# FINANCIAL STATEMENTS

**Condensed consolidated interim unaudited financial statements**

## For the three and six-month periods ended June 30, 2025 and 2024

(Expressed in thousands of Canadian dollars, except where otherwise indicated)

NOUVEAU MONDE GRAPHITE

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(Amounts expressed in thousands of Canadian dollars - unaudited)

## CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

| | Notes | As at June 30, 2025 | As at December 31, 2024 |
|---|---|---|---|
| **ASSETS** | | | |
| **CURRENT** | | | |
| Cash and cash equivalents | | 73,462 | 106,296 |
| Grants receivable and other current assets | | 810 | 1,010 |
| Restricted cash | | — | 3,000 |
| Sales taxes receivable | | 1,609 | 1,656 |
| Tax credits receivable | | 1,828 | 515 |
| Prepaid expenses | | 2,520 | 1,529 |
| **Total current assets** | | **80,229** | **114,006** |
| | | | |
| **NON-CURRENT** | | | |
| Tax credits receivable | | 9,087 | 10,247 |
| Investment - Listed shares | | 300 | 325 |
| Property, plant and equipment | 5 | 83,290 | 77,666 |
| Right-of-use assets | | 1,227 | 1,505 |
| Deposits | | 671 | 351 |
| **Total non-current assets** | | **94,575** | **90,094** |
| **Total assets** | | **174,804** | **204,100** |
| | | | |
| **LIABILITIES** | | | |
| **CURRENT** | | | |
| Accounts payable and other | 6 | 14,257 | 13,642 |
| Deferred grants | | 925 | 785 |
| Convertible notes | 7 | 16,308 | 16,240 |
| Derivative warrant liability | 8 | 15,109 | 15,589 |
| Current portion of lease liabilities | | 305 | 470 |
| Current portion of borrowings | | 257 | 250 |
| **Total current liabilities** | | **47,161** | **46,976** |
| | | | |
| **NON-CURRENT** | | | |
| Asset retirement obligation | | 1,547 | 1,463 |
| Lease liabilities | | 1,111 | 1,240 |
| Borrowings | | 634 | 764 |
| **Total non-current liabilities** | | **3,292** | **3,467** |
| **Total liabilities** | | **50,453** | **50,443** |
| | | | |
| **EQUITY** | | | |
| Share capital | | 411,240 | 411,240 |
| Other reserves | 7 | 4,501 | 3,680 |
| Contributed surplus and warrants | | 35,940 | 32,609 |
| Deficit | | (327,330) | (293,872) |
| **Total equity** | | **124,351** | **153,657** |
| **Total liabilities and equity** | | **174,804** | **204,100** |
| **Going Concern** | 1 | | |
| **Commitments** | 17 | | |

APPROVED BY THE BOARD OF DIRECTORS
/s/ Eric Desaulniers – “Director”
/s/ Daniel Buron – “Director”
The accompanying notes are an integral part of the condensed consolidated interim financial statements.

(Amounts expressed in thousands of Canadian dollars, except per share amounts - unaudited)

## CONSOLIDATED STATEMENTS OF LOSS AND COMPREHENSIVE LOSS

| | | For the three-month periods ended | | For the six-month periods ended | |
|---|---|---|---|---|---|
| | | June 30, 2025 | June 30, 2024 | June 30, 2025 | June 30, 2024 |
| | Notes | $ | $ | $ | $ |
| **EXPENSES** | | | | | |
| Mining projects expenses | 10 | 1,644 | 1,843 | 3,794 | 22,066 |
| Battery Material Plant project expenses | 11 | 8,650 | 8,951 | 18,276 | 16,765 |
| General and administrative expenses | 12 | 6,271 | 6,835 | 13,127 | 13,018 |
| **Operating loss** | | **16,565** | **17,629** | **35,197** | **51,849** |
| Net financial costs (income) | 13 | 4,351 | (6,647) | (1,939) | (8,729) |
| **Loss before tax** | | **20,916** | **10,982** | **33,258** | **43,120** |
| Income tax | | 100 | 100 | 200 | 200 |
| **Net loss and comprehensive loss** | | **21,016** | **11,082** | **33,458** | **43,320** |
| | | | | | |
| Basic and diluted loss per share | | 0.14 | 0.10 | 0.22 | 0.48 |
| Weighted average number of shares outstanding | | 153,617,190 | 106,079,801 | 153,520,930 | 90,243,051 |

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

(Amounts expressed in thousands of Canadian dollars - unaudited)

## CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

| | | | | Contributed surplus and warrants | For the six-month period ended June 30, 2025 | | |
|---|---|---|---|---|---|---|---|
| | Notes | Number | Share capital $ | $ | Other reserves $ | Deficit $ | Total equity $ |
| **Balance as at January 1, 2025** | | **152,261,189** | **411,240** | **32,609** | **3,680** | **(293,872)** | **153,657** |
| Share-based compensation | | — | — | 3,331 | — | — | 3,331 |
| Settlement of interest on Convertible Notes | 7 | — | — | — | 821 | — | 821 |
| Net loss and comprehensive loss | | — | — | — | — | (33,458) | (33,458) |
| **Balance as at June 30, 2025** | | **152,261,189** | **411,240** | **35,940** | **4,501** | **(327,330)** | **124,351** |

| | | | | Contributed surplus and warrants | For the six-month period ended June 30, 2024 | | |
|---|---|---|---|---|---|---|---|
| | Notes | Number | Share capital $ | $ | Other reserves $ | Deficit $ | Total equity $ |
| **Balance as at January 1, 2024** | | **60,903,898** | **238,823** | **28,502** | **7,692** | **(220,587)** | **54,430** |
| Shares issued - Lac Guéret Property acquisition | 10 | 6,208,210 | 18,625 | — | — | — | 18,625 |
| Shares issued from Private Placement | 8 | 43,750,000 | 82,388 | — | — | — | 82,388 |
| Options exercised | 9.2 | 112,500 | 416 | (152) | — | | 264 |
| Share-based compensation | | — | — | 3,751 | — | — | 3,751 |
| Settlement of interest on Convertible Notes | 7 | 1,579,043 | 6,417 | — | (4,884) | — | 1,533 |
| Share issue costs | | — | (2,807) | — | — | — | (2,807) |
| Net loss and comprehensive loss | | — | — | — | — | (43,320) | (43,320) |
| **Balance as at June 30, 2024** | | **112,553,651** | **343,862** | **32,101** | **2,808** | **(263,907)** | **114,864** |

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

(Amounts expressed in thousands of Canadian dollars - unaudited)

## CONSOLIDATED STATEMENTS OF CASH FLOWS

| | Notes | For the six-month periods ended June 30, 2025 $ | June 30, 2024 $ |
|---|---|---|---|
| **OPERATING ACTIVITIES** | | | |
| Net loss | | (33,458) | (43,320) |
| Adjustments for non-cash items: | | | |
| Depreciation and amortization | | 4,538 | 5,144 |
| Change in fair value - Listed shares | | 25 | 550 |
| Change in fair value - Derivative warrant liability | 8 | 41 | (20,565) |
| Interest and accretion - Convertible notes | 7 | 639 | 1,533 |
| Lac Guéret Property acquisition | 10 | — | 18,625 |
| Loss on convertible notes settlement | 7 | — | 7,548 |
| Unrealized foreign exchange loss (gain) | | (985) | 2,103 |
| Loss on write-off/disposal of property, plant and equipment | 5 | 2 | — |
| Share-based compensation | 9.2 | 2,995 | 3,443 |
| Other accretions included within financial costs | | 47 | 1,926 |
| Net change in working capital | 14 | 810 | (488) |
| **Cash flows used in operating activities** | | **(25,346)** | **(23,501)** |
| | | | |
| **INVESTING ACTIVITIES** | | | |
| Additions to property, plant, and equipment, net of grants | 5-14 | (5,860) | (3,784) |
| **Cash flows used in investing activities** | | **(5,860)** | **(3,784)** |
| | | | |
| **FINANCING ACTIVITIES** | | | |
| Proceeds from private placements | 8 | — | 67,870 |
| Repayment of borrowings | | (123) | (623) |
| Repayment of lease liabilities | | (375) | (229) |
| Proceeds from the exercise of stock options | 9.2 | — | 264 |
| Share issue costs | | (689) | (2,452) |
| **Cash flows from financing activities** | | **(1,187)** | **64,830** |
| | | | |
| Effect of exchange rate changes on cash | | (441) | (1) |
| | | | |
| **Net change in cash and cash equivalents** | | **(32,834)** | **37,544** |
| Cash and cash equivalents at the beginning of the period | | 106,296 | 36,332 |
| **Cash and cash equivalents at the end of the period** | | **73,462** | **73,876** |
| **Non-cash investing and financing activities** | 14 | | |

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

## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

### 1. NATURE OF OPERATIONS AND GOING CONCERN

Nouveau Monde Graphite Inc. (the “Company”, or “parent company”) was established on December 31, 2012, under the *Canada Business Corporations Act*. The Company specializes in exploration, evaluation and development of mineral properties located in Québec and is developing a natural graphite-based anode material that would qualify as battery-grade material to supply the lithium-ion industry.

The Company’s shares are listed under the symbol NOU on the Toronto Stock Exchange (“TSX”) and NMG on the New York Stock Exchange (“NYSE”). The Company’s registered office is located at 481 Brassard Street, Saint-Michel-des-Saints, Québec, Canada, J0K 3B0.

The Company’s consolidated financial statements have been prepared using International Financial Reporting Standards (“IFRS Accounting Standards”) as issued by the International Accounting Standards Board (“IASB”) applicable to a going concern, which contemplates the realization of assets and settlement of liabilities in the normal course of business as they come due for the foreseeable future.

During the six-month period ended June 30, 2025, the Company reported a net loss after tax of $33.5 million and cash outflows from operating activities of $25.3 million and had an accumulated deficit of $327.3 million as of June 30, 2025. The Company has yet to generate positive cash flows or earnings. Based on all available information about the future, which includes at least, but not limited to, the next twelve months, management believes that without additional funding, the Company does not have sufficient liquidity to pursue its planned expenditures.

These circumstances indicate the existence of material uncertainties that cast substantial doubt as to the ability of the Company to continue as a going concern and accordingly, the appropriateness of the use of accounting principles applicable to a going concern.

The Company’s ability to continue future operations and fund its development and acquisition activities is dependent on management's ability to secure additional financing in the future, which may be completed in a number of ways including, but not limited to, the issuance of debt or equity instruments, expenditure reductions, or a combination of strategic partnerships, joint venture arrangements, project debt finance, offtake financing, royalty financing and other capital markets alternatives. While management has been successful in securing financing in the past, there can be no assurance it will be able to do so in the future or that these sources of funding or initiatives will be available for the Company or that they will be available on terms which are acceptable to the Company.

These consolidated financial statements do not reflect the adjustments to the carrying values of assets and liabilities, expenses and financial position classifications that would be necessary if the going concern assumption was not appropriate. These adjustments could be significant.

### 2. BASIS OF PREPARATION AND STATEMENT OF COMPLIANCE

The Company’s condensed consolidated interim financial statements have been prepared in accordance with the International Financial Reporting Standards (“IFRS Accounting Standards”), as published by the International Accounting Standards Board (“IASB”) applicable to the preparation of interim financial statements, including IAS 34 *Interim Financial Reporting*, and also using the same accounting policies and procedures as those used for the Company’s audited consolidated financial statements as at December 31, 2024. These condensed consolidated interim financial statements do not include all the disclosures and notes required for annual consolidated financial statements and should therefore be read with the Company’s audited consolidated financial statements as at December 31, 2024, which have been prepared in accordance with IFRS Accounting Standards.

The condensed consolidated interim financial statements for the three and six-month periods ended June 30, 2025 (including comparative statements) were approved and authorized for publication by the Board of Directors on August 14, 2025.

## 3. MATERIAL ACCOUNTING POLICIES

### Basis of consolidation

The Company's consolidated financial statements consolidate those of the parent company and its subsidiaries. The parent company controls a subsidiary if it is exposed, or has rights, to variable returns from its involvement with the subsidiary, and could affect those returns through its power over the subsidiary.

All transactions and balances between group companies are eliminated upon consolidation, accounting policies of subsidiaries are consistent with the policies adopted by the Company.

### Subsidiaries

On June 20, 2025, NMG Bécancour Inc. and NMG Matawinie Inc. were incorporated.

Information on the Company's subsidiaries as at June 30, 2025, all of which are wholly-owned, is as follows:

| NAME OF SUBSIDIARY | PRINCIPAL ACTIVITY | COUNTRY OF INCORPORATION | YEAR OF INCORPORATION |
|---|---|---|---|
| Quartier Nouveau Monde Inc. | Real estate | Canada | 2017 |
| Nouveau Monde Europe LTD | Trading | England and Wales | 2020 |
| NMG Bécancour Inc. | Active anode material operations | Canada | 2025 |
| NMG Matawinie Inc. | Mining of natural flake graphite | Canada | 2025 |

## 4. ESTIMATES, JUDGEMENTS AND ASSUMPTIONS

In preparing its consolidated financial statements, management makes several judgements, estimates and assumptions about the recognition and measurement of assets, liabilities, and expenses.

Information about the significant estimates and assumptions that have the greatest impact on the recognition and measurement of assets, liabilities, and expenses can be found in the note 5 of the 2024 consolidated audited annual financial statement. Actual results may differ significantly.

(Amounts expressed in thousands of Canadian dollars, except per share amounts - unaudited)

## 5. PROPERTY, PLANT AND EQUIPMENT

| | | | | | | | | For the six-month period ended June 30, 2025 | |
|---|---|---|---|---|---|---|---|---|---|
| | Land<br>$ | Buildings<br>$ | Equipment<br>$ | Furniture and other IT equipment<br>$ | Rolling stock<br>$ | Mine under construction [1]<br>$ | Bécancour Battery Material Plant under construction [1]<br>$ | Other assets under construction [1]<br>$ | Total<br>$ |
| **COST** | | | | | | | | | |
| January 1, 2025 | 2,455 | 2,028 | 27,547 | 235 | 350 | 62,479 | 1,175 | 1,615 | 97,884 |
| Additions | — | — | 26 | — | 10 | 9,065 | 43 | 661 | 9,805 |
| Transfers | — | — | 1,119 | — | — | — | — | (1,119) | — |
| Write-Off/Disposals | — | (15) | — | — | — | — | — | — | (15) |
| June 30, 2025 | 2,455 | 2,013 | 28,692 | 235 | 360 | 71,544 | 1,218 | 1,157 | 107,674 |
| **ACCUMULATED DEPRECIATION** | | | | | | | | | |
| January 1, 2025 | — | 644 | 19,097 | 170 | 307 | — | — | — | 20,218 |
| Depreciation | — | 52 | 4,111 | 5 | 11 | — | — | — | 4,179 |
| Write-Off/Disposals | — | (13) | — | — | — | — | — | — | (13) |
| June 30, 2025 | — | 683 | 23,208 | 175 | 318 | — | — | — | 24,384 |
| **Net book value as at June 30, 2025** | **2,455** | **1,330** | **5,484** | **60** | **42** | **71,544** | **1,218** | **1,157** | **83,290** |

| | | | | | | | | For the year ended December 31, 2024 | |
|---|---|---|---|---|---|---|---|---|---|
| | Land<br>$ | Buildings<br>$ | Equipment<br>$ | Furniture and other IT equipment<br>$ | Rolling stock<br>$ | Mine under construction [1]<br>$ | Bécancour Battery Material Plant under construction [1]<br>$ | Other assets under construction [1]<br>$ | Total<br>$ |
| **COST** | | | | | | | | | |
| January 1, 2024 | 2,455 | 3,438 | 25,350 | 235 | 128 | 48,477 | — | 710 | 80,793 |
| Additions | — | — | 43 | — | — | 14,002 | 1,175 | 3,059 | 18,279 |
| Transfers | — | — | 2,154 | — | — | — | — | (2,154) | — |
| Transfer of Right-of-use assets | — | — | — | — | 230 | — | — | — | 230 |
| Write-Off/Disposals | — | (1,410) | — | — | (8) | — | — | — | (1,418) |
| December 31, 2024 | 2,455 | 2,028 | 27,547 | 235 | 350 | 62,479 | 1,175 | 1,615 | 97,884 |
| **ACCUMULATED DEPRECIATION** | | | | | | | | | |
| January 1, 2024 | — | 779 | 10,723 | 134 | 61 | — | — | — | 11,697 |
| Depreciation | — | 177 | 8,374 | 36 | 24 | — | — | — | 8,611 |
| Transfer of Right-of-use assets | — | — | — | — | 230 | — | — | — | 230 |
| Write-Off/Disposals | — | (312) | — | — | (8) | — | — | — | (320) |
| December 31, 2024 | — | 644 | 19,097 | 170 | 307 | — | — | — | 20,218 |
| **Net book value as at December 31, 2024** | **2,455** | **1,384** | **8,450** | **65** | **43** | **62,479** | **1,175** | **1,615** | **77,666** |

[1] Assets under construction are not being depreciated as they are not in the condition necessary to be capable of being operated in the manner intended by management.

The amount of borrowing costs included in Mine under construction for the three and six-month periods ended June 30, 2025 is $561 and $1,122, respectively ($513 and $957 for the three and six-month periods ended June 30, 2024). The rate used to determine the amount of borrowing costs to be capitalized is the weighted average interest rate applicable to the entity’s general borrowings during the three and six-month periods ended June 30, 2025.

In August 2024, the Company exercised its buyback option to repurchase 1% of the 3% net smelter royalty (“NSR”) initially issued to Pallinghurst Graphite International Limited on August 28, 2020, for a total amount of $1,869. The NSR applies to both first transformation proceeds of the

(Amounts expressed in thousands of Canadian dollars, except per share amounts - unaudited)

Matawinie Mine and second transformation proceeds less allowable deductions of the Battery Material Plant. Based on the anticipated NSR payments over the project lifespan, the Company split its buyback consideration of $1,869 by allocating $963 to the "Mine under construction" asset category and $906 to the "Bécancour Battery Material Plant under construction" asset category. Additionally, the Matawinie Property was also subject to a 0.2% NSR agreement, initially contracted in 2014, and transferred to Pallinghurst Bond Limited in 2023, which the Company decided to exercise its buyback option for a consideration of $200. The buyback consideration was recorded under the "Mine under construction" asset category as the royalty was only related to the Matawinie Mine proceeds.

The Company granted a hypothec to Pallinghurst Graphite International Limited on the Matawinie Mining Property, including the related mining claims, to secure the Company's obligations under the remaining 2% NSR agreement.

## 6. ACCOUNTS PAYABLE AND OTHERS

| | June 30, 2025 | December 31, 2024 |
|---|---|---|
| | $ | $ |
| Trade payable and accrued liabilities | 12,644 | 10,929 |
| Wages and benefits liabilities | 1,613 | 2,713 |
| **Accounts payable and others** | **14,257** | **13,642** |

## 7. CONVERTIBLE NOTES

| | Host (amortized cost) | Derivative (FVTPL) | Deferred amount | Total |
|---|---|---|---|---|
| | $ | $ | $ | $ |
| Issuance [1] | **48,703** | **20,453** | **(2,773)** | **66,383** |
| Interest accretion | 732 | — | — | 732 |
| Fair value adjustment | — | (11,199) | — | (11,199) |
| Amortization | — | — | 140 | 140 |
| Foreign exchange | 382 | 127 | (21) | 488 |
| **Balance as of December 31, 2022** | **49,817** | **9,381** | **(2,654)** | **56,544** |
| Interest accretion | 5,082 | — | — | 5,082 |
| Fair value adjustment | — | (8,049) | — | (8,049) |
| Amortization | — | — | 1,453 | 1,453 |
| Foreign exchange | (1,275) | (163) | 32 | (1,406) |
| **Balance as of December 31, 2023** | **53,624** | **1,169** | **(1,169)** | **53,624** |
| Interest accretion | 3,044 | — | — | 3,044 |
| Fair value adjustment | — | (1,191) | — | (1,191) |
| Amortization | — | — | 1,191 | 1,191 |
| Foreign exchange | 2,710 | 30 | (30) | 2,710 |
| Settlement | (43,138) | — | — | (43,138) |
| **Balance as of December 31, 2024** | **16,240** | **8** | **(8)** | **16,240** |
| Interest accretion | 940 | — | — | 940 |
| Fair value adjustment | — | (8) | — | (8) |
| Amortization [2] | — | — | 8 | 8 |
| Foreign exchange | (872) | — | — | (872) |
| **Balance as of June 30, 2025** | **16,308** | **—** | **—** | **16,308** |

[1] Transaction costs of $821 (US$608) have been allocated to the host instrument and reduced from the net proceeds allocated to this component.
[2] The amortization for the six-month period ended June 30, 2025 includes an additional amount of $7 to prevent the net amount of the Derivative and the Deferred amount components from representing a negative amount.

On November 8, 2022, the Company completed a private placement of unsecured convertible notes (the "Notes") for aggregate gross proceeds of $67.2 million (US$50 million) with Mitsui & Co., Ltd ("Mitsui"), Pallinghurst Bond Limited ("Pallinghurst") and Investissement Québec ("IQ"). The Notes are denominated in U.S. Dollars with a term of 36 months and carry a quarterly coupon interest payment of the greater of the 3-month CME Term SOFR plus 4% and 6%.

(Amounts expressed in thousands of Canadian dollars, except per share amounts - unaudited)

Subsequently and effective January 1, 2023, the Notes contracts were amended by:

- Removing the interest capitalization provisions, such that accrued interest will be deemed paid in full in shares each quarter following the exchange's approval; and
- Increasing the interest rate to the greater of the 3-month CME Term SOFR plus 5% and 7%.

The Notes include the following material conversion and settlement options available to the holders and the Company:

- **General conversion option:** The holder of a Note, at any time before maturity, can convert the outstanding principal amount into units for US$5/unit. Each unit comprises one common share of the Company and one share warrant. The share warrant can be used to subscribe one common share of the Company at an exercise price of US$5.70/share for a period of 24 months from the date of conversion of the Note.
- **Repurchase option:** The Company has, at its sole discretion, an option to repay the Notes at the Repurchase Amount (as defined in the subscription agreement) at the earlier of (i) December 31, 2023; or (ii) the date of a final investment decision (FID) as defined in the subscription agreement. Depending on the circumstances, the repurchase amount is affected by the remaining time to maturity and the cumulative interest paid to date to the Holders.
- **Interest repayment option:** Quarterly, the Company has an option to pay the interest due in (i) cash; or (ii) in Common Shares subject to the TSX's approval, by delivering share certificates to the Holders upon maturity, conversion or redemption at a U.S. Dollar equivalent of the Company's TSX market share price, determined at the quarter end on which such interest became payable.
- The Notes also include redemption mechanisms in favor of the holders in the event of a change of control or an event of default.

On May 2, 2024, the Company closed a private placement with Mitsui and Pallinghurst for the surrender and cancellation of their convertible notes dated November 8, 2022, as amended and restated effective January 1, 2023. The Company issued 12,500,000 Common Shares and 12,500,000 Warrants to Mitsui and 6,250,000 Common Shares and 6,250,000 Warrants to Pallinghurst in exchange for their convertible notes totalling US$37.5 million. Concurrently with the redemption, surrender and cancellation of Mitsui's and Pallinghurst's convertible notes, the Company issued 1,579,043 Common Shares that had been reserved for issuance in connection with the interest calculated between November 8, 2022, and February 14, 2024, date on which the subscription agreement was concluded.

For the three and six-month periods ended June 30, 2025, the interest coupon totalled an aggregate amount of $405 (US$293) and $821 (US$583) respectively ($445 (US$325) and $1,533 (US$1,132) for the three and six-month periods ended June 30, 2024). For the second quarter of 2025, the Company elected to pay the interest coupon with 178,531 common shares at a price of US$1.64 which will be issued at maturity or at conversion of IQ's Note. The common shares to be issued are recorded as other reserves in the consolidated statements of changes in equity.

Below is a sensitivity analysis on inputs impacting the fair value revaluation of the derivative.

| | December 31, 2024 | Reasonably possible change | Sensitivity [1] (Derivative liability) | June 30, 2025 | Reasonably possible change | Sensitivity [1] (Derivative liability) |
|---|---|---|---|---|---|---|
| **Observable inputs** | | | | | | |
| Share price | US$1.59 | +/- 10% | +0M/0M | US$1.64 | +/- 10% | +0M/0M |
| Foreign Exchange rate | 1.44 | +/-5% | +/-0M | 1.36 | +/-5% | +/-0M |
| **Unobservable inputs** | | | | | | |
| Expected volatility | 47.3% | +/- 10% | +0M/0M | 48.7% | +/- 10% | +0/0M |
| Credit spread | 3.0% | +/-5% | +/-0M | 4.0% | +/-5% | +/-0M |

[1] Holding all other variables constant.

(Amounts expressed in thousands of Canadian dollars, except per share amounts - unaudited)

## 8. DERIVATIVE WARRANT LIABILITY

| | | | | Derivative warrant liability |
|---|---|---|---|---|
| | GM & Panasonic | Mitsui & Pallinghurst | IQ & CGF | Total |
| | $ | $ | $ | $ |
| **Issuance** | **25,742** | **11,107** | **3,302** | **40,151** |
| Fair value adjustment | (21,312) | (7,666) | 4,078 | (24,900) |
| Foreign exchange | 242 | 62 | 34 | 338 |
| **Balance as of December 31, 2024** | **4,672** | **3,503** | **7,414** | **15,589** |
| Fair value adjustment | (1,685) | (1,264) | (2,674) | (5,623) |
| Foreign exchange | (5) | (2) | (7) | (14) |
| **Balance as of March 31, 2025** | **2,982** | **2,237** | **4,733** | **9,952** |
| Fair value adjustment | 1,697 | 1,273 | 2,694 | 5,664 |
| Foreign exchange | (152) | (113) | (242) | (507) |
| **Balance as of June 30, 2025** | **4,527** | **3,397** | **7,185** | **15,109** |

The following assumptions were used to estimate the fair value of the derivative warrant liability:

| | | | June 30, 2025 |
|---|---|---|---|
| | GM and Panasonic | Mitsui and Pallinghurst | IQ and CGF |
| Number of Warrants | 25,000,000 | 18,750,000 | 39,682,538 |
| Risk-Free Interest Rate | 4.29% | 4.29% | 4.29% |
| Expected Volatility | 69% | 69% | 69% |
| Stock Price at Valuation Date | US$1.64 | US$1.64 | US$1.64 |
| Exercise Price | US$2.38 | US$2.38 | US$2.38 |
| Average Fair Value per Warrant | US$0.13 | US$0.13 | US$0.13 |

| | | | December 31, 2024 |
|---|---|---|---|
| | GM and Panasonic | Mitsui and Pallinghurst | IQ and CGF |
| Number of Warrants | 25,000,000 | 18,750,000 | 39,682,538 |
| Risk-Free Interest Rate | 4.20% | 4.20% | 4.20% |
| Expected Volatility | 59% | 59% | 59% |
| Stock Price at Valuation Date | US$1.59 | US$1.59 | US$1.59 |
| Exercise Price | US$2.38 | US$2.38 | US$2.38 |
| Average Fair Value per Warrant | US$0.13 | US$0.13 | US$0.13 |

The main non-observable input used in the model is the expected volatility. An increase or decrease in the expected volatility used in the model of 10% would have resulted in the following change in the fair value of the warrants as of June 30, 2025:

| | | | June 30, 2025 |
|---|---|---|---|
| | GM and Panasonic | Mitsui and Pallinghurst | IQ and CGF |
| | $ | $ | $ |
| 10% increase in volatility | 1,007 | 756 | 1,599 |
| 10% decrease in volatility | (963) | (722) | (1,529) |

| | | | December 31, 2024 |
|---|---|---|---|
| | GM and Panasonic | Mitsui and Pallinghurst | IQ and CGF |
| | $ | $ | $ |
| 10% increase in volatility | 1,060 | 795 | 1,682 |
| 10% decrease in volatility | (1,011) | (758) | (1,604) |

**Private placement with GM and Panasonic:**

On February 28, 2024, the Company completed a private placement with General Motors holdings LLC ("GM") and Panasonic Holdings Corporation ("Panasonic"). Each party subscribed for 12,500,000 Common Shares and 12,500,000 Warrants. The 25,000,000 Common Shares and Warrants were issued for aggregate gross proceeds of $67.9 million (US$50 million).

The Warrants are exercisable in connection with the Tranche 2 Investment at the final investment decision ("FID") or at the latest on February 28, 2029. Each Warrant will entitle the holder to acquire one Common Share (a "Warrant Share") at a price equal to US$2.38 per Warrant Share.

The transaction represents a compound financial instrument that is accounted for based on the residual method under IAS 32 *Financial Instruments: Presentation*. The liability component which represents the warrants was evaluated based on the Black-Scholes option pricing model and totalled $25.8M (US$19M). The residual balance of $42.1M (US$31M) was then allocated to the equity component (common shares issued). The transaction costs of $2.6M were allocated proportionally between the financial liability and the equity component. Transaction costs allocated to the equity component were accounted for as a deduction from equity. Transaction costs allocated to the warrants were recorded directly in the consolidated statement of loss and comprehensive loss.

**Private placement with Mitsui and Pallinghurst:**

On May 2, 2024, the Company completed a private placement, with Mitsui and Pallinghurst for the surrender and cancellation of their convertible notes dated November 8, 2022. The Company issued 18,750,000 Common Shares and 18,750,000 Warrants to Mitsui and Pallinghurst for a total value of US$37.5 million. For more details on the transaction, refer to Note 7 – Convertible Notes.

The Warrants are exercisable in connection with the final investment decision ("FID") or at the latest on May 2, 2029. Each Warrant will entitle the holder to acquire one Common Share (a "Warrant Share") at a price equal to US$2.38 per Warrant Share.

The transaction represents a compound financial instrument that is accounted for based on the residual method under IAS 32 *Financial Instruments: Presentation*. The liability component which represents the warrants was evaluated based on the Black-Scholes option pricing model and totalled $11.1M (US$8.1M). The residual balance of $40.3M (US$29.4M) was then allocated to the equity component (common shares issued). The transaction costs of $1.2M were allocated proportionally between the financial liability and the equity component. Transaction costs allocated to the equity component were accounted for as a deduction from equity. Transaction costs allocated to the warrants were recorded directly in the consolidated statement of loss and comprehensive loss.

**Private placement with IQ and CGF:**

On December 20, 2024, the Company completed a private placement, with Canada Growth Fund ("CGF") and IQ. Each party subscribed for 19,841,269 Common Shares and 19,841,269 Warrants. The 39,682,538 Common Shares and Warrants were issued for aggregate gross proceeds of $71.2 million (US$50 million).

The Warrants are exercisable in connection with the final investment decision ("FID") or at the latest on December 20, 2029. Each Warrant will entitle the holder to acquire one Common Share (a "Warrant Share") at a price equal to US$2.38 per Warrant Share.

The transaction represents a compound financial instrument that is accounted for based on the residual method under IAS 32 *Financial Instruments: Presentation*. The liability component which represents the warrants was evaluated based on the Black-Scholes option pricing model and totalled $3.3M (US$2.3M). The residual balance of $67.9M (US$47.7M) was then allocated to the equity component (common shares issued). The transaction costs of $761 were allocated proportionally between the financial liability and the equity component. Transaction costs allocated to the equity component were accounted for as a deduction from equity. Transaction costs allocated to the warrants were recorded directly in the consolidated statement of loss and comprehensive loss.

(Amounts expressed in thousands of Canadian dollars, except per share amounts - unaudited)

## 9. EQUITY

### 9.1 SHARE CAPITAL

#### Authorized share capital

Unlimited number of common shares voting and participating, with no par value. All issued ordinary shares are fully paid.

| | For the six-month period ended June 30, 2025 | For the year ended December 31, 2024 |
|---|---|---|
| Shares issued at the start of the period | 152,261,189 | 60,903,898 |
| Shares issued - Lac Guéret Property acquisition (Note 10) | — | 6,208,210 |
| Shares issued from Private Placements (Note 8) | — | 83,432,538 |
| Options exercised (Note 9.2) | — | 137,500 |
| Settlement of interest on Convertible Notes (Note 7) | — | 1,579,043 |
| **Shares issued at the end of period** | **152,261,189** | **152,261,189** |

### 9.2 SHARE-BASED PAYMENTS

The Company maintains various share-based compensation incentives governed by the omnibus equity incentive plan (“Omnibus Equity Incentive Plan”) available to eligible directors, officers, employees, and consultants, as determined by the Board of Directors. The objective of the Omnibus Equity Incentive Plan is to enhance the Company’s ability to attract and retain talented personnel, while aligning their interests with those of the Company’s shareholders. Under the Omnibus Equity Incentive Plan, the Company may grant Stock Option Awards, Restricted Share Unit (RSU) Awards, Performance Share Unit (PSU) Awards, and Deferred Share Unit (DSU) Awards. The Omnibus Equity Incentive Plan stipulates that the total number of share-based payments under this Plan shall not exceed 15% of the Company’s total issued and outstanding shares, with a maximum of 7.5% allocated to RSUs, PSUs, and DSUs, and a maximum of 7.5% allocated to Stock Options.

**Stock options**

The Company’s stock options are as follows:

| | For the six-month period ended June 30, 2025 | | For the year ended December 31, 2024 | |
|---|---|---|---|---|
| | Number | Weighted average exercise price $ | Number | Weighted average exercise price $ |
| Opening balance | 7,994,500 | 4.90 | 4,908,548 | 6.79 |
| Granted | 1,972,500 | 2.15 | 4,317,500 | 3.07 |
| Exercised | — | — | (137,500) | 2.35 |
| Expired | (221,500) | 8.68 | (346,000) | 6.64 |
| Forfeited | (207,250) | 2.54 | (295,000) | 3.51 |
| Cancelled | — | — | (453,048) | 8.20 |
| **Ending balance** | **9,538,250** | **4.30** | **7,994,500** | **4.90** |
| Options that can be exercised | 4,489,750 | 6.06 | 3,174,750 | 7.30 |

The details of the stock options granted by the Company are as follows:

| | For the six-month period ended June 30, 2025 | For the year ended December 31, 2024 |
|---|---|---|
| Directors | 262,500 | 262,500 |
| Officers | 600,000 | 2,200,000 |
| Employees | 1,110,000 | 1,705,000 |
| Consultants | — | 150,000 |
| **Total granted share options** | **1,972,500** | **4,317,500** |

The vesting period for the stock options granted during the six-month period ended June 30, 2025 occurs in two annual tranches. The Company’s stock options include grants made to key employees in 2024 that vest upon a positive FID, subject to certain conditions.

(Amounts expressed in thousands of Canadian dollars, except per share amounts - unaudited)

The weighted average fair value of the stock options granted in the six-month period ended June 30, 2025, were estimated using the Black-Scholes option pricing model based on the following average assumptions:

- Stock price at date of grant: $2.15
- Expected life: 5 years
- Risk-free interest rate: 2.60%
- Expected volatility: 80.22%
- Expected dividend: nil
- Fair value per option: $1.40

## 10. MINING PROJECTS EXPENSES

| | For the three-month periods ended | | For the six-month periods ended | |
|---|---|---|---|---|
| | June 30, 2025 | June 30, 2024 | June 30, 2025 | June 30, 2024 |
| | $ | $ | $ | $ |
| Wages and benefits | 1,242 | 1,023 | 2,387 | 2,073 |
| Share-based compensation | 55 | 385 | 585 | 524 |
| Consulting fees | 20 | 22 | 59 | 43 |
| Materials, consumables, and supplies | 121 | 185 | 339 | 336 |
| Maintenance and subcontracting | 125 | 176 | 213 | 288 |
| Utilities | 93 | 91 | 185 | 180 |
| Depreciation and amortization | 61 | 65 | 121 | 128 |
| Other | 79 | 68 | 146 | 110 |
| Uatnan Mining Project - Exploration and evaluation expenses | 4 | 7 | 14 | 18,654 |
| Grants | (37) | (9) | (42) | (26) |
| Tax credits | (119) | (170) | (213) | (244) |
| **Mining projects expenses** | **1,644** | **1,843** | **3,794** | **22,066** |

On January 31, 2024, the Company completed the acquisition of the Lac Guéret property with Mason Resources Inc ("Mason") through an asset acquisition agreement consisting mainly of 74 map-designated claims. The consideration for the asset acquisition was paid with 6,208,210 common shares of the Company, at $3.00 per share, representing a total aggregated amount of $18.6 million. The Company performed the concentration test and concluded that the acquisition represents an asset acquisition and not a business acquisition, since substantially all the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar identifiable assets. Mining rights are specifically excluded from the scope of IAS 16, therefore, the Company applied IFRS 6. Since the Company's accounting policy for Exploration and Evaluation activities under IFRS 6 is to classify expenditures in the consolidated statement of loss and comprehensive loss, $18.6 million was expensed under the category "Uatnan Mining Project". A subsequent payment of $5,000,000 will be made to Mason at the start of commercial production of the contemplated Uatnan Mining Project, which will be recorded in the event that commercial production of the Uatnan project occurs.

(Amounts expressed in thousands of Canadian dollars, except per share amounts - unaudited)

## 11. BATTERY MATERIAL PLANT PROJECT EXPENSES

| | For the three-month periods ended | | For the six-month periods ended | |
|---|---|---|---|---|
| | June 30, 2025 | June 30, 2024 | June 30, 2025 | June 30, 2024 |
| | $ | $ | $ | $ |
| Wages and benefits | 1,253 | 1,414 | 2,643 | 2,684 |
| Share-based compensation | 67 | 211 | 337 | 270 |
| Engineering | 3,898 | 3,743 | 8,972 | 6,362 |
| Consulting fees | 248 | 243 | 456 | 400 |
| Materials, consumables, and supplies | 193 | 525 | 661 | 1,191 |
| Maintenance and subcontracting | 714 | 477 | 872 | 1,139 |
| Utilities | 9 | 91 | 139 | 279 |
| Depreciation and amortization | 2,248 | 2,401 | 4,345 | 4,896 |
| Other | 104 | 85 | 185 | 140 |
| Grants | (154) | (134) | (404) | (257) |
| Tax credits | 70 | (105) | 70 | (339) |
| **Battery Material Plant project expenses** | **8,650** | **8,951** | **18,276** | **16,765** |

## 12. GENERAL AND ADMINISTRATIVE EXPENSES

| | For the three-month periods ended | | For the six-month periods ended | |
|---|---|---|---|---|
| | June 30, 2025 | June 30, 2024 | June 30, 2025 | June 30, 2024 |
| | $ | $ | $ | $ |
| Wages and benefits | 1,956 | 1,767 | 3,810 | 3,630 |
| Share-based compensation | (7) | 1,992 | 2,073 | 2,649 |
| Professional fees | 1,180 | 673 | 1,711 | 2,108 |
| Consulting fees | 1,176 | 425 | 1,826 | 889 |
| Travelling, representation and convention | 352 | 332 | 554 | 452 |
| Office and administration | 1,335 | 1,383 | 2,583 | 2,925 |
| Stock exchange, authorities, and communication | 183 | 199 | 434 | 283 |
| Depreciation and amortization | 36 | 59 | 72 | 120 |
| Other financial fees | 60 | 5 | 64 | 8 |
| Grants | — | — | — | (46) |
| **General and administrative expenses** | **6,271** | **6,835** | **13,127** | **13,018** |

## 13. NET FINANCIAL COSTS (INCOME)

| | For the three-month periods ended | | For the six-month periods ended | |
|---|---|---|---|---|
| | June 30, 2025 | June 30, 2024 | June 30, 2025 | June 30, 2024 |
| | $ | $ | $ | $ |
| Foreign exchange loss (gain) | (977) | 717 | (1,001) | 2,120 |
| Interest income | (720) | (1,139) | (1,722) | (1,891) |
| Interest expense on lease liabilities | 2 | 4 | 5 | 7 |
| Change in fair value - Listed shares | 25 | 100 | 25 | 550 |
| Change in fair value - Derivative warrant liability | 5,664 | (14,611) | 41 | (20,565) |
| Interest and accretion on borrowings and notes | 357 | 734 | 713 | 3,502 |
| Loss on convertible notes settlement | — | 7,548 | — | 7,548 |
| **Net financial costs (income)** | **4,351** | **(6,647)** | **(1,939)** | **(8,729)** |

(Amounts expressed in thousands of Canadian dollars, except per share amounts - unaudited)

## 14. ADDITIONAL CASH FLOW INFORMATION

| | | For the six-month periods ended | |
|---|---|---|---|
| | | June 30, 2025 | June 30, 2024 |
| | | $ | $ |
| Grants receivable and other current assets | | (32) | 264 |
| Deferred grants | | (151) | (254) |
| Mining tax credits | | (153) | 423 |
| Sales taxes receivable | | 47 | (105) |
| Prepaid expenses | | (991) | (923) |
| Restricted cash and deposits | | 2,680 | — |
| Accounts payable and other | 6 | (590) | 107 |
| **Total net change in working capital** | | **810** | **(488)** |
| | | | |
| Income tax received | | — | 1,006 |
| Interest paid | | 26 | 43 |
| | | | |
| **Non-cash financing activities** | | | |
| Share issue costs included in accounts payable and accrued liabilities | | — | 442 |

**Reconciliation of additions presented in the property, plant and equipment schedule to the net cash used in investing activities**

| | For the six-month periods ended | |
|---|---|---|
| | June 30, 2025 | June 30, 2024 |
| | $ | $ |
| **Additions of property, plant and equipment as per note 5** | **9,805** | **5,506** |
| Non-cash decrease (increase) of the asset rehabilitation obligation | (37) | 52 |
| Borrowing costs included in Mine under construction | (1,122) | (957) |
| Share-based compensation capitalized (non-cash) | (336) | (308) |
| Grants recognized | 73 | 6 |
| Grants received | (596) | (104) |
| Accounts payable variation related to property, plant and equipment | (1,927) | (411) |
| **Net cash flow used in investing activities - purchase of property, plant and equipment** | **5,860** | **3,784** |

## 15. RELATED PARTY TRANSACTIONS

The Company considers its directors and officers to be key management personnel. Transactions with key management personnel are set out as follows:

| | For the three-month periods ended | | For the six-month periods ended | |
|---|---|---|---|---|
| | June 30, 2025 | June 30, 2024 | June 30, 2025 | June 30, 2024 |
| | $ | $ | $ | $ |
| **Key management compensation** | | | | |
| Wages and short-term benefits | 545 | 570 | 890 | 1,120 |
| Share-based payments | (172) | 1,419 | 1,923 | 1,856 |
| Board fees | 240 | 224 | 470 | 447 |

(Amounts expressed in thousands of Canadian dollars, except per share amounts - unaudited)

## 16. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

### FAIR VALUE

Current financial assets and financial liabilities are valued at their carrying amounts, which are reasonable estimates of their fair value due to their relatively short-maturities; this includes cash and cash equivalents, other receivables and accounts payable and accrued liabilities. Borrowings and the convertible debt host are accounted for at amortized cost using the effective interest method, and their fair value approximates their carrying value except for the convertible debt host for which fair value is estimated at $16,753 (US$12,280) as at June 30, 2025 ($17,908 (US$12,446) as at December 31, 2024).

### Fair Value Hierarchy

Subsequent to initial recognition, the Company uses a fair value hierarchy to categorize the inputs used to measure the financial instruments at fair value grouped into the following levels based on the degree to which the fair value is observable.

- Level 1: Inputs derived from quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: Inputs derived from other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and
- Level 3: Inputs that are not based on observable market data (unobservable inputs).

| | | | | As at June 30, 2025 |
|---|---|---|---|---|
| | Level 1 | Level 2 | Level 3 | Total |
| **Financial Assets at FVTPL** | | | | |
| Non-current investments (Equity investment in publicly listed entities) | 300 | — | — | 300 |
| **Financial liabilities at FVTPL** | | | | |
| Convertible notes - Embedded derivatives (note 7) | — | — | — | — |
| Warrants (note 8) | — | — | 15,109 | 15,109 |

| | | | | As at December 31, 2024 |
|---|---|---|---|---|
| | Level 1 | Level 2 | Level 3 | Total |
| **Financial Assets at FVTPL** | | | | |
| Non-current investments (Equity investment in publicly listed entities) | 325 | — | — | 325 |
| **Financial liabilities at FVTPL** | | | | |
| Convertible notes - Embedded derivatives (note 7) | — | — | — | — |
| Warrants (note 8) | — | — | 15,589 | 15,589 |

There were no transfers between Level 1, Level 2 and Level 3 during the three and six-month periods ended June 30, 2025 (none in 2024).

### Financial Instruments Measured at FVTPL

*Non-Current investments*

Equity instruments publicly listed are classified as a Level 1 in the fair value hierarchy. Their fair values are a recurring measurement and are estimated using the closing share price observed on the relevant stock exchange.

## 17. COMMITMENTS

The Company's future minimum payments of commitments as at June 30, 2025 are as follows:

| | Total |
|---|---|
| Capital expenditure obligations | 11 |
| Commercial projects long-lead item obligations | 2,824 |
| **Balance as at June 30, 2025** | **2,835** |