

FOCUS GRAPHITE INC.

Financial Statements

For the years ended September 30, 2025 and 2024

(Expressed in Canadian Dollars)

Independent Auditor's Report	2- 4
Financial Statements	
Statements of Financial Position	5
Statements of Comprehensive Loss	6
Statements of Changes in Equity	7
Statements of Cash Flows	8
Notes to the Financial Statements	9- 34

Independent Auditor's Report

To the Shareholders of Focus Graphite Inc.

Opinion

We have audited the financial statements of Focus Graphite Inc. (the "Company"), which comprise the statements of financial position as at September 30, 2025 and 2024, and the statements of comprehensive loss, statements of changes in equity and statements of cash flows for the years then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at September 30, 2025 and 2024, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards ("IFRS").

Basis for opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada. 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.

Material uncertainty related to going concern

We draw attention to Note 2 in the financial statements, which indicates that the Company incurred a net loss and had a negative cash flows from operations during the year ended September 30, 2025 and, as of that date, the Company's current liabilities exceeded its current assets. As stated in Note 2, these events or conditions, along with other matters as set forth in Note 2, indicate that material uncertainties exist that cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Except for the matter described in the Material uncertainty related to going concern section, we have determined that there were no additional 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.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

We obtained Management's Discussion and Analysis prior to the date of this auditor's report. If, based on the work we have performed, 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 financial statements

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

In preparing the 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 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 financial statements

Our objectives are to obtain reasonable assurance about whether the 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- Identify and assess the risks of material misstatement of the 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 risks 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 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 financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

The engagement partner of the audit resulting in this independent auditor's report is Chris Milios

McGovern Hurley LLP



**Chartered Professional Accountants
Licensed Public Accountants**

Toronto, Ontario
January 27, 2026

Focus Graphite Inc.Statements of Financial Position
(Expressed in Canadian dollars)

As at	September 30, 2025	September 30, 2024
	\$	\$
ASSETS		
Current assets		
Cash	575,952	1,688
Sales tax receivable	42,341	30,801
Amounts due from related parties (Note 18)	11,334	17,718
Other receivables	10,894	10,894
Prepaid expenses	29,775	38,900
Total assets	670,296	100,001
LIABILITIES		
Current liabilities		
Accounts payable and accrued liabilities	2,142,634	2,197,586
Amounts due to related parties (Note 18)	1,335,000	2,300,000
Other current liabilities (Note 8)	701,237	989,922
	4,178,871	5,487,508
Deferred government grant (Note 10)	87,500	87,500
Total liabilities	4,266,371	5,575,008
EQUITY		
Share capital (Note 11)	79,100,412	75,995,417
Warrants (Note 12)	77,834	50,714
Contributed surplus (Notes 13 & 14)	21,207,241	19,861,761
Accumulated other comprehensive income	273,242	273,242
Deficit	(104,254,804)	(101,656,141)
Total equity	(3,596,075)	(5,475,007)
Total liabilities and equity	670,296	100,001

Going concern (Note 2)
Contingencies (Note 20)
Subsequent events (Note 23)

On behalf of the Board

(signed) "Dean Hanisch"
Dean Hanisch, Director(signed) "Jeffrey York"
Jeffrey York, Director*The accompanying notes are an integral part of these financial statements.*

Focus Graphite Inc.Statements of Comprehensive Loss
(Expressed in Canadian dollars)

For the year ended September 30	2025	2024
	\$	\$
Operating expenses		
Management and consulting fees (Note 18)	468,336	420,581
Salaries and benefits	32,059	182,171
Travel and promotion	79,278	63,410
Professional fees	121,379	193,996
Research and development	237,108	-
Stock-based compensation (Notes 13,14 & 18)	1,328,081	329,008
Exploration and evaluation (Note 6)	388,992	537,390
Office	226,611	273,831
Loss before other income (expense)	(2,881,844)	(2,000,387)
Other income (expenses)		
Interest income	139	197
Forgiveness of long-term debt (Note 9)	-	20,000
Part XII.6 tax	(30,643)	(25,562)
Other income related to flow-through shares (Note 8)	47,263	215,862
Adjustment to provision related to flow-through obligation (Note 8)	266,422	-
Interest accretion on long-term receivable	-	28,293
Loss on sale of marketable securities (Note 4)	-	(214,148)
Net loss and total comprehensive loss	(2,598,663)	(1,975,745)
Basic and diluted net loss per common share	(0.03)	(0.03)
Basic and diluted weighted average number of common shares outstanding	81,614,719	60,461,788

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

Focus Graphite Inc.

Statements of Changes in Equity
(Expressed in Canadian dollars)

	Share capital		Warrants	Contributed surplus	Accumulated other comprehensive income	Deficit	Total
	# of shares	\$	\$	\$	\$	\$	\$
Balance, September 30, 2023	57,924,602	75,367,050	17,399	19,532,753	273,242	(99,680,396)	(4,489,952)
Shares/units issued for cash	4,539,568	718,417	3,125	-	-	-	721,542
Share issuance costs	-	(90,050)	30,190	-	-	-	(59,860)
Stock-based compensation	-	-	-	329,008	-	-	329,008
Net loss	-	-	-	-	-	(1,975,745)	(1,975,745)
Balance, September 30, 2024	62,464,170	75,995,417	50,714	19,861,761	273,242	(101,656,141)	(5,475,007)
Shares/units issued for cash	19,858,336	2,033,500	-	-	-	-	2,033,500
Shares issued on exercise of warrants	160,500	31,701	(651)	-	-	-	31,050
Shares issued in settlement of amounts due to related party	12,104,761	1,065,000	-	-	-	-	1,065,000
Shares issued in settlement of accounts payable	1,148,996	119,400	-	-	-	-	119,400
Expiry of warrants	-	-	(17,399)	17,399	-	-	-
Share issuance costs	-	(144,606)	45,170	-	-	-	(99,436)
Stock-based compensation	-	-	-	1,328,081	-	-	1,328,081
Net loss	-	-	-	-	-	(2,598,663)	(2,598,663)
Balance, September 30, 2025	95,736,763	79,100,412	77,834	21,207,241	273,242	(104,254,804)	(3,596,075)

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

Focus Graphite Inc.

Statements of Cash Flows

(Expressed in Canadian dollars)

For the year ended September 30	2025	2024
	\$	\$
OPERATING ACTIVITIES		
Net loss	(2,598,663)	(1,975,745)
Adjustments for:		
Stock-based compensation	1,328,081	329,008
Other income related to flow-through shares	(47,263)	(215,862)
Adjustment to provision related to flow-through obligation (Note 8)	(266,422)	-
Forgiveness of long-term debt	-	(20,000)
Interest accretion on long-term receivable	-	(28,293)
Deferred government grant recognized in income	-	(52,500)
Loss on sale of marketable securities	-	214,148
Changes in non-cash working capital items (Note 15)	168,417	639,528
Net cash flows from operating activities	(1,415,850)	(1,109,716)
INVESTING ACTIVITIES		
Proceeds from sale of marketable securities (Note 4)	-	185,852
Net cash flows from investing activities	-	185,852
FINANCING ACTIVITIES		
Proceeds from issuance of shares/units	2,058,500	800,201
Proceeds from exercise of warrants	31,050	-
Repayment of long-term debt	-	(40,000)
Government grant received	-	87,500
Share issuance costs	(99,436)	(59,860)
Net cash flows from financing activities	1,990,114	787,841
Increase (decrease) in cash	574,264	(136,023)
Cash, beginning of the year	1,688	137,711
Cash, end of the year	575,952	1,688

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

Focus Graphite Inc.

Notes to the Financial Statements

September 30, 2025 and 2024

(Expressed in Canadian dollars)

1. NATURE OF OPERATIONS

Focus Graphite Inc. (the “Company” or “Focus”) was incorporated on December 30, 1998 under the Canada Business Corporations Act.

Focus is engaged in the acquisition, exploration and development of mineral properties in Quebec, Canada. The Company is in the exploration stage and does not derive any revenue from its properties. The address of the Company’s corporate office is 1505 Laperriere Ave, Suite 505, Ottawa, Ontario, Canada. Focus Graphite Inc.’s common shares are listed for trading on the TSX Venture Exchange (“TSX-V”) under the symbol “FMS” and on the OTCQX Exchange in the U.S. under the symbol “FCSMF”.

2. GOING CONCERN ASSUMPTION

These financial statements have been prepared on a going concern basis in accordance with International Financial Reporting Standards (“IFRS”). The going concern basis of presentation assumes the Company will continue to operate for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of business. The Company is in the exploration stage and has not earned revenue from operations. During the year ended September 30, 2025, the Company incurred a net loss of \$2,598,663 (2024 - \$1,975,745) and had negative cash flows from operations of \$1,415,850 (2024 - \$1,109,716). In addition, the Company has a working capital deficiency of \$3,508,575 (2024 - \$5,387,507) and a deficit of \$104,254,804 (2024 - \$101,656,141).

The above factors indicate that a material uncertainty exists that raises significant doubt about the Company’s ability to continue as a going concern. In assessing whether the going concern assumption is appropriate, Management takes into account all available information about the future, which is at least, but not limited to, twelve months from the end of the reporting period. This assessment is based upon planned actions that may or may not occur for a number of reasons including the Company’s own resources and external market conditions.

The Company’s ability to continue as a going concern, realize its assets and discharge its liabilities in the normal course of business, meet its corporate administrative expenses and continue its exploration activities in fiscal 2026, is dependent upon Management’s ability to obtain additional financing, through various means including but not limited to equity financing. No assurance can be given that any such additional financing will be available, or that it can be obtained on terms favorable to the Company.

These financial statements do not reflect adjustments that would be necessary if the going concern assumption was not appropriate. If the going concern basis was not appropriate for these financial statements, then adjustments would be necessary to the carrying amounts of assets and liabilities, the reported expenses and the classifications used in the statements of financial position.

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES

(a) Basis of presentation and compliance with IFRS

These financial statements have been prepared on a historical cost basis, as modified by the revaluation of certain financial instruments, and are expressed in Canadian dollars, which is also the functional currency of the Company. These financial statements have been prepared in accordance with IFRS as issued by the International Accounting Standards Board (“IASB”).

These financial statements were authorized for issue by the Board of Directors on January 27, 2026.

Focus Graphite Inc.

Notes to the Financial Statements

September 30, 2025 and 2024

(Expressed in Canadian dollars)

(b) Judgments, estimates and assumptions

When preparing the financial statements, Management makes a number of judgments, estimates and assumptions about the recognition and measurement of assets, liabilities, income and expenses.

Significant Management judgment

The following are significant Management judgments in applying the accounting policies of the Company that have the most significant effect on the financial statements.

Significant influence assessment and assessment of indicators of impairment of an equity-method investee

The assessment as to whether or not the Company has significant influence over an investee requires judgment. Even though Focus holds less than 20% of the voting rights in Grafoid Inc. ("Grafoid"), with an ownership interest of 6.7% as at September 30, 2025 (Note 5), Management considers the Company to have significant influence over Grafoid. Management considers various facts and circumstances in arriving at this assessment, including but not limited to Focus' representation on the Board of Directors of Grafoid.

Recognition of deferred income tax assets and measurement of income tax expense

Management continually evaluates the likelihood that its deferred tax assets could be realized. This requires Management to assess whether it is probable that sufficient taxable income will exist in the future to utilize these losses within the carry-forward period. By its nature, this assessment requires significant judgment. To date, Management has not recognized any deferred tax assets in excess of existing taxable temporary differences expected to reverse within the carry-forward period.

Going concern

The assessment of the Company's ability to continue as a going concern and to raise sufficient funds to pay for its ongoing operating expenditures, meet its liabilities for the ensuing year, and to fund planned and contractual exploration programs, involves significant judgment based on historical experience and other factors including expectation of future events that are believed to be reasonable under the circumstances. See Note 2 for more information.

Estimation uncertainty

Information about estimates and assumptions that have the most significant effect on the recognition and measurement of assets, liabilities, income and expenses is provided below. Actual results may be substantially different.

Share-based payments and warrants

The estimation of stock-based compensation and valuation assigned to warrants requires the selection of an appropriate valuation model and consideration as to the inputs necessary for the valuation model chosen. The Company has made estimates as to the volatility of its own shares, the probable life of stock options and warrants granted and the time of exercise of those stock options and warrants. The valuation model used by the Company is the Black-Scholes model.

Allocation of proceeds from unit private placements

The Company allocates values to share capital and to warrants on a residual basis when the two are issued together as a unit. As this allocation is based upon the share price at the time of issuance and the stock is thinly traded, the actual value of the components may differ from this allocation.

Focus Graphite Inc.

Notes to the Financial Statements
September 30, 2025 and 2024
(Expressed in Canadian dollars)

Provision related to flow-through obligation

In December 2018, the Company completed flow-through private placements for gross proceeds of \$1,275,000 which were renounced under the look-back rule. The Company did not spend the required Canadian Exploration Expenses (“CEE”) until October and November 2020, which was after the deadline of December 31, 2019. Management has estimated the liability relating to having not spent the CEE by the December 31, 2019 deadline. In determining the provision, management has made several assumptions, including the assumption of top marginal tax rates for the investors and the probability of recourse by investors of 100%. Such provision is expected to change once more information from tax authorities and investors is obtained.

(c) Investments in associates

Associates are entities over which the Company is able to exert significant influence but which are not subsidiaries.

Investments in associates are accounted for using the equity method and are initially recognized at cost plus transaction costs.

The carrying amount of investments in associates is increased or decreased to recognize the Company’s share of the profit or loss and other comprehensive income of associates, adjusted where necessary to ensure consistency with the accounting policies of the Company.

If the Company’s share of losses of an associate equals or exceeds its interest in the associate, the Company discontinues recognizing its share of further losses. Additional losses are provided for, and a liability is recognized only to the extent that the Company has incurred legal or constructive obligations or made payments on behalf of the associate.

(d) Foreign currency translation

Foreign currency transactions are translated into the functional currency, using the exchange rates prevailing at the dates of the transactions (spot exchange rate). Exchange differences resulting from the settlement of such transactions and from the re-measurement of monetary items at year-end exchange rates are recognized in profit or loss.

Non-monetary items measured at historical cost are translated using the exchange rates at the date of the transaction (not re-translated). Non-monetary items measured at fair value are translated using the exchange rates at the date when fair value was determined.

(e) Financial instruments

Financial assets and financial liabilities are recognized when the Company becomes a party to the contractual provisions of the financial instrument.

Financial assets are derecognized when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and all substantial risks and rewards are transferred.

A financial liability is derecognized when it is extinguished, discharged, cancelled or when it expires.

Financial assets and financial liabilities are measured initially at fair value plus transactions costs.

Financial assets and financial liabilities are measured subsequently as described below.

Focus Graphite Inc.

Notes to the Financial Statements

September 30, 2025 and 2024

(Expressed in Canadian dollars)

Financial assets at amortized cost

Financial assets at amortized cost are non-derivative financial assets which are held within a business model whose objective is to hold assets to collect contractual cash flows and its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. A financial asset is initially measured at fair value, including transaction costs and subsequently at amortized cost. The Company's cash, amounts due from related parties and other receivables fall into this category of financial instruments.

Financial assets at fair value through profit or loss ("FVTPL")

Financial assets are classified as FVTPL when the financial asset is held for trading or it is designated as FVTPL. Financial assets classified as FVTPL are stated at fair value with any resulting gain or loss recognized in profit or loss. Transaction costs are expensed as incurred.

Impairment of financial assets

All financial assets not classified as fair value through profit or loss, including an interest in an equity-accounted investee, are subject to review for impairment at least at each reporting date. Financial assets are impaired when there is any objective evidence that a financial asset or a group of financial assets is impaired.

Objective evidence of impairment could include:

- significant financial difficulty of the issuer or counterparty;
- default or delinquency in interest or principal payments;
- it becoming probable that the borrower will enter bankruptcy or financial reorganization;
- the disappearance of an active market for a security; or
- observable data indicating that there is a measurable decrease in the expected cash flows from a group of financial assets.

For an investment in an equity security, objective evidence of impairment includes a significant or prolonged decline in its fair value below its cost. The Company generally considers a decline of 20% to be significant and a period of nine months to be prolonged.

Individually significant receivables are considered for impairment when they are past due or when other objective evidence is received that a specific counterparty will default. Impairment of receivables is presented in profit or loss, if applicable.

Financial liabilities

Financial liabilities are classified as either financial liabilities at FVTPL or at amortized cost. Financial liabilities at FVTPL are stated at fair value, with changes being recognized through profit or loss. Other financial liabilities are initially measured at fair value, net of transaction costs, and are subsequently measured at amortized cost using the effective interest method, with interest expense recognized on an effective yield basis. The Company's financial liabilities include accounts payable and accrued liabilities, amounts due to related parties and other current liabilities.

Fair value hierarchy

Financial instruments measured at fair value on the statements of financial position are classified using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels: Level 1 – valuation based on quoted prices unadjusted in active markets for identical assets or liabilities; Level 2 – valuation techniques based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived

Focus Graphite Inc.

Notes to the Financial Statements

September 30, 2025 and 2024

(Expressed in Canadian dollars)

from prices); Level 3 – valuation techniques using inputs for the asset or liability that are not based on observable market data (unobservable inputs).

(f) Basic and diluted loss per share

Basic loss per share is computed by dividing the net loss for the period by the weighted average number of common shares outstanding during the period. The computation of diluted loss per share assumes the conversion or exercise of securities only when such conversion or exercise would have a dilutive effect on earnings per share. The diluted loss per share is equal to the basic loss per share because the effect of warrants, stock options and RSUs (Notes 12, 13 and 14) is antidilutive as it would decrease the loss per share.

(g) Government assistance

Government grants and assistance are recognized when there is reasonable assurance that the grants or assistance will be received, and all attached conditions will be complied with. Government grants or assistance relating to an expense item are recognized within government assistance in the statements of profit and loss.

When government assistance is received which relates to expenses of future periods, the amount is deferred and amortized to income as the related expenditures are incurred.

(h) Tax credits and credit on duties

The Company is eligible for a refundable duties credit for losses under the Quebec Mining Duties Act. The refundable credit is equal to 8% of eligible exploration expenditures incurred in the Province of Quebec.

Additionally, the Company is eligible for a refundable tax credit related to resources on eligible exploration expenditures incurred in the Province of Quebec. The amount of the refundable tax credit related to resources varies depending on the region in which the qualified expenditures are incurred, with up to 38.75% of qualified expenditures being refundable for those incurred in Northern Quebec.

The refundable tax credit related to resources and refundable duties credit for losses are recognized when the Company incurs the qualified expenditures and collectability is considered probable. The credits are recorded as a reduction of exploration and evaluation expenses.

(i) Research and development costs

Costs related to research activities are expensed as incurred. Costs that are directly attributable to a project's development phase are recognized as intangible assets, provided they meet the following recognition requirements: (i) the development costs can be measured reliably; (ii) the project is technically and commercially feasible; (iii) the Company intends to and has sufficient resources to complete the project; (iv) the Company has the ability to use or sell the product or equipment; and (v) the product, equipment or process will generate probable future economic benefits. Development costs not meeting all these criteria are expensed as incurred. To date, no development costs have been capitalized.

(j) Exploration and evaluation expenditures

Exploration and evaluation expenditures, including acquisition costs, are expensed as incurred.

(k) Provisions and contingent liabilities

A provision is recognized when the Company has a present legal or constructive obligation as a result of a past event, it is probable that an outflow of economic resources will be required to settle the obligation, and the amount of the obligation can be reliably estimated. Timing or amount of the outflow may still be uncertain. If the effect is material, provisions are measured by discounting the expected future cash flows at a pre-tax

Focus Graphite Inc.

Notes to the Financial Statements

September 30, 2025 and 2024

(Expressed in Canadian dollars)

rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

The Company's operations are governed by government environment protection legislation. Environmental consequences are difficult to identify in terms of amounts, timetable and impact. As of the reporting date, Management believes that the Company's operations are in compliance with current laws and regulations. Site restoration costs currently incurred are negligible. When the technical feasibility and commercial viability of extracting a mineral resource have been demonstrated, a restoration provision will be recognized in the cost of the mining property when there is a constructive commitment that has resulted from past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and the amount of the obligation can be measured with sufficient reliability.

All provisions are reviewed at each reporting date and adjusted to reflect the current best estimate.

In those cases where the possible outflow of economic resources as a result of present obligations is considered improbable or remote, no liability is recognized, unless it was assumed in the course of a business combination. In a business combination, contingent liabilities are recognized in the course of the allocation of the purchase price to the assets and liabilities acquired in the business combination. They are subsequently measured at the higher amount of a comparable provision as described above and the amount initially recognized, less any amortization.

(l) Employee benefits

The cost of short-term employee benefits (including non-monetary benefits such as group medical and dental insurance) are recognized in the period in which the service is rendered and are not discounted.

(m) Income taxes

Tax expense recognized in profit or loss comprises the sum of deferred and current tax not recognized in other comprehensive income or directly in equity.

Current income tax assets and/or liabilities comprise those obligations to, or claims from, fiscal authorities relating to the current or prior reporting periods, that are unpaid at the reporting date. Current tax is payable on taxable profit, which differs from profit or loss in the financial statements. Calculation of current tax is based on tax rates and laws that have been enacted or substantively enacted by the end of the reporting period.

Deferred income taxes are calculated using the liability method on temporary differences between the carrying amounts of assets and liabilities and their tax bases. However, deferred tax is not provided on the initial recognition of an asset or liability unless the related transaction is a business combination or affects tax or accounting profit. Deferred tax on temporary differences associated with shares in subsidiaries and associates is not provided if reversal of these temporary differences can be controlled by the Company and it is probable that the reversal will occur in the foreseeable future.

Deferred tax assets and liabilities are calculated, without discounting, at tax rates that are expected to apply to their respective period of realization, provided they are enacted or substantively enacted by the end of the reporting period. Deferred tax liabilities are always provided for in full. Deferred tax assets are recognized to the extent that it is probable that they will be able to be utilized against future taxable income.

Deferred tax assets and liabilities are offset only when the Company has a right and intention to set off current tax assets and liabilities from the same taxation authority.

Changes in deferred tax assets or liabilities are recognized as deferred income tax expense in profit or loss, except where they relate to items that are recognized in other comprehensive income or directly in equity, in which case the related deferred tax is also recognized in other comprehensive income or equity, respectively.

Focus Graphite Inc.

Notes to the Financial Statements
September 30, 2025 and 2024
(Expressed in Canadian dollars)

(n) Equity

Share capital

Share capital represents the amount received on the issuance of shares. Transaction costs directly attributable to the issuance of common shares are recognized as a reduction of share capital. When shares are issued upon the exercise of stock options or warrants, the proceeds are allocated to share capital and the value previously recorded to contributed surplus or warrants for these stock options or warrants, is transferred to share capital. In addition, if shares are issued as consideration for the acquisition of a mineral property or some other form of non-monetary assets, they are measured at the fair value of the assets or services received or the fair value of the shares issued, according to the quoted price on the day of the conclusion of the agreement.

Flow-through financings

Issuance of flow-through shares/units represents in substance an issue of common shares, warrants (if applicable) and the sale of the right to tax deductions to the investors. When the flow-through units are issued, the sale of the right to tax deductions is deferred and presented as other liabilities in the statement of financial position. The proceeds received from flow-through placements are allocated between share capital, warrants issued and the liability using the residual method. Proceeds are first allocated to shares according to the quoted price of existing shares at the time of issuance, then to warrants (if applicable) according to the fair value of the warrants at the time of issuance and any residual in the proceeds is allocated to the liability. The fair value of the warrants is estimated using the Black-Scholes valuation model. The liability component recorded initially on the issuance of shares is reversed, on renouncement of the right to tax deductions to the investors and when eligible expenses are incurred, and recognized in profit or loss in other income related to flow-through shares.

Unit placements

Under the residual method, proceeds are first allocated to shares according to the quoted prices of existing shares at the time of issuance and any residual in the proceeds is allocated to warrants.

Warrants

Warrants include charges related to the issuance of warrants until such equity instruments are exercised.

Contributed surplus

Contributed surplus includes charges related to stock-based compensation until such equity instruments are exercised, as well as expired or forfeited warrants.

Deficit

Deficit includes all current and prior period profits or losses.

(o) Equity-settled stock-based payment transactions

The Company operates an equity incentive plan for directors, officers, employees and certain consultants. The Company's plan does not feature any options for a cash settlement. Occasionally, the Company may issue warrants to brokers.

All goods and services received in exchange for the grant of any stock-based payments are measured at their fair values, unless that fair value cannot be estimated reliably. If the Company cannot estimate reliably the fair value of the goods or services received, the Company shall measure their value indirectly by reference to the fair value of the equity instruments granted. Where employees, or consultants providing similar services, are

Focus Graphite Inc.

Notes to the Financial Statements

September 30, 2025 and 2024

(Expressed in Canadian dollars)

rewarded using stock-based payments, the fair values of the services rendered are determined indirectly by reference to the fair value of the equity instruments granted. The fair value is measured at the grant date and if applicable, recognized over the vesting period. The fair value of stock options granted is measured using the Black-Scholes option-pricing model, taking into account the terms and conditions upon which the options were granted. Estimates are subsequently revised if there is any indication that the number of stock options expected to vest differs from previous estimates. Any cumulative adjustment prior to vesting is recognized in the current period. No adjustment is made to any expense recognized in prior periods if stock options ultimately exercised are different to that estimated on vesting. Stock-based compensation expense incorporates an expected forfeiture rate.

All stock-based payments under the plan (except warrants to brokers) are ultimately recognized as an expense in profit or loss with a corresponding credit to contributed surplus, in equity. At the same time, upon exercise of a stock option, the proceeds received net of any directly attributable transaction costs are recorded as share capital. The accumulated charges related to the stock options recorded in contributed surplus are then transferred to share capital. Warrants issued to brokers are recognized as issuance costs of equity instruments with a corresponding credit to warrants, in equity.

(p) Restricted share units (“RSU”)

Under the Company’s equity incentive plan, directors, officers, employees and certain consultants may be granted RSUs where each RSU has a value equal to one Focus common share. RSUs are measured at fair value on the grant date. The fair value of RSUs are recognized as a charge to stock-based compensation over the vesting period with a corresponding increase in equity.

(q) Segmented reporting

The Company is organized into business units based on mineral properties and has determined that there was only one business segment, being the acquisition, exploration and potential development of mineral properties, based on information that is regularly reviewed by the chief operating decision-maker.

(r) Leases

The Company does not have leases with terms greater than 12 months. Payments associated with short-term leases and leases of low-value assets are recognized as an expense on a straight-line basis in operating expenses in the statements of comprehensive loss. Short term leases are defined as leases with a lease term of 12 months or less.

(s) Standards, amendments and interpretations

Effective in the current year

Supplier Finance Arrangements (Amendments to IAS 7 and IFRS 7)

In May 2023, the IASB issued amendments to IAS 7 *Statement of Cash Flows* and IFRS 7 *Financial Instruments: Disclosures to clarify the characteristics of supplier finance arrangements and require additional disclosure of such arrangements*. The disclosure requirements in the amendments are intended to assist users of financial statements in understanding the effects of supplier finance arrangements on an entity’s liabilities, cash flows and exposure to liquidity risk.

The amendments have been applied prospectively and have not had a significant impact on the Company’s financial statements.

Focus Graphite Inc.

Notes to the Financial Statements
September 30, 2025 and 2024
(Expressed in Canadian dollars)

Issued but not yet effective

The Company is currently evaluating the impact of the following amendments on its financial statements.

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

In May 2024, the IASB issued amendments to IFRS 9 *Financial Instruments* and IFRS 7 *Financial Instruments – Disclosures*. The amendments clarify the derecognition of financial liabilities and introduce an accounting policy option to derecognize financial liabilities that are settled through an electronic payment system. The amendments also clarify how to assess the contractual cash flow characteristics of financial assets that include environmental, social and governance (ESG)-linked features and other similar contingent features and the treatment of non-recourse assets and contractually linked instruments (CLIs). Further, the amendments mandate additional disclosures in IFRS 7 for financial instruments with contingent features and equity instruments classified at FVOCI.

The amendments are effective for annual periods starting on or after January 1, 2026. Retrospective application is required and early adoption is permitted.

Presentation and Disclosure in Financial Statements (IFRS 18)

In April 2024, the IASB issued IFRS 18 *Presentation and Disclosure in Financial Statements* to improve reporting of financial performance. The new standard replaces IAS 1 *Presentation of Financial Statements*. IFRS 18 introduces new categories and required subtotals in the statement of profit and loss and also requires disclosure of management-defined performance measures. It also includes new requirements for the location, aggregation and disaggregation of financial information. The standard is effective for annual reporting periods beginning on or after January 1, 2027, including interim financial statements. Retrospective application is required and early adoption is permitted.

4. MARKETABLE SECURITIES

Marketable securities are classified as fair value through profit or loss and are comprised of:

	September 30, 2025	September 30, 2024
	\$	\$
Mont Royal Resources Ltd. (1)	-	-

(1) In December 2023, the Company received 2,734,858 common shares of Mont Royal, with a fair value of \$400,000. The shares were issued to the Company in accordance with the Mineral Property Acquisition Agreement (Note 7). During the year ended September 30, 2024, the Company sold the 2,734,858 common shares for gross proceeds of \$185,852, recognizing a loss on sale of marketable securities of \$214,148.

5. INVESTMENT IN ASSOCIATE

Grafoid Inc.

Grafoid is a privately held graphene research and development company, with its principal place of business in Kingston, Ontario.

As of September 30, 2025 and 2024, no dividends have been received from Grafoid.

Focus Graphite Inc.

Notes to the Financial Statements
September 30, 2025 and 2024
(Expressed in Canadian dollars)

As at September 30, 2025, the Company's ownership interest in Grafoid was 6.7%. The Company accounts for its investment in Grafoid using the equity method. The Company is able to exert significant influence over Grafoid by virtue of common directors and management. The Company has no obligation to fund Grafoid beyond its value, which remains \$Nil at September 30, 2025, due to the accumulated share of losses in Grafoid.

6. EXPLORATION AND EVALUATION ON MINERAL EXPLORATION PROPERTIES

Lac Knife

The Company holds a 100% interest in the Lac Knife property, located south of Fermont, Quebec, in North-Eastern Quebec near the Labrador border.

Manicouagan

The Company holds a 100% interest in the Manicouagan properties, located in Quebec. As at September 30, 2025 and 2024, Manicouagan consists of the Lac Tetepisca, Lac Tetepisca North and Lac Guinecourt properties.

Exploration and evaluation expenditures incurred during the years ended September 30, 2025 and 2024 were as follows:

For the year ended September 30, 2025	Lac Knife	Manicouagan	Total
	\$	\$	\$
Drilling	124,982	163,949	288,931
Independent technical studies	-	13,661	13,661
Geochemical survey	4,120	-	4,120
Metallurgical analysis	8,005	26,643	34,648
Property maintenance	3,297	16,361	19,658
Environmental studies	27,974	-	27,974
Exploration and evaluation expenditures	168,378	220,614	388,992

For the year ended September 30, 2024	Lac Knife	Manicouagan	Total
	\$	\$	\$
Drilling	15,920	330,599	346,519
Independent technical studies	40,650	77,298	117,948
Geochemical survey	21,252	67,594	88,846
Property maintenance	19,577	10,133	29,710
Community relations	6,867	-	6,867
	104,266	485,624	589,890
Government grant	-	(52,500)	(52,500)
Exploration and evaluation expenditures	104,266	433,124	537,390

Although the Company has taken steps to verify title to the properties on which it is conducting exploration and in which it has an interest, in accordance with industry standards for the current stage of exploration of such properties, these procedures do not guarantee the Company's title. Property title may be subject to government licensing requirements, unregistered prior claims and agreements, Indigenous claims, social license requirements and non-compliance with regulatory requirements.

Focus Graphite Inc.

Notes to the Financial Statements
September 30, 2025 and 2024
(Expressed in Canadian dollars)

7. LONG-TERM RECEIVABLE

On July 6, 2020, the Company signed a Mineral Property Acquisition Agreement (the “MPA Agreement”) whereby it agreed to sell its interest in the Eastmain-Leran property to a third party (the “Purchaser”), for the following consideration:

- \$500,000 in cash at closing (received in July 2020)
- \$500,000 in cash by December 1, 2021 (received \$350,000 in cash and \$150,000 in shares in December 2021)
- \$500,000 in cash by December 1, 2022 (received \$250,000 in cash and \$250,000 in shares in December 2022) (Note 4)
- \$800,000 in cash by December 1, 2023 (received \$400,000 in cash and \$400,000 in shares in December 2023) (Note 4)

In December 2023, the final obligation under the MPA Agreement was met and the Company transferred all mineral titles to the Purchaser. The Company retained (a) a 0.5% NSR on the Alta Option portion of the property which can be purchased at any time by the Purchaser for \$125,000 and (b) a 2.5% NSR on the Staked portion of the property which can be purchased at any time by the Purchaser for \$625,000.

8. OTHER CURRENT LIABILITIES

The Company may indemnify subscribers to flow-through shares for tax-related amounts that may become due in the event the Company does not meet its obligations under flow-through subscription agreements. The laws and regulations related to flow-through shares are subject to interpretation by various parties, including management, law makers and tax authorities. Such interpretations may be subjective.

Other current liabilities include the following:

	September 30, 2025	September 30, 2024
	\$	\$
Obligation to pass on tax deductions:		
December 2022 flow-through financing (2)	-	-
December 2023 flow-through financing (3)	-	13,466
May 2024 flow-through financing (4)	13,262	47,059
July 2025 flow-through financing (5)	25,000	-
Provision related to flow-through obligation (1)	662,975	929,397
Total other current liabilities	701,237	989,922

- (1) In December 2018, the Company closed a flow-through private placement for gross proceeds of \$1,275,000. In February 2019, with an effective date of December 31, 2018, the related tax deductions were renounced to investors under the look-back rule, which permits the Company to renounce flow-through expenditures to investors in advance of incurring all of the required exploration expenditures. Under the look-back rule, the Company has twelve months following the effective date of renunciation to incur any required exploration expenditures not yet incurred at the effective date of renunciation. Focus did not incur the required exploration expenditures until October 2020, which was after the December 31, 2019 deadline. As a result, during the year ended September 30, 2020, the Company recorded a provision in the amount of \$1,170,000, representing the estimated liability resulting from the missed deadline. The provision included Part XII.6 tax and the Quebec equivalent, as well as estimated investors indemnification exposure. During the year ended September 30, 2021, the Company made payments to

Focus Graphite Inc.

Notes to the Financial Statements

September 30, 2025 and 2024

(Expressed in Canadian dollars)

the Canada Revenue Agency and Revenu Quebec for a total amount of \$240,603 and reduced the provision accordingly. During the year ended September 30, 2025, the Company reduced the provision to \$662,975, further to the completion of audits conducted by the Canada Revenue Agency and Revenu Quebec.

- (2) In December 2022, the Company closed a flow-through private placement for gross proceeds of \$642,616 (Note 11). The proceeds from the financing were allocated between share capital (\$444,888) and a deferred liability (\$197,728), using the residual method, where the liability component represents the Company's obligation to pass on the tax deductions to investors. The Company has incurred all of the required flow-through expenditures and reduced the deferred liability to \$Nil, recognizing other income related to flow through shares of \$197,728 during the year ended September 30, 2024.
- (3) In December 2023, the Company closed a flow-through private placement for gross proceeds of \$300,200 (Note 11). The proceeds from the financing were allocated between share capital (\$268,600) and a deferred liability (\$31,600), using the residual method, where the liability component represents the Company's obligation to pass on the tax deductions to investors. The Company has incurred all of the required flow-through expenditures and reduced the deferred liability to \$Nil, recognizing other income related to flow through shares of \$18,134 during the year ended September 30, 2024 and \$13,466 during the year ended September 30, 2025.
- (4) In May 2024, the Company closed a flow-through private placement for gross proceeds of \$400,001 (Note 11). The proceeds from the financing were allocated between share capital (\$352,942) and a deferred liability (\$47,059), using the residual method, where the liability component represents the Company's obligation to pass on the tax deductions to investors. Further to the renunciation of the tax deductions to investors in February 2025, with an effective date of December 31, 2024, the Company has reduced the initial liability by the percentage of the required exploration expenditures which have been incurred to September 30, 2025. As at September 30, 2025, the remaining liability is \$13,262.
- (5) In July 2025, the Company closed a flow-through private placement for gross proceeds of \$200,000 (Note 11). The proceeds from the financing were allocated between share capital (\$175,000) and a deferred liability (\$25,000), using the residual method, where the liability component represents the Company's obligation to pass on the tax deductions to investors. As at September 30, 2025, the Company has not incurred any of the required flow-through expenditures.

9. LONG TERM DEBT

Under the Canada Emergency Bank Account program ("CEBA"), part of the Government of Canada's economic response plan to help Canadian businesses deal with the COVID-19 pandemic, the Company received loans totaling \$60,000 (the "CEBA Loan"), with \$40,000 received in fiscal 2020 and another \$20,000 received in fiscal 2021.

In January 2024, the Company repaid \$40,000 of the CEBA Loan. In doing so, the Company qualified for partial loan forgiveness in the amount of \$20,000, effectively settling the balance of the CEBA Loan.

10. DEFERRED GOVERNMENT GRANT

In June 2022, the Company was awarded a \$350,000 grant by the government of Quebec's Ministry of Energy and Natural Resources (MERN). The grant will be used to finance a geometallurgical study at the Company's Lac Tetepisca property.

As at September 30, 2025, \$87,500 was included in deferred government grant in the statements of financial position (\$87,500 as at September 30, 2024). This amount, representing 25% of the total grant, was received by the Company in July 2024 and has been deferred until the related work has been conducted. During the year ended September 30, 2024, the Company recognized an amount of \$52,500 in the statement of

Focus Graphite Inc.

Notes to the Financial Statements
September 30, 2025 and 2024
(Expressed in Canadian dollars)

comprehensive loss, as a reduction of exploration and evaluation expenses, in respect of an amount received in September 2022 for which the related work was conducted during the 2024 fiscal year.

11. SHARE CAPITAL

Authorized

An unlimited number of the following shares:

Class "A" common shares voting common shares, no par value
Preferred Shares special non-voting shares, no par value

Issued and fully paid

Class "A" common shares

	Number of shares		\$
Balance, September 30, 2023	57,924,602	75,367,050	
Shares issued for cash (1)(2)(3)(4)	4,539,568	718,417	
Share issuance costs	-	(90,050)	
Balance, September 30, 2024	62,464,170	75,995,417	
Shares issued for cash (5)(6)(8)(9)(12)(13)	19,858,336	2,033,500	
Shares issued on exercise of warrants	160,500	31,701	
Shares issued in settlement of amount due to related party (7)(14)	12,104,761	1,065,000	
Shares issued in settlement of accounts payable (10)(11)	1,148,996	119,400	
Share issuance costs	-	(144,606)	
Balance, September 30, 2025	95,736,763	79,100,412	

- (1) On December 21, 2023, the Company completed a flow-through private placement for gross proceeds of \$300,200. The private placement was comprised of 1,580,000 flow-through shares at a price of \$0.19 per share. In connection with the financing, the Company paid cash finders' fees of \$17,714 and issued, as additional consideration, 94,800 non-transferable broker warrants, each broker warrant entitling the holder to acquire one common share of the Company at a price of \$0.22 until December 21, 2026. The proceeds from the financing (\$300,200) were allocated between share capital (\$268,600) and a deferred liability (\$31,600) using the residual method. The liability component represents the Company's obligation to pass on the tax deductions to investors and is included in other current liabilities in the statement of financial position. The warrants issued as commissions have been recorded at a value of \$11,565 based on the Black-Scholes option pricing model, using the following assumptions: stock price of \$0.17, risk-free interest rate of 3.73%, expected life of warrants of 3 years, annualized volatility of 129% and dividend rate of 0%. The stock price is based on the closing price of the Company's shares on the day prior to the closing of the private placement. The underlying expected stock price volatility is based on historical data of the Company's shares over the last three years. The risk-free interest rate is based on the yield of a Government of Canada benchmark bond in effect at the time of issuance with an expiry commensurate with the expected life of the warrants. The Company incurred other share issuance costs of \$7,499 which have been presented as a reduction of share capital.

Focus Graphite Inc.

Notes to the Financial Statements

September 30, 2025 and 2024

(Expressed in Canadian dollars)

- (2) On December 21, 2023, the Company completed a private placement for gross proceeds of \$50,000. The private placement was comprised of 294,118 units at a price of \$0.17 per unit. Each unit is comprised of one common share and one common share purchase warrant. Each warrant entitles the holder to purchase one additional common share of the Company at a price of \$0.22 until December 21, 2026. In connection with the financing, the Company paid cash finders' fees of \$3,298 and issued, as additional consideration, 17,647 non-transferable broker warrants, each broker warrant entitling the holder to acquire one common share of the Company at a price of \$0.22 until December 21, 2026. The proceeds from the financing (\$50,000) were allocated entirely to share capital (\$50,000), after which there was no residual amount to allocate to warrants. The warrants issued as commissions have been recorded at a value of \$2,153 based on the Black-Scholes option pricing model, using the following assumptions: stock price of \$0.17, risk-free interest rate of 3.73%, expected life of warrants of 3 years, annualized volatility of 129% and dividend rate of 0%. The stock price is based on the closing price of the Company's shares on the day prior to the closing of the private placement. The underlying expected stock price volatility is based on historical data of the Company's shares over the last three years. The risk-free interest rate is based on the yield of a Government of Canada benchmark bond in effect at the time of issuance with an expiry commensurate with the expected life of the warrants.
- (3) On May 6, 2024, the Company completed a flow-through private placement for gross proceeds of \$400,001. The private placement was comprised of 2,352,950 flow-through shares at a price of \$0.17 per share. In connection with the financing, the Company paid cash finders' fees of \$24,000 and issued, as additional consideration, 141,177 broker warrants, each broker warrant entitling the holder to acquire one common share of the Company at a price of \$0.20 until May 6, 2027. The proceeds from the financing (\$400,001) were allocated between share capital (\$352,942) and a deferred liability (\$47,059) using the residual method. The liability component represents the Company's obligation to pass on the tax deductions to investors and is included in other current liabilities in the statement of financial position. The warrants issued as commissions have been recorded at a value of \$14,642 based on the Black-Scholes option pricing model, using the following assumptions: stock price of \$0.15, risk-free interest rate of 4.03%, expected life of warrants of 3 years, annualized volatility of 122% and dividend rate of 0%. The stock price is based on the closing price of the Company's shares on the day prior to the closing of the private placement. The underlying expected stock price volatility is based on historical data of the Company's shares over the last three years. The risk-free interest rate is based on the yield of a Government of Canada benchmark bond in effect at the time of issuance with an expiry commensurate with the expected life of the warrants. The Company incurred other share issuance costs of \$4,349 which have been presented as a reduction of share capital.
- (4) On May 6, 2024, the Company completed a private placement for gross proceeds of \$50,000. The private placement was comprised of 312,500 units at a price of \$0.16 per unit. Each unit is comprised of one common share and one common share purchase warrant. Each warrant entitles the holder to purchase one additional common share of the Company at a price of \$0.20 until May 6, 2027. In connection with the financing, the Company paid cash finders' fees of \$3,000 and issued, as additional consideration, 18,750 broker warrants, each broker warrant entitling the holder to acquire one common share of the Company at a price of \$0.20 until May 6, 2027. The proceeds from the financing (\$50,000) were allocated between share capital (\$46,875) and warrants (\$3,125) using the residual method. The warrants issued as commissions have been recorded at a value of \$1,830 based on the Black-Scholes option pricing model, using the following assumptions: stock price of \$0.15, risk-free interest rate of 4.03%, expected life of warrants of 3 years, annualized volatility of 122% and dividend rate of 0%. The stock price is based on the closing price of the Company's shares on the day prior to the closing of the private placement. The underlying expected stock price volatility is based on historical data of the Company's shares over the last three years. The risk-free interest rate is based on the yield of a Government of Canada benchmark bond in effect at the time of issuance with an expiry commensurate with the expected life of the warrants.
- (5) On October 8, 2024, the Company completed a private placement for gross proceeds of \$400,000. The private placement was comprised of 5,333,336 units at a price of \$0.075 per unit. Each unit is comprised of one common share and one common share purchase warrant. Each warrant entitles the holder to

Focus Graphite Inc.

Notes to the Financial Statements

September 30, 2025 and 2024

(Expressed in Canadian dollars)

purchase one additional common share of the Company at a price of \$0.10 until October 8, 2027. In connection with the financing, the Company paid cash finders' fees of \$14,000 and issued, as additional consideration, 186,667 broker warrants, each broker warrant entitling the holder to acquire one common share of the Company at a price of \$0.10 until October 8, 2027. The proceeds from the financing (\$400,000) were allocated entirely to share capital (\$400,000), after which there was no residual amount to allocate to warrants. The warrants issued as commissions have been recorded at a value of \$11,573 based on the Black-Scholes option pricing model, using the following assumptions: stock price of \$0.09, risk-free interest rate of 3.19%, expected life of warrants of 3 years, annualized volatility of 118% and dividend rate of 0%. The stock price is based on the closing price of the Company's shares on the day prior to the closing of the private placement. The underlying expected stock price volatility is based on historical data of the Company's shares over the last three years. The risk-free interest rate is based on the yield of a Government of Canada benchmark bond in effect at the time of issuance with an expiry commensurate with the expected life of the warrants. The Company incurred other share issuance costs of \$9,901 which have been presented as a reduction of share capital.

- (6) On November 15, 2024, the Company completed a private placement for gross proceeds of \$52,500. The private placement was comprised of 700,000 units at a price of \$0.075 per unit. Each unit is comprised of one common share and one common share purchase warrant. Each warrant entitles the holder to purchase one additional common share of the Company at a price of \$0.10 until November 15, 2027. In connection with the financing, the Company paid cash finders' fees of \$1,575 and issued, as additional consideration, 21,000 broker warrants, each broker warrant entitling the holder to acquire one common share of the Company at a price of \$0.10 until November 15, 2027. The proceeds from the financing (\$52,500) were allocated entirely to share capital (\$52,500), after which there was no residual amount to allocate to warrants. The warrants issued as commissions have been recorded at a value of \$1,302 based on the Black-Scholes option pricing model, using the following assumptions: stock price of \$0.09, risk-free interest rate of 3.19%, expected life of warrants of 3 years, annualized volatility of 118% and dividend rate of 0%. The stock price is based on the closing price of the Company's shares on the day prior to the closing of the private placement. The underlying expected stock price volatility is based on historical data of the Company's shares over the last three years. The risk-free interest rate is based on the yield of a Government of Canada benchmark bond in effect at the time of issuance with an expiry commensurate with the expected life of the warrants. The Company incurred other share issuance costs of \$1,386 which have been presented as a reduction of share capital.
- (7) On January 8, 2025, the Company settled outstanding indebtedness to JJJY Holdings Inc., a company controlled by a Director of the Company, in the amount of \$865,000, through the issuance of 11,533,333 common shares of the Company.
- (8) On February 26, 2025, the Company completed a private placement for gross proceeds of \$465,000. The private placement was comprised of 4,650,000 units at a price of \$0.10 per unit. Each unit is comprised of one common share and one common share purchase warrant. Each warrant entitles the holder to purchase one additional common share of the Company at a price of \$0.20 until February 26, 2028. The proceeds from the financing (\$465,000) were allocated entirely to share capital (\$465,000), after which there was no residual amount to allocate to warrants. The Company incurred other share issuance costs of \$7,283 which have been presented as a reduction of share capital.
- (9) On March 6, 2025, the Company completed a private placement for gross proceeds of \$50,000. The private placement was comprised of 500,000 units at a price of \$0.10 per unit. Each unit is comprised of one common share and one common share purchase warrant. Each warrant entitles the holder to purchase one additional common share of the Company at a price of \$0.20 until March 6, 2028. The proceeds from the financing (\$50,000) were allocated entirely to share capital (\$50,000), after which there was no residual amount to allocate to warrants. The Company incurred other share issuance costs of \$783 which have been presented as a reduction of share capital.

Focus Graphite Inc.

Notes to the Financial Statements

September 30, 2025 and 2024

(Expressed in Canadian dollars)

- (10) On May 30, 2025, the Company settled outstanding indebtedness to a third-party in the amount of \$107,400, through the issuance of 1,073,996 common shares of the Company. The fair value of the shares issued was estimated to be \$107,400, based on the price of the Company's shares on the date of settlement. As a result, there was no gain or loss associated with the settlement.
- (11) On June 18, 2025, the Company settled outstanding indebtedness to a third-party in the amount of \$12,000, through the issuance of 75,000 common shares of the Company. The fair value of the shares issued was estimated to be \$12,000, based on the price of the Company's shares on the date of settlement. As a result, there was no gain or loss associated with the settlement.
- (12) On July 2, 2025, the Company completed a flow-through private placement for gross proceeds of \$200,000. The private placement was comprised of 1,250,000 flow-through shares at a price of \$0.16 per share. In connection with the financing, the Company paid cash finders' fees of \$12,000 and issued, as additional consideration, 75,000 broker warrants, each broker warrant entitling the holder to acquire one common share of the Company at a price of \$0.22 until July 2, 2026. The proceeds from the financing (\$200,000) were allocated between share capital (\$175,000) and a deferred liability (\$25,000) using the residual method. The liability component represents the Company's obligation to pass on the tax deductions to investors and is included in other current liabilities in the statement of financial position. The warrants issued as commissions have been recorded at a value of \$3,975 based on the Black-Scholes option pricing model, using the following assumptions: stock price of \$0.14, risk-free interest rate of 2.82%, expected life of warrants of 1 year, annualized volatility of 131% and dividend rate of 0%. The stock price is based on the closing price of the Company's shares on the day prior to the closing of the private placement. The underlying expected stock price volatility is based on historical data of the Company's shares. The risk-free interest rate is based on the yield of a Government of Canada benchmark bond in effect at the time of issuance with an expiry commensurate with the expected life of the warrants. The Company incurred other share issuance costs of \$1,000 which have been presented as a reduction of share capital.
- (13) On August 8, 2025, the Company completed a private placement for gross proceeds of \$891,000. The private placement was comprised of 7,425,000 units at a price of \$0.12 per unit. Each unit is comprised of one common share and one common share purchase warrant. Each warrant entitles the holder to purchase one additional common share of the Company at a price of \$0.22 until August 8, 2027. In connection with the financing, the Company paid cash finders' fees of \$42,480 and issued, as additional consideration, 354,000 broker warrants, each broker warrant entitling the holder to acquire one common share of the Company at a price of \$0.22 until August 8, 2027. The proceeds from the financing (\$891,000) were allocated entirely to share capital (\$891,000), after which there was no residual amount to allocate to warrants. The warrants issued as commissions have been recorded at a value of \$28,320 based on the Black-Scholes option pricing model, using the following assumptions: stock price of \$0.14, risk-free interest rate of 2.82%, expected life of warrants of 2 years, annualized volatility of 131% and dividend rate of 0%. The stock price is based on the closing price of the Company's shares on the day prior to the closing of the private placement. The underlying expected stock price volatility is based on historical data of the Company's shares. The risk-free interest rate is based on the yield of a Government of Canada benchmark bond in effect at the time of issuance with an expiry commensurate with the expected life of the warrants. The Company incurred other share issuance costs of \$2,015 which have been presented as a reduction of share capital.
- (14) On September 9, 2025, the Company settled outstanding indebtedness to JJJY Holdings Inc., a company controlled by a Director of the Company, in the amount of \$200,000, through the issuance of 571,428 common shares of the Company.

Focus Graphite Inc.

Notes to the Financial Statements
September 30, 2025 and 2024
(Expressed in Canadian dollars)

12. WARRANTS

The following table reflects the continuity of outstanding warrants:

	Number of warrants	Weighted average exercise price
		\$
Balance, September 30, 2023	1,204,217	0.77
Issued	878,992	0.21
Expired	(398,148)	0.83
Balance, September 30, 2024	1,685,061	0.46
Issued	19,245,003	0.18
Exercised	(160,500)	0.19
Expired	(806,069)	0.74
Balance, September 30, 2025	19,963,495	0.18

As at September 30, 2025, the following warrants were issued and outstanding:

Number of warrants	Allocated value	Exercise price	Expiry date
	\$	\$	
75,000	3,975	0.22	July 2, 2026
294,118	-	0.22	December 21, 2026
112,447	13,718	0.22	December 21, 2026
312,500	3,125	0.20	May 6, 2027
159,927	16,472	0.20	May 6, 2027
7,425,000	-	0.22	August 8, 2027
354,000	28,320	0.22	August 8, 2027
5,333,336	-	0.10	October 8, 2027
186,667	11,573	0.10	October 8, 2027
700,000	-	0.10	November 15, 2027
10,500	651	0.10	November 15, 2027
4,500,000	-	0.20	February 26, 2028
500,000	-	0.20	March 6, 2028
19,963,495	77,834		

Focus Graphite Inc.

Notes to the Financial Statements
September 30, 2025 and 2024
(Expressed in Canadian dollars)

As at September 30, 2024, the following warrants were issued and outstanding:

Number of warrants	Allocated value	Exercise price	Expiry date
	\$	\$	
156,863	-	1.0625	December 23, 2024
428,571	-	0.55	December 29, 2024
42,857	17,399	0.55	December 29, 2024
177,778	-	0.9375	February 10, 2025
294,118	-	0.22	December 21, 2026
112,447	13,718	0.22	December 21, 2026
312,500	3,125	0.20	May 6, 2027
159,927	16,472	0.20	May 6, 2027
1,685,061	50,714		

13. STOCK OPTIONS

The following table reflects the continuity of outstanding stock options:

	Number of stock options	Weighted average exercise price
		\$
Balance, September 30, 2023	8,495,000	0.74
Expired	(55,000)	0.50
Balance, September 30, 2024	8,440,000	0.74
Granted (1)(2)(3)(4)(5)(6)(7)	11,467,834	0.13
Forfeited/Cancelled	(2,950,000)	1.20
Expired	(1,790,000)	0.50
Balance, September 30, 2025	15,167,834	0.22

- (1) On October 16, 2024, 3,150,000 stock options were granted to consultants at an exercise price of \$0.09 per share, which all vested immediately and expire on October 16, 2029.
- (2) On February 4, 2025, 900,000 stock options were granted to consultants at an exercise price of \$0.09 per share, which all vested immediately and expire on February 4, 2030.
- (3) On March 28, 2025, 500,000 stock options were granted to consultants at an exercise price of \$0.09 per share, which all vested immediately and expire on March 28, 2030.
- (4) On June 2, 2025, 963,084 stock options were granted to Directors, Officers and consultants at an exercise price of \$0.09 per share, which all vested immediately and expire on June 2, 2030.

Focus Graphite Inc.

Notes to the Financial Statements

September 30, 2025 and 2024

(Expressed in Canadian dollars)

- (5) On June 2, 2025, 1,489,750 stock options were granted to Directors and consultants at an exercise price of \$0.20 per share, which all vested immediately and expire on June 2, 2030.
- (6) On August 13, 2025, 4,215,000 stock options were granted to Directors, Officers and consultants at an exercise price of \$0.14 per share, which all vested immediately and expire on August 13, 2030.
- (7) On August 17, 2025, 250,000 stock options were granted to a Director at an exercise price of \$0.35 per share, which all vested immediately and expire on August 17, 2030.

As at September 30, 2025, the following stock options were outstanding and exercisable:

Range of exercise prices	Outstanding			Exercisable		
	Number outstanding	Weighted average remaining contractual life (in years)	Weighted average outstanding exercise price	Number vested	Weighted average vested exercise price	
\$0.09	5,513,084	4.25	\$0.09	5,513,084	\$0.09	
\$0.13	4,215,000	4.87	\$0.14	4,215,000	\$0.14	
\$0.20	1,489,750	4.67	\$0.20	1,489,750	\$0.20	
\$0.35	250,000	4.88	\$0.35	250,000	\$0.35	
\$0.50	3,700,000	1.09	\$0.50	3,700,000	\$0.50	
	15,167,834	3.70	\$0.22	15,167,834	\$0.22	

As at September 30, 2024, the following stock options were outstanding and exercisable:

Range of exercise prices	Outstanding			Exercisable		
	Number outstanding	Weighted average remaining contractual life (in years)	Weighted average outstanding exercise price	Number vested	Weighted average vested exercise price	
\$0.50	5,490,000	1.65	\$0.50	5,490,000	\$0.50	
\$1.20	2,950,000	1.41	\$1.20	2,950,000	\$1.20	
	8,440,000	1.57	\$0.74	8,440,000	\$0.74	

Focus Graphite Inc.

Notes to the Financial Statements
September 30, 2025 and 2024
(Expressed in Canadian dollars)

The following table reflects the weighted-average fair value of stock options granted during the years ended September 30, 2025 and 2024 and the related Black-Scholes option pricing model inputs that were used in the calculations:

Year ended September 30	2025	2024
Stock options granted	11,467,834	-
Weighted average fair value	\$0.11	-
Weighted-average exercise price	\$0.13	-
Weighted-average market price at date of grant	\$0.13	-
Expected life of stock options (years)	5	-
Expected stock price volatility	131%	-
Risk-free interest rate	2.90%	-
Expected dividend yield	0%	-

The underlying expected stock price volatility is based on historical data of Focus Graphite Inc.'s shares over a period commensurate with the expected life of the options.

The risk-free interest rate is based on the yield of a Government of Canada benchmark bond in effect at the time of grant with an expiry commensurate with the expected life of the options.

Stock-based compensation of \$1,296,018 (all of which relates to equity-settled stock-based payment transactions) was included in the statement of comprehensive loss for the year ended September 30, 2025 (2024 - \$329,008) and credited to contributed surplus.

14. RESTRICTED SHARE UNITS

The following table reflects the continuity of outstanding restricted share units ("RSUs"):

	Number of RSUs	Weighted average grant date fair value \$
Balance, September 30, 2023 and September 30, 2024	-	-
Granted (1)	1,350,000	0.19
Balance, September 30, 2025	1,350,000	0.19

(1) On August 13, 2025, 1,350,000 RSUs were granted to Directors, Officers and consultants, which all vest twelve months from the date of grant. Upon vesting, the RSU holder is entitled to receive payment from the Company in settlement of such vested RSUs, in a number of shares, issued from treasury, equal to the number of RSUs being settled.

Focus Graphite Inc.

Notes to the Financial Statements
September 30, 2025 and 2024
(Expressed in Canadian dollars)

Stock-based compensation of \$32,063 (all of which relates to equity-settled stock-based payment transactions) was included in the statement of comprehensive loss for the year ended September 30, 2025 (2024 - \$Nil) and credited to contributed surplus.

15. SUPPLEMENTAL CASH FLOW INFORMATION

For the year ended September 30	2025	2024
	\$	\$
Changes in non-cash working capital are as follows:		
Sales taxes receivable	(11,540)	(13,994)
Amounts due from related parties	6,384	34,249
Tax credits	-	48,654
Prepaid expenses	9,125	73,814
Deposits	-	85,141
Current portion of long-term receivable	-	400,000
Accounts payable and accrued liabilities	64,448	11,664
Amount due to related parties	100,000	-
	168,417	639,528

16. RISK MANAGEMENT AND CAPITAL MANAGEMENT

Risk management

The Company thoroughly examines the various financial risks to which it is exposed and assesses the impact and likelihood of those risks. These risks include credit risk, liquidity risk, currency risk and interest rate risk. Where material, these risks are reviewed and monitored by the Board of Directors.

(i) Credit risk

Credit risk is the risk of an unexpected loss if a party to its financial instruments fails to meet its contractual obligations. The Company's financial assets exposed to credit risk are primarily composed of cash, amounts due from related parties and other receivables and maximum exposure is equal to the carrying values of these assets, totalling \$587,980 at September 30, 2025 (2024 - \$30,300). The Company's cash is held at several reputable financial institutions with high external credit ratings. The exposure to credit risk for the Company's receivables is considered immaterial. It is Management's opinion that the Company is not exposed to significant credit risk.

None of the Company's financial assets are secured by collateral or other credit enhancements.

Management considers that all the above financial assets that are not impaired or past due for each of the reporting dates are of good credit quality. There are no financial assets that are past due but not impaired for the periods presented.

(ii) 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 manages its liquidity needs by carefully monitoring cash outflows due in day-to-day business. As at September 30, 2025, the Company had a working capital deficiency of \$3,508,575. During the year ended

Focus Graphite Inc.

Notes to the Financial Statements

September 30, 2025 and 2024

(Expressed in Canadian dollars)

September 30, 2025, the Company had negative cash flows from operations of \$1,415,850 (2024 - \$1,109,716). The Company's ability to realize its assets and discharge its liabilities in the normal course of business, meet its corporate administrative expenses and continue its exploration activities in fiscal 2026, is dependent upon Management's ability to obtain additional financing, through various means including but not limited to equity financing. No assurance can be given that any such additional financing will be available, or that it can be obtained on terms favorable to the Company.

As at September 30, 2025, the Company has financial liabilities of \$4,140,609 (2024 - \$5,426,983) all of which are due within twelve months.

(iii) Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company has limited exposure to financial risk arising from fluctuations in foreign exchange rates given that its transactions are carried out primarily in Canadian dollars.

(iv) Interest rate risk

Interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's financial assets exposed to interest rate risk include cash held in interest bearing bank accounts with variable interest rates. The Company has not entered into any derivative contracts to manage this risk. The Company's policy as it relates to its cash balances is to invest excess cash in highly liquid, low-risk, short-term interest-bearing investments with maturities of 360 days or less from the original date of acquisition. As at September 30, 2025, the Company had cash balances of \$575,952 (\$1,688 as at September 30, 2024) and interest income derived from these investments during the year ended September 30, 2025 was \$139 (2024 - \$197).

The Company has limited exposure to financial risk arising from fluctuations in variable interest rates earned on cash given the low interest rates currently in effect and the low volatility of these rates.

Capital management

The Company manages its capital to ensure its ability to continue as a going concern and to provide an adequate return to its shareholders as well as ensuring that all flow-through monies obtained are utilized in exploration activities and spent by the required deadline. In the management of capital, the Company includes the components of shareholders' equity. As long as the Company is in the exploration stage with its mining properties, it is not the intention of the Company to contract additional debt obligations to finance its work programs. The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue new shares. When financing conditions are not optimal, the Company may enter into option agreements or find other solutions to continue its activities or may slow its activities until conditions improve.

The Company is not subject to any capital requirements imposed by a lending institution or regulatory body, other than those of the TSX Venture Exchange ("TSXV") which require adequate working capital or financial resources of the greater of (i) \$50,000 and (ii) an amount required in order to maintain operations and cover general and administrative expenses for a period of 6 months. As of September 30, 2025, the Company was non-compliant with respect to the above TSXV capital requirement. Any impact of non-compliance is at the discretion of the TSXV.

Focus Graphite Inc.

Notes to the Financial Statements
September 30, 2025 and 2024
(Expressed in Canadian dollars)

17. FINANCIAL INSTRUMENTS

The Company's financial instruments consist of cash, amounts due from related parties, other receivables, accounts payable and accrued liabilities, other current liabilities and amounts due to related parties. The fair value of the other financial instruments approximates their carrying value due to their short-term nature.

The classification of financial instruments is as follows:

As at	September 30, 2025	September 30, 2024
	\$	\$
Financial assets		
Amortized cost		
Cash	575,952	1,688
Amounts due from related parties (Note 18)	11,334	17,718
Other receivables	10,894	10,894
Total financial assets	598,180	30,300
Financial liabilities		
Amortized cost		
Accounts payable and accrued liabilities	(2,142,634)	(2,197,586)
Other current liabilities (Note 8)	(662,975)	(929,397)
Amounts due to related parties (Note 18)	(1,335,000)	(2,300,000)
Total financial liabilities	(4,140,609)	(5,426,983)

Focus Graphite Inc.

Notes to the Financial Statements
September 30, 2025 and 2024
(Expressed in Canadian dollars)

18. RELATED PARTY TRANSACTIONS

All entities identified below meet the definition of a related party by virtue of being controlled or significantly influenced by a director or a member of key management of the Company. Unless otherwise stated, none of these transactions incorporated special terms and conditions and no guarantees were given or received.

As at	September 30, 2025	September 30, 2024
	\$	\$
<u>Included in amounts due from related parties</u>		
Braille Energy Systems Inc.	3,065	-
Grafoid Inc.	8,269	17,718
	11,334	17,718
<u>Included in accounts payable and accrued liabilities</u>		
Braille Energy Systems Inc.	-	4,989
Grafoid Inc.	1,489	-
Stria Lithium Inc.	2,080	-
	3,569	4,989
<u>Included in amounts due to related parties</u>		
JJY Holdings Inc.	1,335,000	2,300,000

All amounts above are unsecured, non-interest bearing, and due on demand.

Transactions with key management personnel

The following table reflects compensation of key management personnel, including the CEO, CFO and Directors:

	2025	2024
	\$	\$
Salaries	24,482	175,000
Consulting fees	145,006	101,256
Stock-based compensation	549,442	278,402
	718,930	554,658

Focus Graphite Inc.

Notes to the Financial Statements
September 30, 2025 and 2024
(Expressed in Canadian dollars)

19. COMMITMENTS

Contracts

As at September 30, 2025, the Company has unrecognized contractual commitments of approximately \$570,000, in aggregate. As triggering events have not taken place, the contingent payments have not been reflected in these financial statements.

20. CONTINGENCIES

The Company may, from time to time, be involved in various claims, legal proceedings or complaints arising in the ordinary course of business. The Company cannot reasonably predict the likelihood or outcome of any such actions. The Company does not believe that adverse decisions in any other pending or threatened proceedings related to any matter, or any amount which may be required to be paid by reason thereof, will have a material effect on the financial condition or future results of operations.

As at September 30, 2025, two legal claims remained ongoing against the Company by a former officer of the Company. The pleadings are closed in the first action, which was commenced in 2021. However, the exchange of productions remains ongoing and examinations for discovery have not been completed. In the second action, which was commenced in 2022, the pleadings are not closed, productions have not been exchanged, and examinations for discovery have not been completed. As such, it is too early to evaluate these claims.

21. INCOME TAXES

Relationship between expected tax expense and accounting profit or loss

The relationship between the expected tax expense (recovery) based on the combined federal and provincial income tax rate in Canada and the reported tax expense in the statements of comprehensive loss can be reconciled as follows:

Year ended September 30	2025	2024
	\$	\$
Net loss before income tax	(2,598,663)	(1,975,745)
Expected tax recovery calculated using the combined federal and provincial income tax rate in Canada of 26.5% (26.5% in 2024)	(689,000)	(524,000)
Adjustments for the following items:		
Tax impact of temporary difference for which no deferred tax asset was recorded	331,000	415,000
Stock-based compensation	352,000	87,000
Other	6,000	22,000
Deferred income tax expense (recovery)	-	-

Deferred Income Tax

Deferred taxes are a result of temporary differences that arise due to the differences between the income tax values and the carrying amount of assets and liabilities.

Focus Graphite Inc.

Notes to the Financial Statements
September 30, 2025 and 2024
(Expressed in Canadian dollars)

The Company has not recognized deferred tax assets in respect of the following items because it is not probable that future taxable income will be available against which the Company can use the benefits.

	2025	2024
	\$	\$
Investments	134,000	134,000
Share issuance costs	163,000	365,000
Investment in associate	849,000	809,000
Non-capital losses	13,875,000	12,944,000
	15,021,000	14,252,000

As at September 30, 2025, the Company has the following non-capital losses for which no deferred tax asset was recorded. These carryforward balances expire as follows:

	\$
2038	926,000
2039	4,722,000
2040	-
2041	2,650,000
2042	2,751,000
2043	1,040,000
2044	661,000
2045	1,125,000
	13,875,000

22. ENTITY-WIDE REPORTING

The Company has reviewed its activities and determined that it operates in a single reportable operating segment.

23. SUBSEQUENT EVENTS

Closing of private placement

On December 8, 2025, the Company completed a private placement for gross proceeds of \$3,894,832. The private placement was comprised of 9,273,410 units at a price of \$0.42 per unit. Each unit is comprised of one common share and a common share purchase warrant. Each warrant entitles the holder to purchase one additional common share of the Company at a price of \$0.60 until June 8, 2028. In connection with the financing, the Company paid cash finders' fees of \$272,638 and issued, as additional consideration, 649,139 warrants, each warrant entitling the holder to acquire one unit (a "Broker Unit") at an exercise price of \$0.60 per Broker Unit until June 8, 2028. Each Broker Unit is comprised of one common share and one warrant (a "Broker Warrant"). Each Broker Warrant entitles the holder to purchase one common share of the Company at a price of \$0.60 until June 8, 2028.