



**Condensed Consolidated Interim Financial Statements**

**For the Nine months ended November 30, 2025 and November 30, 2024**

**(Unaudited – Prepared by Management)**

(Expressed in Canadian Dollars)

**NOTICE OF NO AUDITOR REVIEW OF  
INTERIM FINANCIAL STATEMENTS**

Under National Instrument 51-102, Part 4, subsection 4.3 (3) (a), if an auditor has not performed a review of the interim financial statements, they must be accompanied by a notice indicating that an auditor has not reviewed the financial statements.

The accompanying unaudited interim financial statements of the Company have been prepared by and are the responsibility of the Company's management.

The Company's independent auditor has not performed a review of these financial statements in accordance with standards established by the Chartered Professional Accountants of Canada for a review of interim financial statements by an entity's auditor.

**NEO Battery Materials Ltd.**  
**Condensed Consolidated Interim Statements of Financial Position**  
*(Unaudited - Expressed in Canadian Dollars)*

<b>Assets</b>	<b>November 30, 2025</b>	<b>February 28, 2025</b>
<b>Current Assets:</b>		
Cash and cash equivalents	\$ 4,824,049	\$ 369,694
Prepaid expenses (Note 6)	3,050,097	194,408
Sales tax and other receivables (Note 5)	774,916	31,877
	<b>8,649,062</b>	<b>595,979</b>
<b>Non-Current Assets:</b>		
Tangible Assets (Note 7)	607,760	601,826
Intangible assets (Note 8)	60,180	56,695
Right-of-use asset (Note 9)	219,416	165,197
<b>Total Assets</b>	<b>\$ 9,536,418</b>	<b>\$ 1,419,697</b>
<b>Liabilities and Equity</b>		
<b>Current Liabilities:</b>		
Accounts payable and accrued liabilities (Note 11& 13)	\$ 935,203	\$ 486,021
Lease liability – current portion (Note 9)	70,727	27,037
	<b>1,005,930</b>	<b>513,058</b>
Lease liability – long term (Note 9)	158,947	141,031
<b>Total Liabilities</b>	<b>1,164,877</b>	<b>654,089</b>
<b>Shareholders' Equity:</b>		
Share capital (Note 12)	34,167,478	27,509,545
Reserves (Note 12)	16,493,115	10,280,495
Accumulated other comprehensive income	(121,394)	14,744
Deficit	(41,546,462)	(36,827,018)
	<b>8,992,737</b>	<b>977,766</b>
Non-controlling interest ("NCI") (Note 4)	(621,196)	(212,158)
<b>Total Shareholders' Equity</b>	<b>8,371,541</b>	<b>765,608</b>
<b>Total Liabilities and Equity</b>	<b>\$ 9,536,418</b>	<b>\$ 1,419,697</b>

**Nature of Operations and Going Concern** (Note 1)

**Contingency** (Note 15)

**Subsequent Events** (Note 16)

Approved by the Board of Directors on January 29, 2026:

"Spencer Sung Bum Huh" , Director

"Larry Okada" , Director

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

**NEO Battery Materials Ltd.**  
**Consolidated Statements of Loss and Comprehensive Loss**  
*(Unaudited - Expressed in Canadian Dollars)*

	For the Three Months Ended November 30		For the Nine Months Ended November 30,	
	2025	2024	2025	2024
<b>Expenses</b>				
Amortization and depreciation (Note 7 & 8)	\$ 65,393	\$ 56,020	\$ 190,467	\$ 166,993
Amortization of ROU asset (Note 9)	19,881	13,708	53,723	40,921
Advertising and marketing	126,257	7,382	126,257	36,626
Consulting and management fees (Note 13)	289,697	138,308	544,945	412,230
Corporate listing and filing fees	70,530	10,434	98,046	22,484
Investor relations	5,746	4,921	17,563	54,069
Office and general	84,241	18,920	163,616	46,853
Payroll expenses	566,733	128,698	735,052	353,692
Professional fees (Note 13)	153,609	334	313,463	128,106
Rent (non-lease portion)	70,149	15,372	111,983	52,740
Research and development	126,914	21,334	432,053	66,574
Stock-based compensation (Note 12)	778,101	1,486,860	1,940,277	2,119,256
Travel	110,781	4,467	229,329	21,854
<b>Loss from operations</b>	<b>2,468,032</b>	<b>1,906,758</b>	<b>4,956,774</b>	<b>3,522,398</b>
<b>Other income (expenses)</b>				
Interest and miscellaneous income	36,096	6,404	39,653	7,356
Interest expense - lease (Note 9)	(8,590)	(7,060)	(22,570)	(22,397)
Interest expense - others	(197,339)	-	(197,339)	-
Gain (loss) on foreign exchange	-	(974)	8,548	(2,821)
<b>Total other income (expenses)</b>	<b>(169,833)</b>	<b>(1,630)</b>	<b>(171,708)</b>	<b>(17,862)</b>
<b>Net loss for the period</b>	<b>2,637,865</b>	<b>1,908,388</b>	<b>5,1128,482</b>	<b>3,540,260</b>
Foreign currency translation (expense)	(121,831)	(8,324)	(136,138)	(19,612)
<b>Comprehensive loss for the period</b>	<b>\$ 2,759,696</b>	<b>\$ 1,916,712</b>	<b>\$ 5,264,620</b>	<b>\$ 3,559,782</b>
<b>Net loss attributable to</b>				
Controlling equity holders of the Company	2,385,775	1,847,585	4,719,444	3,359,012
Non-controlling interest (Note 4)	252,090	60,803	409,038	181,248
	<b>2,637,865</b>	<b>1,908,388</b>	<b>5,128,482</b>	<b>3,540,260</b>
Loss per share attributable to controlling equity holders of the Company:				
Basic and diluted	\$ (0.02)	\$ (0.02)	\$ (0.04)	\$ (0.03)
Weighted average number of common shares outstanding	124,534,675	115,928,561	123,666,711	115,879,106

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

**NEO Battery Materials Ltd.**  
**Condensed Consolidated Interim Statements of Cash Flows**

*(Unaudited - Expressed in Canadian Dollars)*

	<b>For Nine months ended</b>	
	<b>November 30, 2025</b>	<b>November 30, 2024</b>
<b>Operating Activities:</b>		
Net loss for the period	\$ (5,128,482)	\$ (3,540,260)
Adjustment for items which do not involve cash:		
Amortization (Note 7 & 8)	190,467	166,993
Amortization of ROU asset (Note 9)	53,723	40,921
Interest expense - lease liability (Note 9)	22,570	22,397
Interest expense - others	197,339	-
Stock-based compensation	1,940,277	2,119,256
Income tax expense	-	215
Changes in non-cash working capital components:		
Accounts payable and accrued liabilities	449,182	(19,335)
Prepaid expenses	(2,855,689)	72,824
Sales tax and other receivables	(743,039)	1,459
	<b>(5,873,652)</b>	<b>(1,135,530)</b>
<b>Investing Activities:</b>		
Additions to equipment and furniture	(207,755)	(9,946)
Additions to intangible assets	(7,703)	(4,891)
	<b>(215,458)</b>	<b>(14,837)</b>
<b>Financing Activities:</b>		
Exercise of warrants	-	77,000
Exercise of options	79,000	158,000
Private placement for cash, net	10,851,276	800,000
Lease payments	(68,530)	(38,514)
	<b>10,861,746</b>	<b>996,486</b>
Effect of foreign currency translation adjustment	(318,281)	(28,858)
Net changes in cash and cash equivalents	4,454,355	(153,881)
Cash and cash equivalents - beginning of the period	369,694	941,976
<b>Cash and cash equivalents - end of the period</b>	<b>\$ 4,824,049</b>	<b>\$ 759,237</b>

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

## NEO Battery Materials Ltd.

Condensed Consolidated Interim Statements of Changes in Equity  
For the Nine months ended November 30, 2025 and November 30, 2024  
(Unaudited - Expressed in Canadian Dollars)

	SHARE CAPITAL		RESERVES	ACCUMULATED OTHER	ACCUMULATED DEFICIT	TOTAL FOR OWNER	NON-	TOTAL EQUITY
	SHARES	AMOUNT		COMPREHENSIVE LOSS ("AOCL")			CONTROLLING INTEREST	
Balance – February 28, 2024	115,457,506	26,060,019	8,891,949	54,082	(32,949,382)	2,056,668	171,713	2,228,381
Exercise of warrants (Note 12)	260,000	49,924	27,076	-	-	77,000	-	77,000
Exercise of stock options (Note 12)	645,000	162,883	(4,883)	-	-	158,000	-	158,000
Private placement (Note 12)	2,000,000	635,654	164,346	-	-	800,000	-	800,000
Stock options compensation (Note 12)	-	-	2,119,256	-	-	2,119,256	-	2,119,256
Foreign currency translation	-	-	-	(19,612)	-	(19,612)	-	(19,612)
Net loss for the period	-	-	-	-	(3,359,012)	(3,359,012)	(181,248)	(3,540,260)
Balance - November 30, 2024	118,362,506	26,908,480	11,197,744	34,470	(36,308,394)	1,832,300	(9,535)	1,822,765

	SHARE CAPITAL		RESERVES	ACCUMULATED OTHER	ACCUMULATED DEFICIT	TOTAL FOR OWNER	NON-	TOTAL EQUITY
	SHARES	AMOUNT		COMPREHENSIVE LOSS ("AOCL")			CONTROLLING INTEREST	
Balance – February 29, 2025	119,157,756	27,509,545	10,280,495	14,744	(36,827,018)	977,766	(212,158)	765,608
Private placement (Note 12)	22,389,757	7,091,354	4,309,422	-	-	11,400,776	-	11,400,776
Share issuance cost - cash	-	(549,500)	-	-	-	(549,500)	-	(549,500)
Share issuance cost – finder warrants	-	(25,859)	25,859	-	-	-	-	-
Exercise of stock options (Note 12)	295,000	141,938	(62,938)	-	-	79,000	-	79,000
Stock options compensation (Note 12)	-	-	1,940,277	-	-	1,940,277	-	1,940,277
Foreign currency translation	-	-	-	(136,138)	-	(136,138)	-	(136,138)
Net loss for the period	-	-	-	-	(4,719,444)	(4,719,444)	(409,038)	(5,128,482)
Balance - February 28, 2025	141,842,513	34,167,478	16,493,115	(121,394)	(41,546,462)	8,992,737	(621,196)	8,371,541

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

# NEO Battery Materials Ltd.

## Notes to Condensed Consolidated Interim Financial Statements

### For the Nine months ended November 30, 2025 and November 30, 2024

(Unaudited - Expressed in Canadian Dollars)

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#### 1. Nature of Operations and Going Concern

NEO Battery Materials Ltd. (the “Company” or “NEO Battery”) is a publicly listed company incorporated under the Business Corporations Act of British Columbia on February 10, 2006 as 0748496 B.C. Ltd. On March 1, 2006, the Company changed its name to BCGold Corp, and on March 16, 2017 to Pan Andean Minerals Ltd, and again on March 2, 2021, to NEO Battery Materials Ltd. The Company is listed on the TSX Venture Exchange (“TSX.V” or the “Exchange”) under the symbol “NBM”. The Company is a battery technology company focused on developing silicon-enhanced and customized, high-performance lithium-ion batteries for drones, unmanned systems (UAS), robotics, consumer electronics, electric vehicles (EV), energy storage systems (ESS) for AI data centers and power grids, and all battery-powered applications.

On February 21, 2023, the Company’s shareholders approved the Continuation of the Company from British Columbia to Ontario. The head office, principal address of the Company, is located at 10<sup>th</sup> Floor – 4711 Yonge Street, Toronto, Ontario, Canada, M2N 6K8. The Company’s registered address is TD North, 77 King St W Tower Suite 700, Toronto, ON M5K 1G8.

The Company’s ability to continue as a going concern is highly dependent upon its ability to obtain the financing necessary to continue operations. The key risk to the Company’s sustainability is securing funding for its research and development activities, and commercial plant construction in the near term. The Company’s operation is highly influenced by the capital market environment, supply chain, inflation, geographic stability, and global business environment in general.

These consolidated financial statements have been prepared based on accounting principles applicable to a going concern, which assumes that the Company will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of operations. The Company continues to incur operating losses, has limited financial resources, no source of operating cash flow, and no assurances that sufficient funding, including adequate financing, will be available to continue operations. These material uncertainties may cast a significant doubt on the validity of this assumption. As at November 30, 2025, the Company had an accumulated deficit of \$41,546,462 (February 28, 2025 - \$36,827,018), a net loss for the period ended November 30, 2025 of \$5,128,482 (November 30, 2024 - \$3,540,260) and a working capital of \$7,643,132 (February 28, 2025 – \$82,921).

If the going concern assumption is not appropriate for these consolidated financial statements, adjustments could be necessary in the carrying values of assets, liabilities, reported income and expenses and the statement of financial position classifications used. Such adjustments could be material.

#### 2. Basis of Preparation

##### *Statement of Compliance*

These unaudited condensed consolidated interim financial statements have been prepared in accordance with IAS 34 – Interim Financial Reporting as issued by the International Accounting Standards Board (“IASB”). Accordingly, certain disclosures included in annual financial statements prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the IASB have been condensed or omitted and these unaudited condensed consolidated interim financial statements should be read in conjunction with the Company’s audited consolidated financial statements for the year ended February 28, 2025. The condensed consolidated interim financial statements were authorized for issue by the Board of Directors on October 30, 2025.

# NEO Battery Materials Ltd.

## Notes to Condensed Consolidated Interim Financial Statements

### For the Nine months ended November 30, 2025 and November 30, 2024

(Unaudited - Expressed in Canadian Dollars)

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#### 2. Basis of Preparation - continued

##### *Basis of Presentation and Consolidation*

These consolidated financial statements have been prepared on a historical cost basis, except for financial instruments classified as financial instruments at fair value through profit or loss, which are stated at their fair value. In addition, these consolidated financial statements have been prepared using the accrual basis of accounting, except for cash flow information. Control is based on whether an investor has power over the investee and the ability to use its power over the investee to affect the amount of the returns.

##### *Basis of Presentation and Consolidation - continued*

Where the Company's interest is less than 100%, the interest attributable to outside shareholders is reflected in non-controlling interest. Non-controlling interests in the net assets of consolidated subsidiaries are identified separately from the Company's equity therein. Non-controlling interests consist of the amount of those interests at the date that the Company's interest dropped below 100% and the non-controlling interests' share of changes in equity since that date.

These consolidated financial statements incorporate the financial statements of the Company and the entity controlled directly by the Company being NEO Battery Material Korea Co., Ltd. ("Korea Co") and NEO Battery Materials America, LLC. All significant intercompany transactions and balances have been eliminated for consolidation purpose. During the year ended February 29, 2024, the Company dissolved three of its subsidiaries, Circum-Pacific Holdings Ltd., Canada, Minera Chanpe SAC, Peru, and Cima De Oro SAC, Peru.

The current non-controlling interest represents a 20% interest in Neo Battery Material Korea Co (Note 4).

##### *Critical Accounting Estimates and Judgements*

The preparation of these consolidated financial statements requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported expenses during the period. Actual results could differ from these estimates.

Significant assumptions about the future and other sources of estimation uncertainty that management has made at the end of the reporting period, that could result in a material adjustment to the carrying amounts of assets and liabilities in the event that actual results differ from assumptions made, relate to, but are not limited to, the following:

- i) The incremental rate of borrowing used in the measurement of the lease liability was based on estimated interest rate the Company would borrow at from arm's-length third parties as at the dates of adopting IFRS 16 and entering into its current long-term office lease.
- ii) The inputs used in accounting for stock-based compensation expense included in profit or loss calculated using the Black-Scholes option pricing model.
- iii) Management uses judgement to assess the existence of contingencies. By their nature, contingencies will only be resolved when one or more future events occur or fail to occur. Management also uses judgement to assess the likelihood of occurrence of one or more future events.
- iv) The assessment of the Company's ability to execute its strategy by funding future working capital requirements requires judgment. Estimates and assumptions are continually evaluated and are based on historical experience and other factors, such as expectations of future events that are believed to be reasonable under the circumstances.

# NEO Battery Materials Ltd.

## Notes to Condensed Consolidated Interim Financial Statements

For the Nine months ended November 30, 2025 and November 30, 2024

(Unaudited - Expressed in Canadian Dollars)

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### 2. Basis of Preparation - *continued*

#### *Critical Accounting Estimates and Judgements - continued*

- v) The Company assesses its tangible and intangible assets for impairment if there are events or changes in circumstances that indicate that carrying values may not be recoverable at each statement of financial position date. Such indicators include changes in the Company's business plans, changes in the market and evidence of physical damage. Determination as to whether and how much an asset is impaired involves management's judgment on highly uncertain matters.

### 3. Material Accounting Policies

The accounting policies applied in the preparation of these unaudited condensed consolidated interim financial statements are consistent with those applied and disclosed in the Company's audited consolidated financial statements for the year ended February 28, 2025 and reflect all the adjustments necessary for fair presentation in accordance with IFRS for the interim periods presented.

#### **New IFRS accounting standards and pronouncements - adopted**

The following amendments to standards were effective for annual periods beginning on or after January 1, 2025:

##### **Lack of exchangeability – Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates**

The amendments contain guidance to specify when a currency is exchangeable and how to determine the exchange rate when it is not. The amendments are effective for annual reporting periods beginning on or after January 1, 2025. There was no material impact on the Company's consolidated financial statements from the adoption of these amendments; however, the guidance contained was considered when determining the appropriate exchange rate to record transactions denominated in Korean Won.

The functional currency and, unless otherwise indicated, the presentation currency of the Company is the Canadian ("CAD") Dollar. The Company has operations in South Korea. The functional currency of its Korea subsidiary is South Korean Won ("KRW"). Transactions in currencies other than the functional currency are recorded at the rate of exchange prevailing on the date of the transaction. Monetary assets and liabilities that are denominated in foreign currencies are translated at the rate prevailing at each reporting date.

Non-monetary items that are measured at historical cost in a foreign currency are translated at the exchange rate on the date of the initial transaction. Non-monetary items that are measured at fair values are reported at the exchange rate on the date when fair values are determined. Foreign currency translation differences are recognized in profit or loss, except for differences on the translation of foreign entities to reporting currency on consolidation, which are recognized in other comprehensive loss.

On consolidation, the assets and liabilities of entities are translated into the reporting currency at the rate of exchange at the reporting date and the consolidated statement of loss and comprehensive loss are translated at the average exchange rates for the period. The exchange differences arising on translation for consolidation purposes are recognized in other comprehensive loss.

# NEO Battery Materials Ltd.

## Notes to Condensed Consolidated Interim Financial Statements

### For the Nine months ended November 30, 2025 and November 30, 2024

(Unaudited - Expressed in Canadian Dollars)

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#### 3. Material Accounting Policies - continued

##### New IFRS accounting standards and pronouncements – not yet adopted

Below are the amendments to standards applicable for future periods that the Company has not yet adopted:

##### **Amendments to IFRS 9: Financial Instruments and IFRS 7: Financial Instruments: Disclosures**

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

The amendments are effective for annual periods beginning on or after January 1, 2026 with early application permitted. The Company is currently assessing the effect of these amendments on our financial statements.

##### **IFRS 18: Presentation and Disclosure in Financial Statements**

In April 2024, the IASB issued IFRS 18: Presentation and Disclosure of Financial Statements ("IFRS 18"), which replaces IAS 1: Presentation of Financial Statements. IFRS 18 introduces a specified structure for the income statement by requiring income and expenses to be presented into the three defined categories of operating, investing and financing, and by specifying certain defined totals and subtotals. Where company-specific measures related to the income statement are provided, IFRS 18 requires companies to disclose explanations around these measures, which are referred to as management-defined performance measures. IFRS 18 also provides additional guidance on principles of aggregation and disaggregation which apply to the primary financial statements and the notes. IFRS 18 will not affect the recognition and measurement of items in the financial statements, nor will it affect which items are classified in other comprehensive income and how these items are classified.

Some of the requirements in IAS 1 are moved to IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors and IFRS 7 Financial Instruments: Disclosures. The IASB also made minor amendments to IAS 7 Statement of Cash Flows and IAS 33 Earnings per Share in connection with the new standard.

The standard is effective for reporting periods beginning on or after January 1, 2027, including for interim financial statements. Retrospective application is required, and early application is permitted. The Company is currently assessing the effect of this new standard to its financial statements.

#### 4. Non-controlling Interest

On July 1, 2022, Neo Battery Materials Korea Co ("Korean Co"), a wholly-owned subsidiary of the Company, entered into an Investment Agreement with Automobile & PCB Inc. ("A&P"). Under the terms of Investment Agreement, Korea Co issued 517,657 common shares to A&P at a price of KRW 5,796 per common share for aggregate gross proceeds of KRW 2,999,820,383 (equivalent to CAD \$2,978,822). Upon closing of the Investment Agreement, A&P acquired 40% of the issued and outstanding common shares of Korea Co, leaving the Company with a 60% ownership interest in Korea Co on an issued and outstanding basis.

# NEO Battery Materials Ltd.

## Notes to Condensed Consolidated Interim Financial Statements

### For the Nine months ended November 30, 2025 and November 30, 2024

(Unaudited - Expressed in Canadian Dollars)

#### 4. Non-controlling Interest - continued

The Company controls and therefore includes the accounts of Korean Co in these consolidated financial statements. A non-controlling interest ("NCI") of \$1,363,322 was recognized as being equal to 40% of the net assets of Korean Co immediately after completion of the Investment Agreement. As funds are expended by Korean Co, it is anticipated that losses will arise in that entity, which will reduce the collective NCI amount, recorded within equity, by its pro-rata share of such losses. The Company's share of such losses would be included within its expenses on a consolidated basis. Likewise on a consolidated basis the losses of Korean Co attributable to the NCI would reduce the Company's reported loss.

On January 29, 2024, the Company entered Purchase Agreement with A&P. Upon the terms of Purchase Agreement, the Company acquired 258,829 issued and outstanding shares of Korea Co, at a price of KRW6,491 per share (CAD\$6.60 per share), for aggregate purchase price of KWR1,680,059,039 (equivalent to \$1,708,707). Upon closing of Purchase Agreement, the Company holds 1,035,316 common shares of the Korea Co, representing 80% of the ownership in Korea Co, and A&P holds the remaining 20% of Korea Co.

As at November 30, 2025, the details of the NCI movement are as follows:

Non-controlling interest as at February 28, 2023	\$	1,057,657
Net loss of NEO Korea Co attributable to the non-controlling interest (40%) prior to execution of Purchase Agreement (March 1, 2023 – January 29, 2024)		(639,072)
Non-controlling interest prior to the execution of Purchase Agreement		418,585
<b>Adjustment for NCI</b>		
Consideration of acquiring 20% in net asset		(1,708,707)
Indicating a gain on selling 20% net asset for NCI party		1,489,964
		(218,743)
Non-controlling interest value – immediately after execution of acquisition of 20% as at January 29, 2024		199,842
Net loss of NEO Korea Co attributable to the non-controlling interest (20%) (January 30 – February 29, 2024)		(28,129)
Non-controlling interest as at February 29, 2024	\$	171,713
Net loss of NEO Korea Co attributable to the non-controlling interest (20%)		(383,871)
Non-controlling interest as at February 28, 2025	\$	(212,158)
Net loss of NEO Korea Co attributable to the non-controlling interest (20%)		(409,038)
Non-controlling interest as at November 30, 2025	\$	(621,196)

#### 5. Sales Tax and Other Receivables

As at November 30, 2025, the balance of sales tax (GST & VAT) is \$774,916 (February 29, 2024 - \$31,877).

#### 6. Prepaid Expenses

	November 30, 2025	February 28, 2025
	(\$)	(\$)
Prepaid Expenses - current		
Rent	(a) 2,564,856	84,510
Vendors	485,241	109,898
<b>Short-term prepaid expenses</b>	<b>3,050,097</b>	<b>194,408</b>

(a) Includes two production facilities located in Gimje-si, South Korea and employee housing

## NEO Battery Materials Ltd.

### Notes to Condensed Consolidated Interim Financial Statements

#### For the Nine months ended November 30, 2025 and November 30, 2024

(Unaudited - Expressed in Canadian Dollars)

#### 7. Tangible Assets

	Equipment	Furniture & Fixture	Vehicle	Total
<b>Cost:</b>				
February 28, 2025	\$ 873,232	\$ 189,158	\$ 22,157	\$ 1,084,547
Additions	189,445	18,310	-	207,755
Foreign exchange effect	(31,818)	(6,892)	(807)	(39,517)
<b>November 30, 2025</b>	<b>\$ 1,030,859</b>	<b>\$ 200,576</b>	<b>\$ 21,350</b>	<b>\$ 1,252,785</b>
<b>Accumulated Depreciation:</b>				
February 28, 2025	\$ (430,188)	\$ (44,778)	\$ (7,755)	\$ (482,721)
Additions	(153,800)	(29,328)	(3,319)	(186,447)
Foreign exchange effect	21,082	2,662	399	24,143
<b>November 30, 2025</b>	<b>\$ (562,096)</b>	<b>\$ (71,444)</b>	<b>\$ (10,675)</b>	<b>\$ (645,025)</b>
<b>Net Book Value:</b>				
February 28, 2025	\$ 443,044	\$ 144,380	\$ 14,402	\$ 601,826
<b>November 30, 2025</b>	<b>\$ 467,953</b>	<b>\$ 129,132</b>	<b>\$ 10,675</b>	<b>\$ 607,760</b>

#### 8. Intangible Assets

As at November 30, 2025, the Company has been issued or has pending various intellectual property rights including patents and trademarks. The net book value of the Company's intangible assets is as follows:

	Patents	Trademark	Total
<b>Cost:</b>			
February 28, 2025	\$ 69,489	\$ 2,526	\$ 72,015
Additions	7,703	-	7,703
Foreign exchange effect	(292)	-	(292)
<b>November 30, 2025</b>	<b>\$ 76,901</b>	<b>\$ 2,526</b>	<b>\$ 79,427</b>
<b>Accumulated Amortization:</b>			
February 28, 2025	\$ (14,959)	\$ (361)	\$ (15,320)
Additions	(3,897)	(123)	(4,020)
Foreign exchange effect	93	-	93
<b>November 30, 2025</b>	<b>\$ (18,763)</b>	<b>\$ (484)</b>	<b>\$ (19,247)</b>
<b>Net Book Value:</b>			
February 28, 2025	\$ 54,530	\$ 2,165	\$ 56,695
<b>November 30, 2025</b>	<b>\$ 58,137</b>	<b>\$ 2,042</b>	<b>\$ 60,180</b>

# NEO Battery Materials Ltd.

## Notes to Condensed Consolidated Interim Financial Statements

### For the Nine months ended November 30, 2025 and November 30, 2024

(Unaudited - Expressed in Canadian Dollars)

#### 9. Right-Of-Use Asset & Lease Liability

During the year ended February 28, 2022, the Korean Co entered into a lease agreement for land located in Gyeonggi Province's Oseong Foreign Investment Zone, South Korea, with an initial term from February 23, 2022 to February 22, 2032 (10 years). Following the initial lease term and every subsequent 10-year period, Korean Co can renew the lease under certain conditions for a period of 10 years, for a total of 50 years. Annual lease payments are determined by the Gyeonggi Housing and Urban Corporation. The lease payments are discounted using an interest rate of 15%, which is the Company's incremental borrowing rate.

During the nine months ended November 30, 2025, the Korean Co entered into a R&D space lease agreement located in Gyeonggi Technopark, South Korea, with a term of 24 months expiring June 30, 2027. The lease payments are discounted using an interest rate of 15%, which is the Company's incremental borrowing rate. As the lease was for a term of 12 months or less, no right-of-use asset and lease liability was recognized, and the lease payments associated with the lease is charged directly to profit or loss.

<b>Right-of-Use Assets</b>		
Balance, February 29, 2024	\$	196,436
Additions (a)		20,370
Lease remeasurement (b)		13,308
Amortization expense		(59,840)
Foreign exchange effect		(5,077)
Balance, February 28, 2025	\$	165,197
Additions		112,073
Amortization expense		(53,723)
Foreign exchange effect		(4,131)
<b>Balance, November 30, 2025</b>	<b>\$</b>	<b>219,416</b>
<b>Lease Liabilities</b>		
Balance, February 29, 2024	\$	215,746
Additions		4,501
Lease remeasurement (b)		13,308
Interest expense		23,853
Lease payments		(83,937)
Foreign exchange effect		(5,403)
Balance, February 28, 2025	\$	168,068
Additions		112,073
Interest expense		22,570
Lease payments		(68,530)
Foreign exchange effect		(4,507)
<b>Balance, November 30, 2025</b>	<b>\$</b>	<b>229,674</b>
<b>Current Portion</b>	<b>\$</b>	<b>70,727</b>
<b>Non-current Portion</b>	<b>\$</b>	<b>158,947</b>

- (b) Relates to a reclassification of the guarantee insurance payment on the Oseong Foreign Investment Zone lease from prepaid expenses to the right-of-use asset.
- (c) Relates to a change in the frequency of lease payments (from annual to quarterly) for the Oseong Foreign Investment Zone lease.

# NEO Battery Materials Ltd.

## Notes to Condensed Consolidated Interim Financial Statements

### For the Nine months ended November 30, 2025 and November 30, 2024

(Unaudited - Expressed in Canadian Dollars)

#### 9. Right-Of-Use Asset & Lease Liability - continued

The Company's undiscounted lease payments are summarized as follows:

		As at November 30, 2025
Less than 12 months	\$	98,171
Greater than 12 months		209,803
Undiscounted lease payments	\$	307,974

#### 10. Financial Risk and Capital Management

The Company is exposed in varying degrees to a variety of financial instrument related risks. The Board of Directors approves and monitors the risk management processes, inclusive of documented investment policies, counterparty limits, and controlling and reporting structures. The type of risk exposure and the way in which such exposure is managed is summarized as follows:

##### *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 held in bank accounts. The majority of cash and cash equivalents is deposited in bank accounts at a major bank in Canada. As most of the Company's cash is held by one bank 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.

##### *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.

Historically, the Company's sole source of funding has been the issuance of equity securities for cash, primarily through private placements. The Company's access to financing is always uncertain. There can be no assurance of continued access to necessary levels of equity funding.

##### *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. As at November 30, 2025, the Company had negligible financial assets or liabilities denominated in a foreign currency.

##### *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 not exposed to significant interest rate risks.

# NEO Battery Materials Ltd.

## Notes to Condensed Consolidated Interim Financial Statements

### For the Nine months ended November 30, 2025 and November 30, 2024

(Unaudited - Expressed in Canadian Dollars)

#### 10. Financial Risk and Capital Management - continued

##### Capital management

The Company's policy is, if permitted by market conditions, to maintain a strong capital base so as to support investor and creditor confidence and support future development of the business. The capital structure of the Company consists of equity, comprising share capital and reserves net of accumulated deficit. The Company is not subject to any externally imposed capital requirements. The Company's capital management objectives, policies and processes have remained unchanged during the six months ended November 30, 2025.

The three levels of the fair value hierarchy are as follows:

- **Level 1** – Unadjusted quoted prices in active markets for identical assets or liabilities in active markets;
- **Level 2** – Observable inputs other than quoted prices included in Level 1, such as quoted prices for similar assets and liabilities in active market; quoted prices for identical or similar assets and liabilities in markets that are not active, or other inputs that are observable or can be corroborated by observable market data; and
- **Level 3** – Unobservable inputs which are supported by little or no market activity.

As required by IFRS 13, assets and liabilities are classified in their entirety based on the lowest level of input that is significant to the fair value measurement. Cash and cash equivalents are measured at fair value using Level 1 inputs.

#### 11. Accounts Payable and Accrued Liabilities

	November 30, 2025 (\$)	February 28, 2025 (\$)
Trade payables	562,123	318,507
Accrued liabilities	373,080	167,514
<b>Total</b>	<b>935,203</b>	<b>486,021</b>

#### 12. Share Capital

The Company's authorized share capital consists of an unlimited number of common voting shares without par value.

##### Share Issuance - Private Placements

##### Nine Months Ended November 30, 2025

On June 13, 2024, the Company completed a non-brokered private placement of 400,000 units at a price of \$0.50 per unit for gross proceeds of \$200,000. Each unit consisted of one common share and one non-transferable common share purchase warrant, with each warrant entitling the holder to purchase one common share at a price of \$0.75 per common share for 24 months from the closing date of the offering. In connection with the private placement, the Company paid cash commissions of \$14,000 and issued 28,000 finder's warrants, fair valued at \$6,707, entitling the holder to purchase one common share at a price of \$0.50 per common share for 24 months from the closing date of the private placement. Under the fair value method, \$62,173 of the proceeds were allocated to warrants. The fair value of the warrants was calculated using the Black-Scholes Option Pricing Model with the following assumptions: 2.70% risk-free interest rate, 2 years of expected life, 122.26% volatility and 0% dividend rate.

# NEO Battery Materials Ltd.

## Notes to Condensed Consolidated Interim Financial Statements

### For the Nine months ended November 30, 2025 and November 30, 2024

(Unaudited - Expressed in Canadian Dollars)

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#### 12. Share Capital - continued

##### Share Issuance - Private Placements - continued

###### *Nine Months Ended November 30, 2025 - continued*

On July 18, 2025, the Company completed a non-brokered private placement of 1,400,000 units at a price of \$0.50 per unit for gross proceeds of \$700,000. Each unit consisted of one common share and one non-transferable common share purchase warrant, with each warrant entitling the holder to purchase one common share at a price of \$0.75 per common share for 24 months from the closing date of the offering. In connection with the private placement, the Company paid cash commissions of \$10,500 and issued 63,000 finder's warrants, fair valued at \$19,152, entitling the holder to purchase one common share at a price of \$0.50 per common share for 24 months from the closing date of the private placement. Under the fair value method, \$62,173 of the proceeds were allocated to warrants. The fair value of the warrants was calculated using the Black-Scholes Option Pricing Model with the following assumptions: 2.70% risk-free interest rate, 2 years of expected life, 122.61% volatility and 0% dividend rate.

On September 29, 2025, the Company completed a non-brokered private placement of 10,785,836 units at a price of \$0.51 per unit for gross proceeds of \$5,500,776. Each unit consisted of one common share and one non-transferable common share purchase warrant, with each warrant entitling the holder to purchase one common share at a price of \$0.80 per common share for 36 months from the closing date of the offering. In connection with the private placement, the Company paid cash commissions of \$204,000. Under the fair value method, \$2,123,861 of the proceeds were allocated to warrants. The fair value of the warrants was calculated using the Black-Scholes Option Pricing Model with the following assumptions: 2.47% risk-free interest rate, 3 years of expected life, 123.22% volatility and 0% dividend rate.

On October 30, 2025, the Company completed a non-brokered private placement of 9,803,921 units at a price of \$0.51 per unit for gross proceeds of \$5,000,000. Each unit consisted of one common share and one non-transferable common share purchase warrant, with each warrant entitling the holder to purchase one common share at a price of \$0.80 per common share for 36 months from the closing date of the offering. In connection with the private placement, the Company paid cash commissions of \$300,000. Under the fair value method, \$1,881,566 of the proceeds were allocated to warrants. The fair value of the warrants was calculated using the Black-Scholes Option Pricing Model with the following assumptions: 2.47% risk-free interest rate, 3 years of expected life, 122.83% volatility and 0% dividend rate.

###### *Year Ended February 28, 2025*

On October 28, 2024, the Company completed a non-brokered private placement of 2,000,000 units at a price of \$0.40 per unit for gross proceeds of \$800,003. Each unit consisted of one common share and one-half of one non-transferable common share purchase warrant, with each warrant entitling the holder to purchase one common share at a price of \$0.75 per common share for 24 months from the closing date of the private placement. Under the fair value method, \$152,070 of the proceeds were allocated to warrants. The fair value of the warrants was calculated using the Black-Scholes Option Pricing Model with the following assumptions: 3.09% risk-free interest rate, 2 years of expected life, 110.75% volatility and 0% dividend rate.

##### Share Issuance - Exercise of Warrants

###### *Nine Months Ended November 30, 2025*

For the nine months ended November 30, 2025, no warrants were exercised.

# NEO Battery Materials Ltd.

## Notes to Condensed Consolidated Interim Financial Statements

### For the Nine months ended November 30, 2025 and November 30, 2024

(Unaudited - Expressed in Canadian Dollars)

#### 12. Share Capital - continued

##### Share Issuance - Exercise of Warrants - continued

Year Ended February 28, 2025

During the year ended February 28, 2025, 200,000 and 155,250 warrants were exercised at a price of \$0.16 and \$0.75 per warrant, respectively, for total proceeds of \$148,437. Upon the exercise of the warrants, \$23,222 of the fair value of the warrants recorded was transferred from reserves to share capital.

##### Share Issuance - Exercise of options

Nine months ended November 30, 2025

During the nine months ended November 30, 2025, 95,000 and 2200,000 stock options were exercised at a price of \$0.20 and \$0.30 per share, respectively, for total proceeds of \$79,000. Upon the exercise of the options, \$662,938 of the fair value of the options recorded was transferred from reserves to share capital.

Year Ended February 28, 2025

During the year ended February 28, 2025, 625,000, 600,000, and 120,000 stock options were exercised at a price of \$0.20, \$0.30, and \$0.40, respectively, per share for total proceeds of \$353,000. Upon the exercise of the options, \$276,934 of the fair value of the options recorded was transferred from reserves to share capital.

##### Share Purchase Warrants

Share purchase warrant transactions are summarized as follows:

	Number of Warrants	Weighted Average Exercise Price (\$)
Balance, February 29, 2024	16,957,753	0.56
Issued	1,000,000	0.75
Exercised	(355,250)	(0.42)
Expired	(5,341,668)	(0.16)
Balance, February 28, 2025	12,260,835	0.75
Issued	22,480,757	0.79
Exercised	-	-
Expired	(11,260,835)	(0.75)
<b>Balance, November 30, 2025</b>	<b>23,480,757</b>	<b>0.79</b>

As at November 30, 2025, outstanding warrants are as follows:

Expiry Date	Exercise Price (\$)	Number of Warrants	Weighted Average Life Remaining (Years)
October 28, 2026	0.75	1,000,000	0.91
June 17, 2027	0.75	400,000	1.55
June 17, 2027	0.50	28,000	1.55
July 18, 2027	0.75	1,400,000	1.63
July 18, 2027	0.50	63,000	1.63
September 29, 2028	0.80	10,785,836	2.83
November 03, 2028	0.80	9,803,921	2.93
		<b>23,480,757</b>	<b>2.69</b>

# NEO Battery Materials Ltd.

## Notes to Condensed Consolidated Interim Financial Statements

For the Nine months ended November 30, 2025 and November 30, 2024

(Unaudited - Expressed in Canadian Dollars)

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### 12. Share Capital - continued

#### Stock Options

The Company recently established an Omnibus Equity Incentive Plan (the "Plan"), which was approved by shareholders on June 4, 2025. The Plan is designed to align the interests of participants with those of shareholders and to attract, retain, and motivate key personnel. Prior to the adoption of the Plan, the Company operated under a rolling Stock Option Plan (the "Predecessor Plan") established in 2021. While the Predecessor Plan remains in effect for options granted prior to the adoption of the new Plan, no new awards will be granted under the Predecessor Plan following the approval of the Plan. The Plan allows for the granting of stock options and other equity-based awards, including Restricted Share Units ("RSUs") to eligible participants such as directors, employees, consultants, and persons performing investor relations activities. The Plan permits the Net Exercise of options (a "Net Exercise" as defined in Exchange's Policy 4.4 – Security Based Compensation), allowing participants to receive the net value of the options in shares or cash without having to pay the exercise price in cash.

The aggregate number of shares issuable upon the exercise of stock options shall not exceed 10% of the Company's issued and outstanding common shares at any given time. The maximum aggregate number of shares issuable under other awards, such as RSUs, shall not exceed 10% of the issued and outstanding shares as of the Plan's effective date. No individual participant may be granted awards that would allow them to acquire more than 5% of the issued and outstanding shares within any 12-month period. For consultants, the total number of options or shares issuable under the Plan is capped at 2% of the issued and outstanding shares in any 12-month period. For persons performing investor relations activities, the total number of options or shares issuable is also limited to 2% of the issued and outstanding shares in any 12-month period.

For persons performing investor relations activities, the total number of options or shares issuable is also limited to 2% of the issued and outstanding shares in any 12-month period. The number of RSUs granted to any participant cannot exceed 2% of the issued and outstanding shares at the time of the award. Insiders of the Company are subject to additional restrictions, whereby the aggregate number of shares issuable to them under the Plan and the number of awards granted within any 12-month period cannot exceed 10% of the issued and outstanding shares at any time. Options granted under the Plan are subject to vesting schedules determined by the Plan Administrator, with options for persons performing investor relations activities vesting over a minimum of 12 months and no more than 25% vesting in any three-month period, while RSUs cannot vest earlier than one year from the grant date. The policies of the TSX Venture exchange require such stock option plans to be approved annually by the Company's shareholders by way of an ordinary resolution.

Options granted under the Plan are non-transferable and expire immediately if a participant is dismissed for cause, 90 days after a participant ceases to be a director, officer, employee, or consultant for reasons other than death unless otherwise determined by the Plan Administrator, or one year after the participant's death, subject to the Plan's terms.

#### Stock Options Granted

##### *Nine months ended November 30, 2025*

During the nine months ended November 30, 2025, the Company granted a total of 6,699,240 stock options to its directors, officers, employees, and consultants. These options are exercisable at a weighted exercise price of \$0.56 per option and will expire in three and five years from the grant date. These options vest based on their various vesting terms. Of the total 6,699,240 options, 1,010,000 were granted to related parties. The Company measured the fair value of these options at \$2,820,546 using Black-Sholes Option Pricing Model based on the assumptions provided in the table below.

# NEO Battery Materials Ltd.

## Notes to Condensed Consolidated Interim Financial Statements

### For the Nine months ended November 30, 2025 and November 30, 2024

(Unaudited - Expressed in Canadian Dollars)

#### 12. Share Capital - continued

##### Stock Options - continued

##### Stock Options Granted - continued

Nine months ended November 30, 2025 - continued

	Nov 20, 2025	Nov 3, 2025	Oct 30, 2025	Oct 14, 2025	Sep 29, 2025	Sep 18, 2025	Sep 12, 2025
Risk-free interest rate	2.75%	2.42%	2.71%	2.71%	2.74%	2.48%	2.75%
Expected life	5 years	3 years	5 years	5 years	5 years	5 years	5 years
Volatility	112.90%	113.06%	113.14%	114.94%	114.94%	118.24%	117.84%
Expected dividend yield	Nil	Nil	Nil	Nil	Nil	Nil	Nil

	Sep 5, 2025	Aug 19, 2025	Aug 12, 2025	Aug 8, 2025	Jul 28, 2025	May 9, 2025	Apr 28, 2025
Risk-free interest rate	2.82%	2.96%	2.96%	2.92%	3.07%	2.72%	2.76%
Expected life	5 years	5 years	5 years	5 years	5 years	5 years	5 years
Volatility	116.88%	118.85%	118.63%	118.64%	118.79%	119.19%	122.83%
Expected dividend yield	Nil	Nil	Nil	Nil	Nil	Nil	Nil

	Apr 25, 2025	Apr 18, 2025	Mar 14, 2025	Mar 13, 2025
Risk-free interest rate	2.78%	2.73%	2.72%	2.67%
Expected life	5 years	5 years	5 years	5 years
Volatility	122.80%	122.75%	116.54%	116.52%
Expected dividend yield	Nil	Nil	Nil	Nil

Year Ended February 28, 2025

During the year ended February 28, 2025, the Company granted 120,000, 2,000,000, and 1,350,000 stock options to its directors, officers, employees, and consultants, on October 28, 2024, November 14, 2024, and November 25, 2024, respectively. These options are exercisable at a price of \$0.40, \$0.55, and \$0.94 per option and will expire on October 28, 2029, November 14, 2029, and November 25, 2029, respectively. A majority of the options issued vest on date of grant, with the exception of 250,000 options vesting on May 14, 2025 (November 14, 2024 issuance) and 950,000 options vesting on March 25, 2025 (November 25, 2024 issuance). Of the total 3,470,000 options, 1,350,000 were granted to related parties. The Company measured the fair value of these options at \$1,163,913 using Black-Sholes Option Pricing Model based on the assumptions provided in the table below.

	October 28, 2024	November 14, 2024	November 25, 2024
Risk-free interest rate	3.04%	3.12%	3.18%
Expected life	0.1 years	0.15 years	5 years
Volatility	119.75%	116.32%	116.32%
Expected dividend yield	Nil	Nil	Nil

During the nine months ended November 30, 2025, the Company recorded stock-based compensation of \$1,933,332 (November 30, 2024 - \$2,119,256).

# NEO Battery Materials Ltd.

## Notes to Condensed Consolidated Interim Financial Statements

### For the Nine months ended November 30, 2025 and November 30, 2024

(Unaudited - Expressed in Canadian Dollars)

#### Share Capital - continued

##### Stock Options - continued

##### Stock Options Granted - continued

Stock option transactions are summarized as follows:

	Number of Options	Weighted Average Exercise Price (\$)
<b>Balance, February 29, 2024</b>	8,380,000	0.28
Granted	3,470,000	0.70
Forfeited	(1,200,000)	(0.28)
Exercised	(1,345,000)	(0.26)
<b>Balance, February 28, 2025</b>	9,305,000	0.44
Granted	6,699,240	0.56
Forfeited	(3,055,000)	(0.49)
Exercised	(295,000)	(0.27)
<b>Balance, November 30, 2025</b>	12,654,240	0.50

As at November 30, 2025, stock options outstanding and exercisable are as follows:

Expiry Date	Weighted Average Exercise Price (\$)	Number of Options Outstanding	Number of Options Exercisable	Weighted Average Remaining Life (Years)
February 10, 2026	0.20	1,050,000	1,050,000	0.20
May 13, 2026	0.20	50,000	50,000	0.45
January 19, 2029	0.30	3,400,000	3,400,000	3.14
November 14, 2029	0.55	555,000	555,000	3.96
November 25, 2029	0.94	1,250,000	1,250,000	3.99
March 13, 2030	0.69	900,000	900,000	4.28
March 14, 2030	0.78	510,000	510,000	4.29
April 18, 2030	0.60	100,000	100,000	4.38
April 25, 2030	0.60	300,000	300,000	4.40
April 28, 2030	0.66	200,000	200,000	4.41
May 9, 2030	0.50	400,000	400,000	4.44
July 28, 2030	0.50	150,000	75,000	4.66
August 8, 2030	0.50	700,000	350,000	4.69
August 12, 2030	0.50	106,000	106,000	4.70
August 19, 2030	0.50	500,000	250,000	4.72
September 5, 2030	0.50	790,000	640,000	4.77
September 12, 2030	0.56	70,000	35,000	4.79
September 18, 2028	0.50	525,000	262,500	2.80
September 29, 2030	0.50	250,000	125,000	4.83
October 14, 2030	0.60	10,000	5,000	4.87
October 30, 2030	0.50	150,000	150,000	4.92
November 3, 2028	0.51	582,240	-	2.93
November 10, 2030	0.50	100,000	-	4.95
	0.50	12,654,240	10,713,500	3.57

# NEO Battery Materials Ltd.

## Notes to Condensed Consolidated Interim Financial Statements

### For the Nine months ended November 30, 2025 and November 30, 2024

(Unaudited - Expressed in Canadian Dollars)

#### 13. Related Party Transactions

Related parties include the Company's key management personnel with authority and responsibility for planning, directing and controlling activities of the Company. The Company has determined that its key management personnel is comprised of the Company's Board of Directors and officers, and the entities controlled by the key management personnel.

As at November 30, 2025 and February 28, 2025, there were \$147,400 and \$38,758, respectively, balances due to related parties.

During the nine months ended November 30, 2025, 1,010,000 options were granted to related parties at the fair value of \$682,961, which was recorded in the current period per the vesting schedule.

During the nine months ended November 30, 2025 and 2024, the Company paid the following amounts to the officers and directors of the Company:

	November 30, 2025	November 30, 2024
	(\$)	(\$)
Management fees	474,151	124,278
Director fees	48,512	-
Professional fees	80,049	36,222
	602,712	160,499

#### 14. Segmented Information

Reportable segments are those operations whose operating results are reviewed by the chief operating decision maker, being the individual at the Company making decisions about resources to be allocated to a particular segment, and assessing performance provided those operations pass certain quantitative thresholds.

The Company operates in only one reportable segment, being the development of silicon anode materials for lithium-ion batteries.

#### 15. Contingency

The Company is from time to time, involved in legal proceedings arising in the ordinary course of business. It does not believe that adverse decisions in any pending or threatened proceedings, or any amount it may be required to pay by reason thereof, will have a material adverse effect on the financial condition or future results of the operations of the Company.

#### 16. Subsequent Events

Subsequent events to November 30, 2025:

- On January 21, 2026, the Company completed a non-brokered private placement of 11,666,667 units at a price of \$0.60 per unit for gross proceeds of \$7,000,000.20. Each unit consists of one common share of the Company and one non-transferable common share purchase warrant. Each whole warrant will be exercisable to acquire one common share of the Company at an exercise price of \$0.85 CAD for a period of 36 months from the closing date of the offering.