life</b>	
December 29, 2026	2,239,377	\$1.69	0.99	years
October 7, 2027	2,761,498	\$1.59	1.77	years
March 24, 2028	4,000,000	\$1.30	2.23	years
June 20, 2030	1,000,000	\$0.99	4.47	years
September 4, 2028	5,753,221	\$1.17	2.68	years
September 5, 2028	340,000	\$1.17	2.68	years
September 12, 2028	1,138,400	\$1.17	2.70	years
	<b>17,232,496</b>	<b>\$1.32</b>	<b>2.32</b>	<b>years</b>

**11. Related party transactions**

The Company's related parties include key management personnel and companies related by way of directors or shareholders in common.

As at December 31, 2025, included in accounts payable and accrued liabilities are amounts due to related parties of \$235,017 (December 31, 2024 - \$69,049). These amounts have arisen during the normal course of operations and are unsecured and non-interest bearing.

The Company's key management consists of its officers and directors. Key management payments for the years ended December 31, 2025 and 2024 is as follows:

	<b>Year ended December 31,</b>	
	<b>2025</b>	<b>2024</b>
Salaries and wages	\$ 942,007	\$ 822,753
Consulting fees	520,619	807,247
Stock-based payments	745,886	1,518,553
	<b>\$ 2,208,512</b>	<b>\$ 3,148,553</b>

**12. Downstream development**

During the year ended December 31, 2025, the Company continued to progress the development of the Lithium Hydroxide Converter, which is being designed to process spodumene concentrate from multiple sources, with initial supply sourced via third-party feedstock agreements, to process lithium hydroxide. Expenses incurred during the years ended December 31, 2025 and 2024 were as follows:

<b>Lithium Hydroxide Converter</b>	<b>For the year ended December 31</b>	
	<b>2025</b>	<b>2024</b>
Engineering	\$ 156,878	\$ 239,137
Project Management	613,759	1,453,702
Permitting	748	2,030,247
Research and Development	9,846	58,837
Other	11,533	33,718
<b>Total</b>	<b>\$ 792,764</b>	<b>\$ 3,815,641</b>

### 13. Financial instruments

#### *Fair value*

The Company considers that the carrying amounts of all its financial assets and financial liabilities recognized at amortized cost in these consolidated financial statements approximate their fair values due to the demand nature or short-term maturity of these instruments. The fair value hierarchy establishes three levels to classify the inputs to valuation techniques used to measure fair value:

- Level 1 fair value measurements are those derived from quoted prices in active markets for identical assets or liabilities.
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable either directly or indirectly.
- Level 3 fair value measurements are those derived from valuation techniques that include inputs that are not based on observable market data. As of December 31, 2025, the Company does not have any Level 3 financial instruments.

The Company's financial instruments are exposed to the following risks:

#### *Foreign currency risk*

Foreign currency risk is the risk that the fair values of future cash flows of a financial instrument will fluctuate because they are denominated in currencies that differ from the respective functional currency.

The Company is exposed to foreign currency risk on fluctuations related to cash and accounts payable and accrued liabilities that are denominated in Euros ("EUR"). As of December 31, 2025, the Company holds cash of \$971,037 (December 31, 2024 - \$1,350,211) in EUR bank accounts and \$570 (December 31, 2024 - \$6,065) in U.S. dollar bank accounts. A 1% change in foreign exchange rates would have an effect of \$9,620 (December 31, 2024 - \$20,043) on foreign currency. During the year ended December 31, 2025, the Company had a foreign exchange loss of \$105,119 (2024 - \$104,569).

#### *Credit risk*

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company's primary exposure to credit risk is on its cash and restricted cash held in bank accounts. The cash is deposited in bank accounts held with major banks in Canada and Germany. As all of the Company's cash is held by two banks, there is a concentration of credit risk. This risk is managed by using major banks that are high credit quality financial institutions as determined by rating agencies.

The Company is also exposed to credit risk on its promissory note receivable. The note is short-term in nature, is not past due at December 31, 2025, and management has not identified any indicators of increased credit risk. As a result, the credit risk associated with this balance is considered low.

The Company's remaining receivables consist primarily of refundable government sales taxes, which are considered to have minimal credit risk

**13. Financial instruments (continued)**

*Liquidity risk*

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company has a planning and budgeting process in place to help determine the funds required to support the Company's normal operating requirements on an ongoing basis. The Company ensures that there are sufficient funds to meet its short-term business requirements, taking into account its anticipated cash flows from operations and its holdings of cash.

The Company does not yet have a source of revenue and its continuation as a going-concern is dependent upon the successful results of its mineral property exploration and downstream development activities and its ability to raise equity capital sufficient to meet current and future obligations. The Company has a successful track record of raising equity financing (Note 10), and as at December 31, 2025, the Company had cash of \$2,660,049 (December 31, 2024 - \$3,684,092) which, in management's judgement, alleviates significant doubt about the Company's ability to continue as a going concern given its budgeted cashflow requirements.

*Interest rate risk*

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is exposed to interest rate risk on its cash equivalents as these instruments have original maturities of three-month periods or less and are therefore exposed to interest rate fluctuations on renewal. A 1% change in market interest rates would not have a material impact on the Company's net loss.

**14. Capital management**

The Company's policy is to maintain a strong capital base to maintain investor and creditor confidence and to sustain future development of the business. As at December 31, 2025, the capital structure of the Company consists of \$2,068,826 of working capital (defined as current assets less current liabilities) and \$181,938,793 of share capital (December 31, 2024 - \$1,640,085 working capital and \$172,341,548 share capital). There were no changes in the Company's approach to capital management during the period. The Company is not subject to any externally imposed capital requirements.

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**15. Segmented information**

The Company operates in three operating reportable segments: Corporate, Converter Project, and Georgia Lake Project.

The operating segments are structured as follows:

- Corporate - General corporate and administrative activities in Canada, Germany and Switzerland
- Converter Project - Development of the Guben Converter in Germany
- Georgia Lake Project - Exploration and evaluation activities for the Georgia Lake lithium project in Ontario

A breakdown of net loss for each operating segment for the years ended December 31, 2025 and 2024 is as follows:

For the year ended December 31, 2025	Corporate	Converter Project	Georgia Lake Project	Total
Non-cash stock-based payments	\$ 1,927,703	\$ -	\$ -	\$ 1,927,703
Depreciation	428,392	-	9,389	437,781
Downstream development	-	792,764	-	792,764
Research and development	-	-	248,189	248,189
Other operating expenses	8,571,704	-	(55,772)	8,515,932
Government grant income	-	-	(111,997)	(111,997)
Interest income	(67,532)	-	-	(67,532)
Share of income in joint venture	(75,714)	-	-	(75,714)
Income tax recovery	(15,989)	-	-	(15,989)
<b>Net loss for the year</b>	<b>\$ 10,768,564</b>	<b>\$ 792,764</b>	<b>\$ 89,809</b>	<b>\$ 11,651,137</b>

For the year ended December 31, 2024	Corporate	Converter Project	Georgia Lake Project	Total
Non-cash stock-based payments	\$ 3,192,244	\$ -	\$ -	\$ 3,192,244
Depreciation	422,726	-	2,331	425,057
Downstream development	-	3,815,641	-	3,815,641
Other operating expenses	7,842,997	-	165,043	8,008,040
Interest income	(241,574)	-	-	(241,574)
Share of loss in joint venture	65,913	-	-	65,913
Income tax expense	25,577	-	-	25,577
<b>Net loss for the year</b>	<b>\$ 11,307,883</b>	<b>\$ 3,815,641</b>	<b>\$ 167,374</b>	<b>\$ 15,290,898</b>

For the year ended December 31, 2025	Corporate	Converter Project	Georgia Lake Project	Total
Additions to non-current, non-financial assets	\$ (324,144)	\$ 231,164	\$ 548,750	\$ 455,770

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**15. Segmented information (continued)**

The Company's non-current, non-financial assets are located in the following geographical areas:

<b>December 31, 2025</b>	<b>Canada</b>	<b>Germany</b>	<b>Switzerland</b>	<b>Total</b>
Property, plant and equipment	\$ 66,066	\$ 3,246,427	\$ -	\$ 3,312,493
Right of use assets	-	381,796	-	381,796
Exploration and evaluation assets	27,555,393	-	-	27,555,393
Investment in joint venture	-	-	797,677	797,677
<b>Total</b>	<b>\$ 27,621,459</b>	<b>\$ 3,628,223</b>	<b>\$ 797,677</b>	<b>\$ 32,047,359</b>

<b>December 31, 2024</b>	<b>Canada</b>	<b>Germany</b>	<b>Switzerland</b>	<b>Total</b>
Property, plant and equipment	\$ 75,455	\$ 3,193,407	\$ -	\$ 3,268,862
Right of use assets	-	565,868	-	565,868
Exploration and evaluation assets	26,997,254	-	-	26,997,254
Investment in joint venture	-	-	759,605	759,605
<b>Total</b>	<b>\$ 27,072,709</b>	<b>\$ 3,759,275</b>	<b>\$ 759,605</b>	<b>\$ 31,591,589</b>

**16. Income tax expense and deferred tax assets and liabilities**

A reconciliation of the expected income tax recovery to the actual income tax expense (recovery) for the years ended December 31, 2025 and 2024 is as follows:

	<b>2025</b>	<b>2024</b>
Net loss	<b>(11,667,126)</b>	(15,290,898)
Statutory tax rate	<b>26.5%</b>	26.5%
Expected income tax recovery at statutory rate	<b>(3,091,789)</b>	(4,052,087)
Permanent Differences	<b>1,089,767</b>	846,969
Unrecognized tax benefits	<b>1,972,320</b>	3,428,847
Rate changes and differences	<b>13,714</b>	(198,152)
<b>Income tax expense (recovery)</b>	<b>(15,988)</b>	25,577

The Company's income tax expense (recovery) for the years ended December 31, 2025 and 2024 is comprised of the following items:

	<b>2025</b>	<b>2024</b>
Current income tax expense (recovery)	<b>(15,989)</b>	25,577
Deferred income tax recovery	-	-
	<b>(15,989)</b>	25,577

The Company has recognized the following deferred tax liability:

	<b>31-Dec-25</b>	<b>31-Dec-24</b>
Canadian non-capital loss carry-forward	<b>469,175</b>	469,175
Exploration and evaluation assets	<b>(469,175)</b>	(469,175)
<b>Net deferred tax asset (liability)</b>	<b>-</b>	-

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**16. Income tax expense and deferred tax assets and liabilities (continued)**

The Company has the following deductible temporary differences for which no deferred tax has been recognized:

	<b>31-Dec-25</b>	31-Dec-24
Deductible taxable differences	<b>68,723,143</b>	71,166,430
Tax losses	<b>87,000,019</b>	70,531,788
	<b>155,723,162</b>	141,698,218

The Company has \$78,112,628 in Canadian loss carryforwards and \$8,887,391 in German loss carryforwards available to offset future taxable income.

**17. Subsequent events**

On February 25, 2026, the Company completed a non-brokered private placement financing. The Company issued 4,671,827 units at \$1.00 per unit for gross proceeds of \$4,671,827. Each unit consisted of one common share and one common share purchase warrant exercisable at \$1.15 per share for a period of 36 months from issuance. In addition, the Company granted 2,510,000 stock options to certain directors, officers and employees. The options are exercisable at \$1.15 per share, vest immediately and expire on February 23, 2031.