

Black Swan Graphene Inc.

Condensed Interim Consolidated Financial Statements

For the three months ended March 31, 2026 and 2025

(Expressed in Canadian Dollars)

(Unaudited)

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

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

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

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

Black Swan Graphene Inc.

Condensed Interim Consolidated Statements of Financial Position

Expressed in Canadian Dollars

(Unaudited)

As at:		March 31, 2026	December 31, 2025
	Note	\$	\$
ASSETS			
Current			
Cash		7,164,851	8,219,144
Amounts receivable		272,364	224,743
Prepaid expenses		44,351	39,116
Total current assets		7,481,566	8,483,003
Non-current assets			
Intangible assets	3	5,123,771	5,360,253
Total assets		12,605,337	13,843,256
LIABILITIES			
Current			
Accounts payable and accrued liabilities	8	211,939	505,177
Total liabilities		211,939	505,177
SHAREHOLDERS' EQUITY			
Share capital	5	37,236,578	37,236,578
Contributed surplus	5	693,878	626,378
Option reserve	5	2,360,837	2,360,837
Warrant reserve	5	452,504	452,504
Deficit		(28,350,399)	(27,338,218)
Total shareholders' equity		12,393,398	13,338,079
Total liabilities and shareholders' equity		12,605,337	13,843,256

Nature of operations and going concern (Note 1)

Commitments and contingencies (Note 9)

Subsequent events (Note 10)

Approved on behalf of the Board of Directors:

Signed: "Simon Marcotte", Director

Signed: "Peter Damouni", Director

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

Black Swan Graphene Inc.

Condensed Interim Consolidated Statements of Loss and Comprehensive Loss

Expressed in Canadian Dollars

(Unaudited)

		Three months ended	
		2026	March 31, 2025
	Note	\$	\$
Expenses			
Management, director and consulting fees		340,448	507,248
Project development expenses		270,088	513,784
Amortization of intangible assets	3	236,482	236,482
Share based compensation	5	67,500	822,561
Professional fees		32,396	97,017
Investor relations		51,435	165,934
Office and general		44,892	21,465
Interest income		(31,060)	(14,577)
Net loss and comprehensive loss for the period		(1,012,181)	(2,349,914)
Basic and diluted loss per share		(0.02)	(0.05)
Weighted average number of common shares outstanding			
Basic and diluted	5	53,041,257	44,249,594

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

Black Swan Graphene Inc.

Condensed Interim Consolidated Statements of Changes in Shareholders' Equity

Expressed in Canadian Dollars

	Common Shares #	Share Capital \$	Contributed Surplus \$	Option Reserve \$	Warrant Reserve \$	Deficit \$	Shareholders' Equity \$
Balance, December 31, 2024	37,716,260	28,114,107	390,128	1,698,624	147,062	(19,910,735)	10,439,186
Private placement	12,000,000	6,000,000	-	-	1,908,418	-	7,908,418
Share issue costs	-	(1,926,000)	-	-	-	-	(1,926,000)
Share based compensation	-	-	-	822,561	-	-	822,561
Loss for the period	-	-	-	-	-	(2,349,914)	(2,349,914)
Balance, March 31, 2025	49,716,260	32,188,107	390,128	2,521,185	2,055,480	(22,260,649)	14,894,251

	Common Shares #	Share Capital \$	Contributed Surplus \$	Option Reserve \$	Warrant Reserve \$	Deficit \$	Shareholders' Equity \$
Balance, December 31, 2025	53,041,257	37,236,578	626,378	2,360,837	452,504	(27,338,218)	13,338,079
Share based compensation	-	-	67,500	-	-	-	67,500
Loss for the period	-	-	-	-	-	(1,012,181)	(1,012,181)
Balance, March 31, 2026	53,041,257	37,236,578	693,878	2,360,837	452,504	(28,350,399)	12,393,398

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

Black Swan Graphene Inc.
Condensed Interim Consolidated Statements of Cash Flows
Expressed in Canadian Dollars

	Note	March 31, 2026	March 31, 2025
		\$	\$
Cash (used in)/provided by:			
Operating activities			
Net loss		(1,012,181)	(2,349,914)
Items not involving cash			
Share based compensation	5	67,500	822,561
Amortization of patents	3	236,482	236,482
Changes in non-cash working capital			
Change in amounts receivable		(293,238)	(96,156)
Change in prepaid expenses		(5,235)	(114,864)
Change in accounts payable and accrued liabilities		(47,621)	465,219
Net cash flow (used in) operating activities		(1,054,293)	(1,036,672)
Financing activities			
Proceeds from private placement of common shares	5	-	5,982,418
Net cash flow provided by financing activities		-	5,982,418
Net change in cash during the period		(1,054,293)	4,945,746
Cash, beginning of period		8,219,144	3,003,901
Cash, end of period		7,164,851	7,949,647

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

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Notes to the Condensed Interim Consolidated Financial Statements For the three months ending March 31, 2026 and 2025

*Expressed in Canadian Dollars
(Unaudited)*

1. NATURE OF OPERATIONS AND GOING CONCERN

Black Swan Graphene Inc., (the “Company”, or “Black Swan”) is focused on the production and commercialization of patented, high-performance, low-cost graphene products with a special focus on high performance polymers. Its proprietary graphene processing technology, developed over more than a decade underpins the Company's ability to deliver consistent, scalable, and cost-effective graphene solutions. As an integrated company, Black Swan combines its advanced materials technology and application know-how with downstream manufacturing capabilities in the custom molding of plastic and rubber components.

The Company is listed on the TSXV as a Tier 2 Industrial Issuer under the name “Black Swan Graphene Inc.” The Common Shares trade on the TSXV under the symbol “SWAN”.

The Company will have future needs for equity financing for working capital and the development of its business. Because of continuing operating losses, the Company's continuance as a going concern is dependent upon its ability to obtain adequate financing and to reach profitable levels of operation. It is not possible to predict whether financing efforts will be successful or if the Company will attain profitable levels of operation.

These condensed interim consolidated financial statements have been prepared using accounting policies applicable to a going concern, which contemplates the realization of assets and settlement of liabilities in the normal course of operations. Accordingly, they do not give effect to adjustments that would be necessary should the Company be unable to continue as a going concern and therefore be required to realize its assets and liquidate its liabilities and commitments in other than the normal course of business and at amounts different from those in the accompanying condensed interim consolidated financial statements. Such adjustments could be material.

Approval of the condensed interim consolidated financial statements

These condensed interim consolidated financial statements of the Company for the three months ended March 31, 2026 and 2025 were reviewed, approved and authorized for issue by the Board of Directors of the Company on May 25, 2026.

2. BASIS OF PRESENTATION

These unaudited condensed interim consolidated financial statements have been prepared in accordance with IFRS Accounting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”) and Interpretations of the International Financial Reporting Interpretations Committee (“IFRIC”) which the Canadian Accounting Standards Board has approved for incorporation into Part 1 of the Handbook of Chartered Professional Accountants of Canada applicable to the preparation of interim financial statements, including International Accounting Standard (“IAS”) 34, Interim Financial Reporting. These condensed interim consolidated financial statements do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the Company's annual financial statements as at and for the year ended December 31, 2025. In particular, the Company's significant accounting policies were summarized in Note 3 of the financial statements for the year ended December 31, 2025, and have been consistently applied in the preparation of these condensed interim consolidated financial statements. These unaudited condensed interim consolidated financial statements were prepared on a going concern basis.

3. INTANGIBLE ASSETS

The Company acquired certain intangible asset related to a patented graphene processing technology from Thomas Swan and Co. Ltd. (“Thomas Swan”), and a license from Trinity College Dublin for the production of exfoliated defect-free, non-oxidized 2-D materials in large quantities (the “TCD License”), which license was previously held by Thomas Swan. In addition, Black Swan Graphene and Thomas Swan have entered into a License Agreement and a Sub-License Agreement, pursuant to which Black Swan Graphene has granted

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Thomas Swan a license to graphene processing technology for production of up to 1,000 tonnes per year and Black Swan Graphene has sub-licensed the TCD License to Thomas Swan, respectively.

The TCD License is subject to an incremental royalty rate ranging from 3.0% up to 9.0% of net sales when greater than €20,000,000 (\$32,144,000) annually and have lives of 15 or 20 years from the commencement of commercial sales related to such licenses.

Intangible assets are amortized over a ten-year period and have a balance of \$5,123,771 as at March 31, 2026 (December 31, 2025 - \$5,360,253).

	Intangible Assets
Balance, December 31, 2024	6,306,180
Amortization of Intangible assets	(945,927)
Balance, December 31, 2025	5,360,253
Amortization of Intangible assets	(236,482)
Balance, March 31, 2026	5,123,771

GEIC Membership Agreement

On March 9, 2022, Black Swan and the University of Manchester entered into the GEIC Membership Agreement, granting the Company a “Tier 2” membership in the Graphene Engineering Innovation Centre (“GEIC”) established by the University. The GEIC Membership Agreement grants the Company a license to occupy a shared laboratory space and book hot desk space at the University. Black Swan shall retain or be passed title to all intellectual property, know-how and results generated from such collaborative projects with the University of Manchester, subject to a 5% royalty, Black Swan must pay to the University of Manchester for a period of 15 years if Black Swan commercially exploits such intellectual property, know-how or results. Pursuant to the terms and conditions set out in the GEIC Membership Agreement, the University of Manchester may publish the results obtained from the collaborative projects.

4. LONG TERM INVESTMENT

On April 5, 2023, under an Equity Swap, Nationwide Engineering Research and Development Ltd (“CONCRETENE”) issued to Black Swan 7,177 seed preferred shares (“CONCRETENE Shares”), ranking senior to all other shares in the share capital of CONCRETENE, at a deemed price per share of £220 for an aggregate deemed subscription price of approximately £1.58 million or approximately CAD\$2.65M. and representing a 5.0% ownership stake in CONCRETENE as of April 5, 2023. Black Swan paid for the CONCRETENE Shares by way of issuance of 2,046,438 common shares in the capital of Black Swan. The value of the Investment in CONCRETENE was based on the closing price of the Company’s common shares on the TSX-V on April 5, 2023 which was \$2,455,726. On the date of the acquisition the value of the investment was \$2,455,726. As at March 31, 2026, after a fair value adjustment, based on continued historical losses, negative results from its business projects and the need for significant additional capital to sustain operations the estimated fair value of the investment is \$nil (December 31, 2025 - \$nil) and the Company’s ownership interest is 4.93%.

As part of the transaction, the Company issued 200,000 compensation warrants with an expiry date of April 5, 2026 and an exercise price of \$1.20.

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5. SHARE CAPITAL AND CONTRIBUTED SURPLUS

Authorized

On March 31, 2026, the authorized share capital consisted of an unlimited number of common shares, each carrying one vote.

Issued and Outstanding

On March 31, 2026, the Company had 53,041,257 common shares issued (December 31, 2025 – 53,041,257)

Common share activity during the periods ended March 31, 2026 and December 31, 2025, was as follows:

	Number of shares outstanding	Amount
Balance, December 31, 2024	37,716,260	28,114,107
Share adjustment	(3)	-
Private placement (i)	12,000,000	5,367,818
Share issue costs	-	(39,934)
Warrant exercise (ii)	3,100,000	3,426,740
Stock option exercise (iii)	225,000	367,847
Balance, December 31, 2025	53,041,257	37,236,578
Balance, March 31, 2026	53,041,257	37,236,578

- i. On February 10, 2025, the Company completed a private placement financing by issuing 12,000,000 units at a price of \$0.50 per unit for gross proceeds of \$6,000,000. Each unit is comprised of one common share of the Company and one-half common share purchase warrant, entitling the holder to acquire one common share at a price of \$1.00 for a period of 18 months. The grant date fair value of the warrants issued was estimated at \$632,182 using the Black-Scholes option pricing model with the following assumptions: expected dividend yield of 0%; share price of \$0.45; expected volatility of 95%; risk-free interest rate of 2.67% and expected life of 1.5 years.

A director of the Company subscribed for 300,000 units.

- ii. During the year ended December 31, 2025, the Company issued 3,100,000 common shares upon the exercise of 3,100,000 warrants for gross proceeds of \$3,100,000.
- iii. During the year ended December 31, 2025, the Company issued 225,000 common shares upon the exercise of 225,000 stock options for gross proceeds of \$225,000.

Stock Options, Restricted Share Units and Warrants

Black Swan established an equity incentive plan to be known as the Omnibus Equity Incentive Plan (as the same may be amended from time to time in accordance with its terms, (the "Plan"). The Plan permits the grant of Options to purchase common shares, Restricted Share Units, Deferred Share Units and Performance Share Units. The Plan was approved by the Board on August 2, 2022. The exercise price and vesting period of any option is fixed by the Board of Directors on the date of grant, in accordance with applicable stock exchange or other regulatory requirements, if applicable. The maximum aggregate number of common shares under option at any time under the Plan cannot exceed 10% of the issued shares.

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Options activity during the periods ended March 31, 2026 and December 31, 2025, is as follows:

	Number	Weighted average exercise price	Expiry date	Grant date value of options granted
Balance, December 31, 2024	2,090,625	\$ 1.20		\$ 1,698,624
Issued, February 10, 2025	1,295,625	\$ 1.00	21-Feb-30	\$ 822,562
Issued, May 1, 2025	20,000	\$ 1.00	01-May-30	\$ 9,418
Issued, June 3, 2025	150,000	\$ 1.00	03-Jun-30	\$ 71,887
Exercised	(225,000)	\$ 1.00		\$ (142,847)
Expired	(95,000)	\$ 1.18		\$ (98,807)
Balance, December 31, 2025	3,236,250	\$ 1.13		\$ 2,360,837
Balance, March 31, 2026	3,236,250	\$ 1.13		\$ 2,360,837

The following schedule details stock options outstanding as at March 31, 2026:

Number outstanding #	Grant date	Expiry date	Exercise price \$	Estimated grant date fair value \$	Risk- Volatility	Expected interest rate	Expected remaining life	Expected dividend yield	Weighted average Remaining life
1,625,000	25-Oct-21	25-Oct-31	\$1.20	1,746,550	103%	2.71%	9.24	0%	5.57
271,875	19-Nov-21	19-Nov-27	\$1.20	292,211	109%	2.85%	4.28	0%	1.64
43,750	07-Nov-22	07-Nov-27	\$1.20	47,023	109%	3.77%	5.00	0%	1.61
62,500	02-May-23	02-May-28	\$1.36	67,145	106%	2.95%	5.00	0%	2.09
1,063,125	21-Feb-25	21-Feb-30	\$1.00	674,952	95%	2.74%	5.00	0%	3.90
20,000	01-May-25	01-May-30	\$1.00	9,418	82%	2.70%	5.00	0%	4.09
150,000	03-Jun-25	03-Jun-30	\$1.00	71,887	82%	2.86%	5.00	0%	4.18
3,236,250				2,909,186					4.50

On February 21, 2025, the Company granted a total of 1,295,625 stock options to directors, management and consultants of the Company pursuant to its stock option plan. The options vest immediately and may be exercised at a price of \$1.00 per option until February 21, 2030. The fair value of the stock options issued was estimated at \$822,561 using the Black-Scholes option pricing model. Officers and directors were granted 693,125 options valued at \$440,048.

On May 1, 2025, the Company granted a total of 20,000 stock options to a consultant of the Company pursuant to its stock option plan. The options vest immediately and may be exercised at a price of \$1.00 per option until May 1, 2030. The fair value of the stock options issued was estimated at \$9,418 using the Black-Scholes option pricing model.

On June 3, 2025, the Company granted a total of 150,000 stock options to a consultant of the Company pursuant to its stock option plan. The options vest equally every three months and may be exercised at a price of \$1.00 per option until June 3, 2030. The fair value of the stock options issued was estimated at \$71,887 using the Black-Scholes option pricing model.

During the period ended March 31, 2026, share based payments expense was \$nil (March 31, 2025 - \$822,561).

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Restricted Share Units

The Company has a restricted share unit plan (“RSU Plan”) administered by the Board of Directors and which permits the Company to grant awards of RSUs. Pursuant to the terms of the RSU Plan, the RSUs will be redeemed, upon vesting, within 30 days of the applicable redemption date at the option of the Company, for:

- (i) the number of common shares equal to the numbers of RSUs vested on the redemption date;
- (ii) a cash amount equal to the number of common shares multiplied by the fair market value of the common shares on the redemption date; or
- (iii) a combination of (i) and (ii) as determined by the Company.

The redemption date in respect of any RSU is the date provided for in the agreement granting the RSUs or if no date is set, the third anniversary of the grant date, unless otherwise provided for in the RSU Plan. The Company has the discretion to stipulate the length of time for vesting and to determine various performance objectives based on certain business criteria as a pre-condition to an RSU vesting. The Company’s intention is to always settle its RSUs with issuance of common shares of the Company.

At March 31, 2026, the Company had RSUs outstanding as follows:

Issue date	Vesting date	Number of RSUs
August 2, 2022	August 9, 2025	984,375
February 21, 2025	August 21, 2026	450,000
		1,434,375

On February 21, 2025, the Company granted 450,000 restricted share units (“RSU’s”) to Directors and Officers of the Company. The RSU’s vest on August 21, 2026, subject to the terms of the Omnibus Incentive Plan. The fair value of the RSUs was determined based on the trading price of the common shares of the Company on the date of grant.

RSUs vested on August 9, 2025, were issued subsequent to March 31, 2026, as they were in blackout. See Note 10.

A summary of changes in the Company’s RSUs follows:

	Number of RSUs #	Weighted average grant price \$	fair value of RSUs vested \$
Balance, December 31, 2024	984,375	0.40	390,128
Grant, February 2025	450,000	0.90	303,750
Balance, December 31, 2025	1,434,375	0.55	693,878
Balance, March 31, 2026	1,434,375	0.55	693,878

For the period ended March 31, 2026, the Company recorded share-based compensation of \$67,500 (March 31, 2025 - \$nil)

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Notes to the Condensed Interim Consolidated Financial Statements For the three months ending March 31, 2026 and 2025

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Warrants

The changes in warrants issued during the period ended March 31, 2026 and December 31, 2025 was as follows:

	Number	Weighted average exercise price
Balance, December 31, 2024	200,000	\$ 1.20
Issued, February 10, 2025	6,000,000	\$ 1.00
Exercised	(3,100,000)	\$ 1.00
Balance, December 31, 2025	3,100,000	\$ 1.01
Balance, March 31, 2026	3,100,000	\$ 1.01

The following table summarizes the warrants outstanding as at March 31, 2026:

Number outstanding #	Grant date	Expiry date	Exercise price \$	Estimated grant date fair value \$	Volatility	Risk-free interest rate	Expected life (Yrs) #	Expected dividend yield	Expected Remaining life
200,000	05-Apr-23	05-Apr-26	\$1.20	147,062	96%	3.32%	3.00	0%	0.01
2,900,000	10-Feb-25	10-Aug-26	\$1.00	305,442	95%	2.67%	1.50	0%	0.36
3,100,000				452,504					0.34

6. CAPITAL MANAGEMENT

The Company manages and adjusts its capital structure based on available funds in order to support the acquisition, exploration and development of mineral properties. The Board does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business. The Company considers its capital to consist of common shares.

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable. There were no significant changes in the Company's approach to capital management during the periods ended March 31, 2026 and December 31, 2025.

The Company is not subject to any capital requirements imposed by a lending institution or regulatory body, other than of the TSX Venture Exchange ("TSXV") which requires 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 March 31, 2026 and December 31, 2025, the Company believes it is compliant with the policies of the TSXV.

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7. FINANCIAL INSTRUMENTS

Financial instruments recorded at fair value on the statement 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:

- a) Level 1 - Unadjusted quoted prices in active markets for identical assets or liabilities;
- b) Level 2 - Inputs other than quoted prices that are observable for assets or liabilities, either directly or indirectly; and
- c) Level 3 - Inputs for assets and liabilities that are not based on observable market data.

The fair value hierarchy requires the use of observable market inputs whenever such inputs exist. A financial instrument is classified to the lowest level of the hierarchy for which a significant input has been considered in measuring fair value.

The Company's financial instruments include cash, amounts receivable and accounts payable and accrued liabilities. The carrying values of these financial instruments reported in the statements of financial position approximate their respective fair values due to the relatively short-term nature of these instruments. As at March 31, 2026 and December 31, 2025, the Company classifies their investment as a level 3 financial instrument.

Within Level 3, the Company includes private company investments that are not quoted on an exchange. The key assumptions used in the valuation of these instruments include (but are not limited to) liquidity of the investee, results of business operations, company-specific information, trends in general market conditions and the share performance of comparable publicly-traded companies. The following table presents the fair value, categorized by key valuation techniques and the unobservable inputs used within Level 3 as at March 31, 2026.

Description	Fair Value	Valuation Technique	Significant Unobservable input(s)	Range of significant Unobservable input(s)
March 31, 2026	\$nil	Operating performance	Marketability of shares	0% discount

As valuations of investments for which market quotations are not readily available, are inherently uncertain, may fluctuate within short periods of time and are based on estimates, determination of fair value may differ materially from the values that would have resulted if a ready market existed for the investments. Given the size of the private investment portfolio, such changes may have a significant impact on the Company's financial condition or operating results.

The following table presents the changes in Level 3 instruments for the period:

	Amount
Balance, December 31, 2024	\$ 795,249
Total losses recognized	\$ (795,249)
Balance, December 31, 2025	\$ -
Balance, March 31, 2026	\$ -

As at March 31, 2026, a +/- 10% change in the fair value of CONCRETENE will result in a corresponding +/- \$nil (2025 – \$nil) change in the carrying amount. While this illustrates the overall effect of changing the values of the unobservable inputs by a set percentage, the significance of the impact and the range of reasonably

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possible alternative assumptions may differ significantly between investments, given their different terms and circumstances. The sensitivity analysis is intended to reflect the significant uncertainty inherent in the valuation of private investments under current market conditions, and the results cannot be extrapolated due to non-linear effects that changes in valuation assumptions may have on the estimated fair value of these investments. Furthermore, the analysis does not indicate a probability of changes occurring and it does not necessarily represent the Company's view of expected future changes in the fair value of these investments. Any management actions that may be taken to mitigate the inherent risks are not reflected in this analysis.

The Company's risk exposures and the impact on the Company's financial instruments are summarized below:

(a) *Credit risk*

Counterparty credit risk is the risk that the financial benefits of contracts with a specific counterparty will be lost if a counterparty defaults on its obligations under the contract. This includes any cash amounts owed to the Company by those counterparties, less any amounts owed to the counterparty by the Company where a legal right of set-off exists and also includes the fair values of contracts with individual counterparties which are recorded in the financial statements.

a. *Trade credit risk*

The Company is not exposed to significant trade credit risk.

b. *Cash*

In order to manage credit and liquidity risk the Company's policy is to invest only in highly rated investment grade instruments that have maturities of nine months or less. Limits are also established based on the type of investment, the counterparty and the credit rating.

(b) *Currency risk*

Currency risk is the risk that the fair value of, or future cash flows from, the Company's financial instruments will fluctuate because of changes in foreign exchange rates. The Company's foreign currency risk arises primarily with respect to UK sterling, European Euro and US dollars from operations. Fluctuations in the exchange rates between these currencies and the Canadian dollar could have a material effect on the Company's business, financial condition and results of operations. The Company does not engage in any hedging activity to mitigate this risk.

As at March 31, 2026, the Company had the following financial instruments denominated in foreign currency (expressed in Canadian dollars):

March 31, 2026	UK Sterling	European Euro	US Dollar
Cash	-	-	34,461
Accounts payable and accrued liabilities	(50,892)	(3,374)	(27)
Total	(50,892)	(3,374)	34,434

December 31, 2025	UK Sterling	European Euro	US Dollar
Cash	-	-	19,748
Accounts payable and accrued liabilities	(346,853)	-	(133)
Total	(346,853)	-	19,615

A 10% strengthening (weakening) of the Canadian dollar against the UK Sterling would increase (decrease) net loss by approximately \$5,100 (December 31, 2025 - \$34,700).

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A 10% strengthening (weakening) of the Canadian dollar against the European Euro would increase (decrease) net loss by approximately \$300 (December 31, 2025 - \$nil).

A 10% strengthening (weakening) of the Canadian dollar against the United States dollar would decrease (increase) net loss by approximately \$3,400 (December 31, 2025: \$2,000).

(c) Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As at March 31, 2026, the Company had a cash balance of \$7,164,851 (December 31, 2025 - \$8,219,144) to settle current liabilities of \$211,939 (December 31, 2025 - \$505,177). The Company's trade payables have contractual maturities of less than 30 days and are subject to normal trade terms.

8. RELATED PARTY TRANSACTIONS

Compensation of key management personnel of the Company

In accordance with IAS 24, key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company directly or indirectly, including any directors (executive and non-executive) of the Company. During the period ended March 31, 2026 and 2025, the remuneration of directors and other key management personnel is as follows:

	Three months ended March 31,	
	2026	2025
Consulting fees	\$ 268,833	\$ 482,994
Share-based compensation	67,500	440,048
Total	\$ 336,333	\$ 923,042

As at March 31, 2026, \$30,000 (December 31, 2025 - \$60,000) was owed to certain directors for director fees. The amounts owing to related parties are unsecured, non-interest bearing and due on demand.

See Note 5.

9. COMMITMENTS AND CONTINGENCIES

Management Contracts

The Company is party to certain management contracts. These contracts require payments of approximately \$1,340,000 upon the occurrence of a change in control of the Company, as defined by each officer's respective consulting agreement. The Company is also committed to payments upon termination of approximately \$704,000 pursuant to the terms of these contracts. As a triggering event has not taken place, the contingent payments have not been reflected in these condensed interim consolidated financial statements.

10. SUBSEQUENT EVENTS

The Company announced that it has entered into a definitive agreement dated March 22, 2026 (the "Definitive Agreement") and completed the acquisition on April 17, 2026, to acquire Falpaco Rubber and Plastics Inc. ("Falpaco"), a Québec-based manufacturer specializing in the custom molding of plastic and rubber components, for total consideration of \$12.6 million, subject to post-closing adjustments (the "Acquisition").

Black Swan Graphene Inc.

Notes to the Condensed Interim Consolidated Financial Statements For the three months ending March 31, 2026 and 2025

*Expressed in Canadian Dollars
(Unaudited)*

The purchase price was funded through a combination of \$6.7 million under a debt financing, \$4.2 million of available cash on hand, and the issuance of approximately 1,800,000 Black Swan common shares at a deemed issuance price of \$1.00 per share. Falpaco became a wholly-owned subsidiary of Black Swan on April 17, 2026.

In connection with the Acquisition, Black Swan has secured a \$6.7 million credit package from the Desjardins Group ("Desjardins"), consisting of a \$4.7 million term loan and a \$2.0 million revolving operating line of credit. The facilities bear interest at Desjardins' prime rate and are secured by Falpaco's business assets, subject to customary financial covenants.

Subsequent to March 31, 2026, the Company issued 984,375 common shares upon the exercise of RSUs.

Subsequent to March 31, 2026, 200,000 warrants expired unexercised.

On May 5, 2026, the Company granted a total of 1,825,000 stock options to officers, directors and consultants of the Company pursuant to its stock option plan. The options may be exercised at a price of \$1.36 and expire on May 5, 2036. The fair value of the stock options issued was estimated at \$2,274,096 using the Black-Scholes pricing model. Officers and directors were granted 1,210,000 options with a fair value of \$1,507,757 using the Black-Scholes pricing model.