

Quebec Innovative Materials Corp.

Condensed Interim Consolidated Financial Statements
For the Three- and Nine-Month Periods Ended June 30, 2026 and 2025
(Stated in Canadian Dollars)
(Unaudited)

Notice to Reader

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

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

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

Quebec Innovative Materials Corp.

Condensed Interim Consolidated Statements of Financial Position

(Stated in Canadian Dollars)

(Unaudited)

	Notes	June 30, 2026	September 30, 2025
ASSETS			
Current assets			
Cash and cash equivalents		\$ 14,127,210	\$ 794,701
Amounts receivable		312,923	72,038
Prepaid expenses		348,039	37,396
Marketable securities	3	711,980	955,000
Total current assets		15,500,152	1,859,135
Equipment, net of depreciation	4	459,662	157,348
TOTAL ASSETS		\$ 15,959,814	\$ 2,016,483
LIABILITIES AND EQUITY			
Current liabilities			
Trade and other payables		\$ 1,201,266	\$ 812,941
Due to related parties	10	-	109,890
Unearned revenue	7	718,621	-
Total liabilities		1,919,887	922,831
Shareholders' equity			
Common shares	8	21,627,684	7,753,391
Share-based payments reserve	9	13,544,783	1,728,763
Deficit		(21,132,540)	(8,388,502)
Total equity		14,039,927	1,093,652
TOTAL LIABILITIES AND EQUITY		\$ 15,959,814	\$ 2,016,483

Nature of operations and going concern (Note 1)

Subsequent events (Note 14)

Approved on behalf of the Board of Directors:

"John Karagiannidis"

John Karagiannidis, Director

"André Turmel"

André Turmel, Director

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

Quebec Innovative Materials Corp.

Condensed Interim Consolidated Statements of Loss and Comprehensive Loss

(Stated in Canadian Dollars)

(Unaudited)

	Notes	Three-months ended June 30,		Nine-months ended June 30,	
		2026	2025	2026	2025
Expenses					
Consulting fees	10	\$ 229,750	\$ 13,333	\$ 229,750	\$ 80,000
Corporate development		233,264	137,035	610,292	361,079
Depreciation	4	17,246	7,601	45,325	19,912
Exploration & evaluation expenditures	5	1,250,253	60,071	2,045,251	581,776
General and administrative		27,429	30,482	104,407	78,634
Management fees	10	158,501	54,000	305,501	159,000
Professional fees		252,002	162,537	453,812	250,235
Regulatory, transfer agent & filing fees		8,966	11,717	72,921	60,714
Share-based payments	9, 10	96,103	-	8,689,509	371,900
Loss before other items		(2,273,514)	(476,776)	(12,556,768)	(1,963,250)
Other income (expense)					
Interest income (expense)		23,333	-	24,064	-
Other income	4	32,270	-	-	680,000
Gain from sale of marketable securities		14,246	-	14,246	-
Unrealized loss on marketable securities	3	(469,330)	(397,500)	(225,580)	(325,000)
Loss and comprehensive loss for the period		\$ (2,672,995)	\$ (874,276)	\$ (12,744,038)	\$ (1,608,250)
Weighted average number of common shares outstanding					
Basic		149,894,874	117,790,375	136,432,638	115,505,965
Diluted		149,894,874	117,790,375	136,432,638	115,505,965
Basic and diluted loss per common share		\$ (0.02)	\$ (0.01)	\$ (0.09)	\$ (0.01)

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

Quebec Innovative Materials Corp.

Condensed Interim Consolidated Statements of Changes in Shareholders' Equity

(Stated in Canadian Dollars)

(Unaudited)

	Common Shares		Share-based Payments Reserve	Deficit	Total
	Number	Amount			
Balance at September 30, 2025	128,554,001	\$ 7,753,391	\$ 1,728,763	\$ (8,388,502)	\$ 1,093,652
Common shares issued for cash:					
Private placement	19,167,050	17,250,345	-	-	17,250,345
Adjustment to the fair value of warrants from private placement	-	(2,875,058)	2,875,058	-	-
Share issue costs	-	(2,170,529)	854,300	-	(1,316,229)
Exercise of Options	4,700,000	1,487,847	(602,847)	-	885,000
Exercise of Warrants	3,633,750	181,688	-	-	181,688
Share-based payments	-	-	8,401,200	-	8,401,200
Restricted Stock Units	-	-	288,309	-	288,309
Loss and comprehensive loss for the period	-	-	-	(12,744,038)	(12,744,038)
Balance at June 30, 2026	156,054,801	\$ 21,627,684	\$ 13,544,783	\$ (21,132,540)	\$ 14,039,927
	Common Shares		Share-based Payments Reserve	Deficit	Total
	Number	Amount			
Balance at September 30, 2024	110,764,001	\$ 5,754,006	\$ 1,707,277	\$ (6,537,810)	\$ 923,473
Common shares issued for cash:					
Exercise of options	750,000	53,496	(15,996)	-	37,500
Exercise of warrants	13,190,000	755,496	(15,433)	-	740,063
Share-based payments	-	-	371,900	-	371,900
Loss and comprehensive loss for the period	-	-	-	(1,608,250)	(1,608,250)
Balance at June 30, 2025	124,704,001	\$ 6,562,998	\$ 2,047,748	\$ (8,146,060)	\$ 464,686

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

Quebec Innovative Materials Corp.
Condensed Interim Consolidated Statements of Cash Flows
(Stated in Canadian Dollars)
(Unaudited)

	Nine-months ended June 30,	
	2026	2025
Operating activities		
Loss for the period	\$ (12,744,038)	\$ (1,608,250)
Items not involving cash:		
Depreciation	45,325	19,912
Share-based payments	8,689,509	371,900
Marketable securities	-	(680,000)
Gain on sale of marketable securities	(14,246)	-
Unrealized loss on marketable securities	225,580	325,000
Changes in non-cash working capital items:		
Amounts receivable	(240,885)	10,535
Prepaid expenses	(310,643)	(13,235)
Proceeds from sale of marketable securities	31,686	-
Trade and other payables	997,055	269,110
Net cash used in operating activities	(3,320,657)	(1,305,028)
Financing activities		
Proceeds from issuance of common shares, net of issue costs	15,934,116	-
Proceeds from the exercise of options	885,000	37,500
Proceeds from the exercise of warrants	181,688	740,063
Net cash provided by financing activities	17,000,804	777,563
Investing activity		
Purchase of equipment	(347,639)	(125,516)
Net cash used in investing activity	(347,639)	(125,516)
Change in cash and cash equivalents during the period	13,332,509	(652,981)
Cash and cash equivalents, beginning of the period.	794,701	928,518
Cash and cash equivalents, end of the period	\$ 14,127,210	\$ 275,537
Cash and cash equivalents consists of:		
Cash	\$ 35,524	\$ 245,537
Cash equivalents	14,091,686	30,000
	\$ 14,127,210	\$ 275,537
Supplemental Cash Flow Information		
Income taxes paid	\$ -	\$ -
Interest paid (received)	\$ -	\$ -
Non-cash Financing Activities		
Fair value of options exercised for common share	\$ 602,847	\$ -
Fair value of expired options	\$ 7,740	\$ -
Fair value of unit warrants	\$ 2,875,058	\$ -

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

Quebec Innovative Materials Corp.
Notes to the Consolidated Financial Statements
June 30, 2026 and 2025
(Unaudited)
(Stated in Canadian Dollars)

1. NATURE OF OPERATIONS AND GOING CONCERN

Quebec Innovative Materials Corp., (the “Company”) was incorporated on May 22, 2018 pursuant to the Business Corporations Act (British Columbia). On January 11, 2023, the Company changed its name from Quebec Silica Resources Corp. to Quebec Innovative Materials Corp.

On April 1, 2021, a Prospectus filed by the Company was given final receipt by the British Columbia Securities Commission. On April 28, 2021, the Company’s common shares began trading on the Canadian Securities Exchange (“CSE”) and currently trades under the symbol “QIMC”.

These condensed interim consolidated financial statements have been prepared using accounting policies in compliance with IFRS Accounting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”) on the assumption that the Company will continue as a going concern and realize its assets and discharge its liabilities in the normal course of business rather than through a process of forced liquidation.

The Company’s principal business activities include the acquisition and exploration of properties for hydrogen gas and mineral resources. The Company’s future financial success is dependent upon the discovery of economically recoverable reserves, confirmation of the Company’s interest in the underlying mineral claims, the ability of the Company to obtain the necessary financing to complete the development of and the future profitable production from the property or realizing proceeds from its disposition. The outcome of these matters cannot be predicted at this time.

As at June 30, 2026, the Company had not yet achieved profitable operations, has accumulated losses of \$21,627,684 since inception, and expects to incur further losses in the development of its business. These events and conditions indicate a material uncertainty that may cast significant doubt on the Company’s ability to continue as a going concern. The Company’s continuation as a going concern is primarily dependent upon its ability to raise financing from equity markets or borrowings and upon successful results from its hydrogen gas and mineral property exploration activities. While the Company has been successful in securing financings in the past, there is no assurance that it will be able to do so in the future. Accordingly, these consolidated financial statements do not give effect to adjustments, if any, that would be necessary should the Company be unable to continue as a going concern. If the going concern assumption was not used, then the adjustments required to report the Company’s assets and liabilities on a liquidation basis could be material to these consolidated financial statements.

The head office and principal place of business of the Company is located at 1100 – 1111 Melville Street, Vancouver, BC, V6E 3V6.

The registered office of the Company is located at Suite 3500 – 800 Victoria Square, Montreal, Quebec, H3C 0B4.

2. BASIS OF PRESENTATION

a) Statement of compliance

These condensed interim consolidated financial statements are in compliance with IAS 34, Interim Financial Reporting. Accordingly, certain information and disclosures normally included in annual financial statements prepared in accordance with International Financial Reporting Standards (“IFRS”), as issued by the International Accounting Standards Board (“IASB”), have been omitted or condensed. These condensed interim consolidated financial statements should be read in conjunction with the Company’s consolidated financial statements for the year ended September 30, 2025

Quebec Innovative Materials Corp.
Notes to the Consolidated Financial Statements
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(Unaudited)
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2. BASIS OF PRESENTATION (continued)

b) Basis of consolidation

These condensed interim consolidated financial statements incorporate the financial statements of the Company and its subsidiary. A subsidiary is consolidated from the date of acquisition, being the date on which the Company obtains control, and continues to be consolidated until the date that such control ceases. Control is achieved when an investor has power over an investee to direct its activities, exposure to variable returns from an investee, and the ability to use the power to affect the investor's returns. All intercompany transactions, balances, income and expenses are eliminated upon consolidation.

The Company's subsidiaries are:

Name of subsidiary	Country of Incorporation	% of Ownership
Orvian Natural Resources I LLC	United States	50
Nova Scotian Innovative Materials Inc.	Canada	100

Orvian Natural Resources I LLC

On May 13, 2025, the Company announced it has entered into strategic partnership with Black Tree Energy Group Sarl ("BTEG"), a Swiss-based energy infrastructure and project development company. The Company acquired a 50% interest in Orvian Natural Resources I LLC ("ORVIAN") from BTEG. ORVIAN will serve as special purpose vehicle that will support clean natural hydrogen development activities in the United States. During the nine-month period ended June 30, 2026, there was no activity within ORVIAN.

Nova Scotian Innovative Materials Inc.

On August 22, 2025, the Company incorporated a 100% owned subsidiary 4741981 Nova Scotia Limited. On August 27, 2025, the Company changed its name to Nova Scotian Innovative Materials Inc. ("NSIM"). NSIM was incorporated to have a permanent active subsidiary in the province of Nova Scotia. During the nine-month period ended June 30, 2026, there was no activity within NSIM.

c) Basis of presentation

The condensed interim consolidated financial statements are presented in Canadian dollars and all values are rounded to the nearest dollar except where otherwise indicated. The consolidated financial statements have been prepared on an accrual basis, except for the consolidated statements of cash flows, and are based on historical costs except for certain financial instruments, which are measured at fair value.

d) Approval of the consolidated financial statements

These condensed interim consolidated financial statements of the Company for the nine-month period ended June 30, 2026 were reviewed, approved and authorized for issuance by the Board of Directors on August 26, 2026.

Quebec Innovative Materials Corp.
Notes to the Consolidated Financial Statements
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(Unaudited)
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2. BASIS OF PRESENTATION (continued)

e) Recent accounting pronouncements and changes to accounting policies

The Company adopted the following amendment to IFRS Accounting Standards that are mandatorily effective for accounting periods beginning on or after January 1, 2024. Their adoption has not had a material impact on disclosures or amounts reported in these consolidated financial statements.

- i. Amendments to IAS 1 Presentation of Financial Statements: In October 2022, the IASB issued amendments to IAS 1, Presentation of Financial Statements titled non-current liabilities with covenants. These amendments sought to improve the information that an entity provides when its right to defer settlement of a liability is subject to compliance with covenants within 12 months after the reporting period. These amendments to IAS 1 override but incorporate the previous amendments. Classification of liabilities as current or noncurrent, issued in January 2020, which clarified that liabilities are classified as either current or non-current depending on the rights that exist at the end of the reporting period. Liabilities should be classified as non-current if an entity has a substantive right to defer settlement for at least 12 months at the end of the reporting period.
- ii. Amendments to IAS 7 and IFRS 7 – Supplier Finance Arrangements: In May 2023, the IASB issued amendments to IAS 7, Statement of Cash Flows and IFRS 7, Financial Instruments Disclosures to provide guidance on disclosures related to supplier finance arrangements that enable users of financial statements to assess the effects of these arrangements on the entity's liabilities and cash flows and on the entity's exposure to liquidity risk.

f) New Accounting Policies Not Yet Adopted

The Company has not yet adopted certain new standards, amendments and interpretations to existing standards as outlined below, which have been published but are only effective for accounting periods beginning on or after October 1, 2025 or later periods. The new and amended standards are not expected to have a material impact on the Company's consolidated financial statements.

In April 2024, the IASB issued IFRS 18 Presentation and Disclosure in Financial Statements. This standard aims to improve the consistency and clarity of financial statement presentation and disclosures by providing updated guidance on the structure and content of financial statements. Key changes include enhanced requirements for the presentation of financial performance, financial position, and cash flows, as well as additional disclosures to improve transparency and comparability. IFRS 18 is effective for annual reporting periods beginning on or after January 1, 2027.

In May 2024, the IASB issued amendments to IFRS 9 and IFRS 7 to clarify that a financial liability is derecognized on the "settlement date" and introduce an accounting policy choice to derecognize a financial liability settled using an electronic payment system before the settlement date. Other clarifications include guidance on the classification of financial assets with ESG linked features, non-recourse loans and contractually linked instruments. The amendments are effective for annual periods beginning on or after January 1, 2026. Early adoption is permitted, with an option to early adopt the amendments for contingent features only.

Quebec Innovative Materials Corp.
Notes to the Consolidated Financial Statements
June 30, 2026 and 2025
(Unaudited)
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3. MARKETABLE SECURITIES AND COLLABORATION AND ADVISORY AGREEMENTS

The Company's holdings in marketable securities comprise common shares of publicly traded companies received as collaboration fees as detailed below.

	Total
Balance, September 30, 2024	\$ -
Fair value of shares received	771,250
Fair value adjustment	183,750
Balance, September 30, 2025	955,000
Sale of marketable securities	(17,440)
Gain on sale of marketable securities	(14,246)
Fair value adjustment	(211,334)
Balance, June 30, 2026	\$ 711,980

The fair values of the marketable securities are determined at each reporting date by referencing the closing market prices of the common shares

During the year ended September 30, 2025, the Company entered into a collaboration agreement with DiagnaMed Holdings Corp. ("DiagnaMed"), a hydrogen production technologies and artificial intelligence applications company. This collaboration allows Diagnamed to use and test its hydrogen extraction technology on the Company's exploration assets. The Company has received 2,000,000 common shares of DiagnaMed as consideration for this collaboration agreement. The initial fair value of the shares was \$80,000 and was recognized as other income in profit or loss. As at December 31, 2025, the fair value of the shares is \$130,000.

The Company and DiagnaMed have common directors and a common officer.

During the year ended September 30, 2025, the Company entered into an advisory agreement with Record Resources Inc. ("Record") which holds an option to acquire a property in the Temiskaming hydrogen camp, directly adjacent to the Company's Ville Marie Project. As consideration for the advisory services provided, the Company received 6,750,000 common shares of Record and a 1% Gross Revenue Royalty ("GRR") from the sale of hydrogen or any other mineral product from the Property. Record may acquire half of the GRR at any time for \$1,000,000. The initial fair value of the shares was \$371,250 and was recognized as other income in profit or loss. As at December 31, 2025, the fair value of the shares is \$438,750.

During the year ended September 30, 2025, the Company entered into an advisory agreement with Q Precious & Metals Corp. ("QMET") which holds hydrogen properties in Matane, Quebec and, in the Colchester region in Nova Scotia near the Company's Ville Marie Project and Cumberland Basin Project. As consideration for the advisory services provided, the Company received 4,000,000 common shares of QMET. QMET has also granted the Company a 0.8% royalty on revenues from the sale of any hydrogen or other minerals on the property (the "Royalty"). QMET may acquire half of the Royalty at any time for \$800,000. The initial fair value of the shares was \$320,000 and was recognized as other income in profit or loss. As at December 31, 2025, the fair value of the shares is \$280,000.

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(Unaudited)
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4. EQUIPMENT

	Total
Balance, September 30, 2024	\$ 31,098
Additions	125,516
Balance, June 30, 2025	\$ 156,614
Balance, September 30, 2025	\$ 186,448
Additions	347,639
Balance, June 30, 2026	\$ 534,087
Accumulated depreciation	Total
Balance, September 30, 2024	\$ -
Depreciation	19,912
Balance, June 30, 2025	\$ 19,912
Balance, September 30, 2025	\$ 29,100
Depreciation	45,325
Balance, June 30, 2026	\$ 74,425
Carrying amount	
As at June 30, 2025	\$ 136,702
As at June 30, 2026	\$ 459,662

5. EXPLORATION AND EVALUATION EXPENDITURES

A summary of the Company's exploration and evaluation expenditures for the nine-month period ended June 30, 2026 is as follows:

	Charlevoix Silica Project	Ville- Marie Project	Cumberland Basin Project	Nine-months ended June 30, 2026
Exploration Costs				
Drilling	\$ -	\$ -	\$ 803,740	\$ 803,740
Equipment & supplies	-	2,450	276,036	278,486
Food & lodging	-	5,604	210,818	216,422
Geological field work	3,010	2,700	560,531	566,241
Repair and maintenance	-	-	40,954	40,954
Staking/claims	-	-	4,490	4,490
Transportation	-	566	134,072	134,638
Total exploration & evaluation expenditures	\$ 3,010	\$ 11,600	\$ 2,030,641	\$ 2,045,251

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(Unaudited)
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5. EXPLORATION AND EVALUATION EXPENDITURES (continued)

A summary of the Company's exploration and evaluation expenditures for the nine-month period ended June 30, 2025 is as follows:

	Riviere Blanche Project	Cumberland Basin Property	Ville- Marie Project	River Valley Silica Project	Nine-months ended June 30, 2025
Drilling	\$ -	\$ -	\$ 172,574	\$ -	\$ 172,574
Equipment & supplies	-	-	90,461	3,134	93,595
Food & lodging	-	-	58,277	-	58,277
Geological field work	-	10,920	171,840	-	182,760
Staking	4,150	25,710	23,216	-	53,076
Transportation	-	-	21,494	-	21,494
Total exploration & evaluation expenditures	\$ 4,150	\$ 36,630	\$ 537,862	\$ 3,134	\$ 581,776

6. EXPLORATION AND EVALUATION PROPERTIES

Charlevoix Silica Project

On August 10, 2020, the Company entered into an agreement with Macdonald Mines Exploration Ltd. for the purchase of certain mineral claims, referred to as the Charlevoix Property, located in south-western Quebec, Canada.

The agreement provided for the purchase of these claims in consideration of 1,000,000 common shares of the Company. On February 2, 2021, the Company issued the 1,000,000 common shares with a fair value of \$50,000 to complete the acquisition.

On April 26, 2021, the Company entered into an agreement with a group of arm's length parties to acquire a 100% interest in additional contiguous mining claims, located near the Charlevoix Property in the Lac-Pikauba Municipality of the Province of Quebec, Canada.

The agreement provided for the purchase of these claims in consideration of 4,000,000 common shares of the Company. On April 26, 2021, the Company issued the 4,000,000 common shares with a fair value of \$400,000 to complete the acquisition. Certain sellers will retain a 2.0 % net smelter royalty ("NSR") from any future production. The Company has the right to reduce the 2.0% NSR to 1.0% NSR by paying \$1,000,000.

On October 8, 2021, the Company entered into an agreement with an arm's length party to acquire a 100% interest in certain additional mineral claims located adjacent to its original Charlevoix properties. These newly acquired claims are contiguous to the previously acquired Charlevoix properties. The addition of the new claims creates a contiguous land package which will be referred to as the "Charlevoix Silica Project" going forward.

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6. EXPLORATION AND EVALUATION PROPERTIES (continued)

Charlevoix Silica Project (continued)

The agreement provided for the purchase of these claims in consideration of the following payments:

- i) paying \$5,000 in cash (paid);
- ii) issuing 100,000 common shares (issued) with 50,000 of these common shares restricted from trading until October 8, 2022;
- iii) issuing 100,000 common share purchase warrants (issued) with 50,000 of these warrants restricted from exercising until October 9, 2022. Each warrant entitles the holder to acquire one additional common share, at an exercise price of \$0.15 per share, for a period of 60 months;
- iv) paying \$5,000 in cash by October 8, 2022 (paid).

The fair value of the 100,000 common share purchase warrants, with an exercise price of \$0.15, was estimated using the Black-Scholes Option Pricing Model assuming a risk-free interest rate of 1.44%, a dividend yield of nil, an expected annual volatility of the Company's share price of 125%, an expected life of 5 years, and a spot price of \$0.15. The fair value of the warrants was \$0.127 per warrant. The expected volatility assumption was based on the estimated volatility of comparable early-stage mineral exploration companies. The risk-free interest rate was based on yield curves on the Canadian government zero-coupon bonds or Canadian government treasury bills with a remaining term equal to the warrants' expected life.

The seller will retain a 1.5% net process royalty ("NSR") from any future commercial production on these claims. The Company has the right to reduce the 1.5% NSR to a 0.75% NSR by paying \$750,000.

Roncevaux and Martinville Property

On August 30, 2022, the Company entered into a property acquisition agreement with HPQ Silicon Inc. ("HPQ") for the purchase of property interests referred to as the Roncevaux and Martinville Property.

The Roncevaux Property is located in the Matapedia region of Gaspé, about 75 km south of Causapscal and the Martinville Property is located in the Eastern Township, 180 km east of Montreal, 30 km south of Sherbrooke.

Under the terms of the arm's length transaction, the Company issued 3,000,000 Acquisition Units to HPQ. Each Acquisition Unit is comprised of one Acquisition Share and one-half of an Acquisition Warrant, with each whole Acquisition Warrant entitling HPQ to acquire one common share at a price of \$0.15 for a period of three years expiring August 30, 2025.

The Company has allowed various claims of the Roncevaux and Martinville Property interests to expire as it focuses its resources on its other portfolio of exploration and evaluation properties.

Quebec Innovative Materials Corp.
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(Unaudited)
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6. EXPLORATION AND EVALUATION PROPERTIES (continued)

Ville Marie Project

On November 7, 2022, the Company entered into a property purchase agreement with Charlevoix Silica Inc. ("CSI") for the purchase of 100% interest in three mineral properties, referred to as the Ville Marie Project located in Quebec. Under the terms of the arm's length transaction, the Company issued 5,000,000 common shares of the Company at \$0.055 per share with a fair value of \$275,000.

During the year ended September 30, 2024, the Company acquired additional claims in the area.

The Company also entered into a royalty agreement with respect to the 1% royalty on gross revenues from the sale of pure hydrogen arising from the lands underlying the properties acquired by the Company.

During the year ended September 30, 2025, the Company expanded its interest in the Ville Marie area across the provincial border into Ontario by staking and securing acreage along the Riviere Blanche fault.

River Valley Project

On September 1, 2023, the Company entered into a property purchase agreement for the purchase of 100% interest in three mineral properties, referred to as the River Valley Project located in Quebec. Under the terms of the arm's length transaction, the Company issued 2,000,000 common shares of the Company at \$0.04 per share with a fair value of \$80,000.

The Company also entered into a royalty agreement whereby a royalty on the gross revenues from the sale of raw quartz, silica or any other mineral product from the Property equal to \$2.50 per ton of raw quartz, silica or any other mineral product sold will be paid.

On November 24, 2025, the Company entered into a sales agreement on the sale of its interest in the River Valley Project to Sila Mining Corp. ("Sila"). Under the terms of the sales agreement, the Company will receive:

- 6,000,000 common shares of Sila;
- Cash consideration of up to \$500,000;
- A 2% gross-sales royalty on all silica products produced from the project; and
- The right to nominate one director to Sila's Board of Directors

Closing of the transaction is subject to customary conditions and regulatory approvals.

Cumberland Basin Project

During the year-ended September 30, 2025, the Company staked claims and began exploration and evaluation activities in the Cumberland Basin, Nova Scotia.

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(Unaudited)
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7. UNEARNED REVENUE

During the nine-month period ended June 30, 2026, the Company received payments as part of a collaboration agreement for work on its exploration and evaluation properties. The Company will off-set costs incurred as the services are performed on at these properties and will be recorded as a cost-recovery.

8. COMMON SHARES

a) Authorized

An unlimited number of common shares with no par value.

b) Issued

During the nine-month period ended June 30, 2026, the Company issued the following common shares:

- i. the Company issued an aggregate of 4,700,000 common shares on the exercise of 4,700,000 stock options at a weighted average exercise price of \$0.18 per option for cash proceeds of \$885,000.
- ii. the Company issued an aggregate of 3,633,750 common shares on the exercise of 3,633,750 warrants at a weighted average exercise price of \$0.05 per option for cash proceeds of \$181,688.
- iii. On April 27, 2026, the Company closed a private placement offering (the "Offering") pursuant to which the Company issued 19,167,050 units of the Company (each, a "Unit") at a price of C\$0.90 per Unit (the "Issue Price") for aggregate gross proceeds of \$17,250,345. Each Unit consists of one common share of the Company (each, a "Common Share") and one Common Share purchase warrant (each, a "Warrant"). Each Warrant entitles the holder to purchase one Common Share of the Company at an exercise price of C\$1.30 at any time until April 27, 2029, subject to adjustment in certain circumstances.

In connection with the Offering, the Company paid a cash commission of \$1,201,224 and issued to the Underwriter an aggregate of 1,334,694 non-transferable broker warrants (the "Broker Warrants"). Each Broker Warrant entitles the holder to purchase one Unit at an exercise price of \$0.90 per Unit at any time until April 27, 2029. The Company also incurred \$115,005 in expenses attributed to the Offering.

During the nine-month period ended June 30, 2025, the Company issued the following common shares:

- i. the Company issued an aggregate of 13,190,000 common shares on the exercise of 13,190,000 warrants with a weighted average exercise price of \$0.06 per warrant for cash proceeds of \$755,496.
- ii. the Company issued 750,000 common shares on the exercise of 750,000 options with an exercise price of \$0.05 per option for cash proceeds of \$53,496.

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9. SHARE-BASED PAYMENTS

a) Warrants

The changes in warrants issued during the nine-month periods ended June 30, 2026 and 2025 are as follows:

	Nine-month period ended June 30, 2026		Nine-month period ended June 30, 2025	
	Number of warrants	Weighted- average exercise price	Number of warrants	Weighted- average exercise price
Balance, beginning of the period	3,633,750	\$ 0.05	18,523,750	\$ 0.06
Issued	20,501,744	1.27	-	-
Exercised	(3,633,750)	0.05	(13,190,000)	0.06
Expired	-	-	(200,000)	0.075
Balance, end of the period	20,501,744	\$ 1.27	5,133,750	\$ 0.08

Warrants exercisable and outstanding as at June 30, 2026 are as follows:

Expiry Date	Number of warrants	Exercise Price
April 27, 2029	20,501,744	\$ 1.27 ¹

¹ Weighted-average exercise price

b) Stock Options

On June 19, 2024, the Company adopted an option plan in accordance with the rules and policies of the CSE. The terms of any award are determined by the Board, provided that no options may be granted with an exercise price lower than the greater of the closing market price of the Common Shares on (a) the trading day prior to the date of the grant of the stock options, and (b) the date of grant of the stock options, and the term may not exceed 10 years.

The aggregate number of securities available for issuance under the plan may not exceed 10% of the number of common shares of the Company issued and outstanding from time to time.

During the nine-month period ended June 30, 2026, the Company granted the following stock options:

- On November 6, 2025, the Company granted 2,500,000 stock options to various directors, officers and consultants of the Company. Each option is exercisable to acquire a common share at an exercise price of \$0.40 per share. The stock options expire on November 6, 2027 and vested immediately upon grant. The Company recognized \$728,600 for share-based payments.

The fair value of the 2,500,000 stock options was estimated using the Black-Scholes Option Pricing Model assuming a risk-free interest rate of 2.39%, a dividend yield of nil, an expected annual volatility of the

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9. SHARE-BASED PAYMENTS (continued):

b) Stock Options (continued):

Company's share price of 160.8%, an expected life of 2 years, and a spot price of \$0.39. The fair value of the stock options was \$0.29 per option. The expected volatility assumption is based on the historical volatility of the Company's share price. The risk-free interest rate is based on yield curves on the Canadian government zero-coupon bonds or Canadian government treasury bills with a remaining term equal to the warrants' expected life.

- On March 17, 2026, the Company granted 5,400,000 stock options to various directors, officers and consultants of the Company. Each option is exercisable to acquire a common share at an exercise price of \$0.40 per share. The stock options expire on March 17, 2028 and vested immediately upon grant. The Company recognized \$7,672,600 for share-based payments.

The fair value of the 5,400,000 stock options was estimated using the Black-Scholes Option Pricing Model assuming a risk-free interest rate of 2.75%, a dividend yield of nil, an expected annual volatility of the Company's share price of 166.64%, an expected life of 2 years, and a spot price of \$1.87. The fair value of the stock options was \$1.42 per option. The expected volatility assumption is based on the historical volatility of the Company's share price. The risk-free interest rate is based on yield curves on the Canadian government zero-coupon bonds or Canadian government treasury bills with a remaining term equal to the warrants' expected life.

During the nine-month period ended June 30, 2024, the Company granted the following stock options:

- On February 26, 2025, the Company granted 1,750,000 stock options to a director of the Company. Each option is exercisable to acquire a common share at an exercise price of \$0.25. The stock options expire on February 26, 2028 and vested immediately upon grant. The Company recognized \$371,900 for share-based payments.

The fair value of the 1,750,000 stock options was estimated using the Black-Scholes Option Pricing Model assuming a risk-free interest rate of 4.70%, a dividend yield of nil, an expected annual volatility of the Company's share price of 163.8%, an expected life of 3 years, and a spot price of \$0.25. The fair value of the stock options was \$0.21 per option. The expected volatility assumption is based on the historical volatility of the Company's share price. The risk-free interest rate is based on yield curves on the Canadian government zero-coupon bonds or Canadian government treasury bills with a remaining term equal to the warrants' expected life.

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9. SHARE-BASED PAYMENTS (continued):

b) Stock Options (continued):

The changes in stock options issued during the nine-month periods ended June 30, 2026 and 2025 are as follows:

	Nine-month period ended June 30, 2026		Nine-month period ended June 30, 2025	
	Number of options	Weighted- average exercise price	Number of options	Weighted- average exercise price
Balance, beginning of the period	9,950,000	\$ 0.11	9,600,000	\$ 0.18
Granted	2,500,000	0.40	1,750,000	-
Granted	5,400,000	2.00	-	-
Expired	(50,000)	0.05	-	-
Cancelled	(1,850,000)	0.26	-	-
Exercised	(4,700,000)	0.25	(750,000)	0.05
Balance, end of the period	11,250,000	\$ 1.10	10,600,000	\$ 0.20

Stock options exercisable and outstanding as at June 30, 2026 are as follows:

Expiry Date	Number of options	Exercise Price
September 12, 2026	1,600,000	\$0.25
November 6, 2027	1,400,000	\$0.40
February 26, 2028	1,750,000	\$0.25
March 17, 2028	5,400,000	\$2.00
August 25, 2028	1,100,000	\$0.25
	11,250,000	\$1.10 ¹

¹ Weighted-average exercise price

The weighted average life remaining of the stock options exercisable and outstanding as at June 30, 2026 is 1.73 years.

c) Restricted Stock Units

On November 6, 2025, the Company granted 1,750,000 Restricted Stock Units ("RSUs") as compensation to a director and to a consultant of the Company. The share price of the Company common shares was \$0.40 per share on the date of the grant.

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9. SHARE-BASED PAYMENTS (continued):

c) Restricted Stock Units (continued):

The RSUs will vest as follows:

- 583,333 RSUs will vest on the first anniversary of the grant date,
- 583,333 RSUs will vest on the second anniversary of the grant date and,
- 583,334 RSUs will vest on the third anniversary of the grant date.

The Company has valued the prorated vested portion of the RSUs to be \$288,309.

The changes in RSUs outstanding during the nine-month periods ended June 30, 2026 and 2025 is as follows:

	Nine-month period ended June 30, 2026		Nine-month period ended June 30, 2025	
	Number of RSUs	Weighted- average price	Number of RSUs	Weighted- average price
Balance beginning of period	-	\$ -	-	\$ -
Granted	1,750,000	0.40	-	-
Balance, end of the period	1,750,000	\$ 0.40	-	\$ -

10. RELATED PARTY TRANSACTIONS

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control or common significant influence, related parties may be individuals or corporate entities. A transaction is considered to be a related party transaction when there is a transfer of resources or obligations between related parties.

The following is a summary of the related party transactions that occurred during the three- and nine-month periods ended June 30, 2026 and 2025.

a) Compensation of key management personnel

The Company has determined that key management personnel consist of its Directors, the CEO and the CFO.

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10. RELATED PARTY TRANSACTIONS (continued):

	Three-month periods ended June 30,		Nine-month periods ended June 30,	
	2026	2025	2026	2025
Management fees paid to a company controlled by the CEO and director of the Company	\$ 79,168	\$ 37,500	\$ 169,168	\$ 112,500
Management fees paid or accrued to a company controlled by the CFO of the Company	25,000	13,500	55,000	34,500
Management fees paid to the independent directors of the Company	33,500	3,000	60,500	12,000
Share-based payments	54,916	371,900	5,352,840	371,900
	\$ 192,584	\$ 425,900	\$ 5,637,508	\$ 530,900

b) Other related party transactions

During the year ended September 30, 2025, the Company entered into a collaboration agreement with DiagnaMed (see Note 3). The Company and DiagnaMed have common directors and a common officer.

11. FINANCIAL INSTRUMENTS

The Company is exposed to various financial risks resulting from both its operations and its investment activities. The Company's management manages financial risks. The Company does not enter into financial instruments agreements, including derivative financial instruments for speculative purposes. The Company's main financial risks exposure and its financial policies are as follows:

a) Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Company's cash and cash equivalents is exposed to credit risk, with the carrying value being the Company's maximum exposure. The Company's cash and cash equivalents consists of funds held at a Canadian chartered bank or occasionally, in trust with the Company's corporate lawyer. Management believes the Company's exposure to credit risk is immaterial. The Company's exposure to and approach to the management of credit risk has not changed from that of the prior year.

b) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk. Management does not believe the Company is exposed to material currency or interest rate. The Company's exposure to other price risk is discussed below. The Company's exposure to and approach to the management of market risk has not changed from that of the prior year, other than other price risk as noted below.

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11. FINANCIAL INSTRUMENTS (continued):

c) Other price risk

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk). The Company is exposed to other price risk because of the fluctuating values of its publicly traded marketable securities. The Company has no control over these fluctuations and does not hedge its investments. Based on the June 30, 2026 value of marketable securities every 10% increase or decrease in the share prices of these companies would have impacted loss for the year, up or down, by approximately \$88,000 (2025 - \$nil) before income taxes.

d) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities. The Company seeks to ensure that it has sufficient capital to meet short term financial obligations after taking into account its operating obligations, cash and cash equivalents on hand and, the liquidity of its marketable securities. The Company's exposure to and approach to the management of liquidity risk has not changed from that of the prior year. The Company's trade and other payables have contractual maturities of less than 30 days and are subject to normal trade terms.

Fair value estimates are made at the statement of financial position date, based on relevant market information and other information about financial instruments. As at June 30, 2026 and 2025, the Company's financial instruments are cash and cash equivalents, marketable securities, trade and other payables and due to related parties.

The amounts reflected in the statement of financial position for cash and cash equivalents, trade and other payables and due to related parties approximate their fair values due to the short-term nature of these financial instruments. Marketable securities are measured at fair value within level 1 of the fair value hierarchy.

12. CAPITAL MANAGEMENT

The Company's capital structure consists of the components of shareholders' equity. As at June 30, 2026, the Company's shareholder equity totaled \$14,039,927 (2025 - \$464,685). The Company's principal source of cash is from the issuance of common shares and warrants. The Company's capital management objectives are to safeguard its ability to continue as a going concern and to have sufficient capital to be able to acquire and explore mineral property assets. The Company does not have any externally imposed capital requirements to which it is subject.

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 equity instruments.

As the Company's hydrogen and mineral properties are in the exploration stage, the Company is dependent on external financing to fund its activities. In order to carry out its operations, the Company will spend its existing working capital and raise additional amounts as needed.

The Company's strategy for managing capital did not change during the nine-month periods ended June 30, 2026 and 2025.

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13. SEGEMENTED REPORTING

The Company currently operates in a single reportable segment being the acquisition and exploration of hydrogen and mineral property assets in two geographical regions being Canada and the United States. All of the Company's non-current assets are currently held in Canada.