FALCON
Energy Materials plc

Annual Consolidated Financial Statements

For the years ended December 31, 2024 and 2023

(Expressed in Canadian dollars)

TSX-V: FLCN

Independent auditor's report

To the Shareholders of Falcon Energy Materials plc

Our opinion

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of Falcon Energy Materials plc and its subsidiaries (together, the Corporation) as at December 31, 2024 and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board (IFRS Accounting Standards).

What we have audited
The Corporation's consolidated financial statements comprise:

- the consolidated statement of financial position as at December 31, 2024;
- the consolidated statement of loss and comprehensive loss for the year then ended;
- the consolidated statement of changes in equity for the year then ended;
- the consolidated statement of cash flows for the year then ended; and
- the notes to the consolidated financial statements, comprising material accounting policy information and other explanatory information.

Basis for opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence
We are independent of the Corporation in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada. We have fulfilled our other ethical responsibilities in accordance with these requirements.

PricewaterhouseCoopers LLP
1250 René-Lévesque Boulevard West, Suite 2500, Montréal, Quebec, Canada H3B 4Y1
T.: +1 514 205 5000, F.: +1 514 876 1502, Fax to mail: ca_montreal_main_fax@pwc.com

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the year ended December 31, 2024. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How our audit addressed the key audit matter
Valuation of the assets of the Corporation on deemed disposition following redomiciliation to Abu Dhabi Global Market, United Arab Emirates *Refer to note 10 – Income taxes to the consolidated financial statements* On June 24, 2024, the Corporation redomiciled to Abu Dhabi Global Market, United Arab Emirates. The redomiciliation triggered a deemed disposition of the assets of the Corporation for tax purposes. Management used an independent third-party valuator (the appraiser) to determine the fair value of the assets of the Corporation as at June 24, 2024 for the purposes of the aforementioned deemed disposition. The appraiser used a combination of a discounted cash flow method and market approach to conclude on the value attributable to the Corporation's assets. Key assumptions used in the discounted cash flow model include the quantity and grade of recoverable reserves and resources, future metal prices, capital and operating costs and discount rate. Management's estimates of the quantity and grade of recoverable reserves and resources were based on information compiled by qualified persons (management's experts). Key assumptions used in the market approach include the comparability of companies used as benchmark.	Our approach to addressing the matter included the following procedures, among others: • With the assistance of professionals with specialized skill and knowledge in the field of valuation, developed an independent range of estimates of the fair value of the assets of the Corporation based on data and key assumptions used by management, including: – Tested the underlying data used in the discounted cash flow model. – Evaluated the reasonableness of key assumptions, by (i) comparing future metal prices with external market and industry data; (ii) benchmarking capital and operating costs to the results historically achieved by companies with similar graphite exploration projects; and (iii) assessing whether these assumptions were consistent with evidence obtained in other areas of the audit. The work of management's experts were used in performing the procedures to evaluate the reasonableness of the estimates associated with the quantity and grade of recoverable reserves and resources. As a basis for using this work, the competence, capabilities and objectivity of management's experts were evaluated, the work performed was understood and the appropriateness of the work as audit evidence was evaluated.

Key audit matter	How our audit addressed the key audit matter
The Corporation had sufficient non-capital losses carried forward to offset the taxable capital gain resulting from the deemed disposition and, as a result, no income tax expense or payable have been recognized. All remaining non-capital losses carried forward and other tax attributes in Canada were forfeited. We considered this a key audit matter due to the significant judgment by management, including the use of management's experts, in developing assumptions to determine the fair value. This in turn resulted in significant audit effort and subjectivity in performing procedures to test the fair value determined by management. Professionals with specialized skill and knowledge in the field of valuation assisted us in performing our procedures.	The procedures performed also included an evaluation of the methods and assumptions used by management's experts and an evaluation of their findings. – Developed an independent expectation for the discount rate. – Considered the market capitalization of the Corporation. • Compared the independent range of estimates to management's estimate to evaluate the reasonableness of management's estimate.

Comparative information

The consolidated financial statements of the Corporation for the year ended December 31, 2023 were audited by another auditor who expressed an unmodified opinion on those consolidated financial statements on April 2, 2024.

Other information

Management is responsible for the other information. The other information comprises the Management's Discussion and Analysis.

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

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

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of management and those charged with governance for the consolidated financial statements

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

In preparing the consolidated financial statements, management is responsible for assessing the Corporation's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Corporation or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Corporation's financial reporting process.

Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Corporation's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Corporation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Corporation to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Corporation as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

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

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

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

The engagement partner on the audit resulting in this independent auditor's report is Sébastien Bellemare.

/s/PricewaterhouseCoopers LLP

Montréal, Quebec
April 30, 2025

[1] CPA auditor, public accountancy permit No. A116819

Falcon Energy Materials plc
Consolidated Statements of Financial Position
(in Canadian dollars)

	Notes	**December 31, 2024**	December 31, 2023
		$	$
ASSETS			
Current assets			
Cash and cash equivalents	4	**3,715,577**	737,090
Investments	4	**-**	8,132,717
Sales taxes and other receivables		**10,977**	57,888
Prepaid expenses and deposits		**256,296**	126,908
		3,982,850	9,054,603
Non-current assets			
Property and equipment	5	**270,312**	330,408
TOTAL ASSETS		**4,253,162**	9,385,011
LIABILITIES			
Current liabilities			
Accounts payable and accrued liabilities		**707,869**	557,255
Short-term portion of lease liability	7	**97,458**	81,870
		805,327	639,125
Non-current liabilities			
Long-term portion of lease liability	7	**-**	35,833
		805,327	674,958
EQUITY			
Share capital	8	**43,916,296**	43,780,682
Contributed surplus	9	**12,792,338**	10,312,381
Deficit		**(53,260,799)**	(45,383,010)
		3,447,835	8,710,053
TOTAL LIABILITIES AND EQUITY		**4,253,162**	9,385,011

Subsequent events (Note 18)

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

On behalf of the Board,

Marc Filion /s/
Director

Yves Grou /s/
Director

Falcon Energy Materials plc
Consolidated Statements of Loss and Comprehensive loss
(in Canadian dollars)

	Notes	Years ended December 31, 2024 $	2023 $
Expenses			
Exploration and Evaluation	6		
Exploration expenses		**96,127**	188,201
Engineering study		**145,602**	757,910
Health, safety & community relations on site		**25,590**	17,487
Salaries and wages		**299,048**	325,181
Amortization	5	**74,977**	135,568
		641,344	1,424,347
Battery Anode Plant			
Engineering study		**594,763**	123,388
Professional and consulting fees		**355,632**	163,625
Share-based payments	9	**615,181**	72,204
		1,565,576	**359,217**
General and administrative			
Professional and consulting fees		**1,424,790**	1,328,726
Salaries and benefits		**543,823**	640,657
Travel and representation		**530,130**	539,732
Other general and administrative		**216,649**	216,192
Insurance		**126,351**	54,807
Advertising and marketing		**71,461**	58,124
Investor relations fees		**86,046**	78,131
Transfer agent and filing fees		**70,182**	56,241
Amortization	5	**92,903**	60,896
Share-based payments	9	**1,956,766**	925,556
		5,119,101	3,959,062
Other expenses (income)			
Interest income		**(269,922)**	(273,512)
Redomiciliation costs	10	**861,080**	-
Foreign exchange (gain) loss		**(39,390)**	21,703
		551,768	(251,809)
Net loss and comprehensive loss		**7,877,789**	5,490,817
Basic and diluted loss per common share	14	**0.07**	0.05
Weighted average number of shares – basic and diluted	14	**117,410,951**	115,409,517

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

Falcon Energy Materials plc

Consolidated Statements of Changes in Equity

(in Canadian dollars)

	Notes	Number of issued and outstanding common shares	Share capital	Contributed surplus	Deficit	Total equity
			$	$	$	$
Balance as at January 1, 2024		**117,385,961**	**43,780,682**	**10,312,381**	**(45,383,010)**	**8,710,053**
Exercise of stock options	8	75,000	82,281	(38,657)	-	43,624
Settlement of deferred share units	8	77,934	53,333	(53,333)	-	-
Share-based compensation	9	-	-	2,571,947	-	2,571,947
Net loss and comprehensive loss for the year		-	-	-	(7,877,789)	(7,877,789)
Balance as at December 31, 2024		**117,538,895**	**43,916,296**	**12,792,338**	**(53,260,799)**	**3,447,835**
Balance as at January 1, 2023		**113,822,338**	**41,282,782**	**9,314,620**	**(39,892,193)**	**10,705,209**
Exercise of warrants	8	3,563,623	2,497,900	-	-	2,497,900
Share-based compensation	9	-	-	997,761	-	997,761
Net loss and comprehensive loss for the year		-	-	-	(5,490,817)	(5,490,817)
Balance as at December 31, 2023		**117,385,961**	**43,780,682**	**10,312,381**	**(45,383,010)**	**8,710,053**

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

Falcon Energy Materials plc
Consolidated Statements of Cash Flows
(in Canadian dollars)

		Years ended December 31,	
		2024	2023
Cash flows provided by (used in)	Notes	**$**	$
OPERATING ACTIVITIES			
Net loss		**(7,877,789)**	(5,490,817)
Adjustments for non-cash items			
Amortization	5	**167,880**	196,464
Accreted interest on lease liabilities	7	**12,704**	5,691
Foreign exchange on lease liabilities	7	**9,730**	(1,932)
Interest income	9	**-**	(139,347)
Share-based compensation		**2,571,947**	997,761
Change in non-cash working capital items	15	**68,137**	(341,369)
		(5,047,391)	(4,773,549)
INVESTING ACTIVITIES			
Property and equipment additions	5	**(23,648)**	(42,400)
Investments		**-**	(9,000,000)
Disposal of investments		**8,132,717**	1,052,167
		8,109,069	(7,990,233)
FINANCING ACTIVITIES			
Lease liabilities	7	**(126,815)**	(57,892)
Exercise of warrants	8	**-**	2,497,900
Exercise of stock options	8	**43,624**	-
		(83,191)	2,440,008
Net change in cash and cash equivalents		**2,978,487**	(10,323,774)
Cash and cash equivalents, beginning of year		**737,090**	11,060,864
Cash and cash equivalents, end of year		**3,715,577**	737,090

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

(in Canadian dollars)

1. NATURE OF OPERATIONS AND LIQUIDITY RISK

Falcon Energy Materials plc (formerly SRG Mining Inc.) is an Abu Dhabi Global Market mineral exploration and development business with activities in Africa. The Corporation was incorporated on April 16, 1996 under the *Canada Business Corporations Act*, and continued under the Abu Dhabi Global Market *Companies Regulations 2020* on June 24, 2024. The Corporation's common shares are listed on the TSX Venture Exchange (the "TSX-V") under the trading symbol "FLCN.V". The Corporation's head office is located at Level 7, Al Maryah Tower, ADGM Square, Al Maryah Island, Abu Dhabi, UAE.

These consolidated financial statements were authorized for publication by the Board of Directors on April 30, 2025.

The Corporation's mining properties are located in the Republic of Guinea ("Guinea"), Africa, and hence are subject to the risks normally associated with unanticipated changes in taxes and royalties, renegotiation of contracts, foreign currency fluctuations and political uncertainties.

As at December 31, 2024, the Corporation had a working capital of $3.2 million, which included cash of $3.7 million. Management believes that it has sufficient funds, following the private placement of $6.5 million (note 18) closed subsequent to year-end, to maintain the status of its properties in good standing, to pay its ongoing general and administrative expenses and to meet its other liabilities, obligations and existing commitments beyond the ensuing 12 months as they fall due. The Corporation has the ability to scale its exploration activities and capital expenditures, and will do so as necessary, based on cash availability. The Corporation will need to raise further financing to fund its future operations and its development expenditures.

2. MATERIAL ACCOUNTING POLICIES

Basis of presentation

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards, as issued by the International Accounting Standards Board ("IFRS Accounting Standards"). The Corporation has consistently applied the same accounting policies throughout all the periods presented in these consolidated financial statements.

Basis of measurement

These consolidated financial statements have been prepared on a historical cost basis using the accrual basis of accounting except for cash flow information.

Basis of consolidation

In addition to the Corporation, the consolidated financial statements include all subsidiaries controlled by the Corporation. Control is achieved when the Corporation is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Subsidiaries are fully consolidated from the date on which control is acquired by the Corporation. Intercompany transactions and balances are eliminated upon consolidation. They are deconsolidated from the date that control by the Corporation ceases.

The subsidiaries of the Corporation, all of which are wholly owned, are as follows:

Subsidiaries	Jurisdiction of incorporation
Sama Resources Guinee SARL ("SRG Guinée")	Guinea
SRG Graphite International Inc. ("SRG Intl")	Cayman Islands
SRG Liberia Inc. ("SRG Liberia")	Liberia

Functional and presentation currency

The functional currency for the parent entity, and its subsidiaries, is the currency of the primary economic environment in which the entity operates. The parent entity has determined the functional currency of each entity is the Canadian dollar. The determination of the functional currency may involve certain judgments as to defining the primary economic environment, and the parent entity will reconsider the functional currency of its entities if there is a change in events and conditions which determine the primary economic environment in which these entities operate.

The functional currencies of entities within the group have remained unchanged during the reporting period.

These consolidated financial statements are presented in Canadian dollars.

Foreign currency transactions

Monetary assets and liabilities denominated in a foreign currency are translated at the exchange rate in effect at the financial position date, whereas non-monetary assets and liabilities denominated in a foreign currency are translated at the exchange rate in effect at the transaction date. Expenses denominated in a foreign currency are translated at the average rate in effect during the period with the exception of depreciation that is translated at the historical rate. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the consolidated statement of loss and comprehensive loss.

Cash and cash equivalents

Cash is comprised of cash on hand. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash that can be withdrawn at any time without penalty and which are subject to an insignificant risk of change in value.

Exploration and evaluation (“E&E”) expenses

E&E expenses, including but not limited to geological and geophysical evaluation, surveying, exploratory drilling and sampling, and evaluating the technical feasibility of extracting a mineral resource, are expensed as incurred until the property reaches the development stage.

The development stage is considered to begin once the technical feasibility and commercial viability of the extraction of minerals in an area of interest are demonstrable. It’s based on both qualitative and quantitative criteria such as substantial physical project completion, sustained level of mining, sustained level of processing activity, and passage of a reasonable period of time.

Mineral properties under development are the costs incurred subsequent to the establishment of the technical feasibility and commercial viability of the extraction of resources from a particular mineral property. Capitalized costs, including mineral property acquisition costs and certain mine development and construction costs, are not depreciated until the related mining property has reached a level of operating capacity predetermined by management, a level often referred to as “commercial production.”

Development expenditures incurred subsequent to a development decision, and to increase or to extend the life of existing production, are capitalized and will be amortized according to the unit-of-production method based upon estimated proven and probable reserves.

Property and equipment (“P&E”)

P&E are carried at cost, less accumulated depreciation and accumulated impairment losses.

The cost of a P&E consists of the purchase price, any costs directly attributable to bringing the asset to the location and condition necessary for its intended use and an initial estimate of the costs of dismantling and removing the asset and restoring the site on which it is located.

P&E are recorded at cost and depreciated as follows:

Category	**Straight-line method**
Computer equipment and software	3 years
Furniture	5 years
Equipment	5 years
Building	10 years
Right-of-use assets	Over the lease term

The estimated residual values, estimated useful lives and depreciation methods are reviewed annually.

P&E are derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on disposal of the asset, determined as the difference between the net disposal proceeds and the carrying amount of the asset, is recognized in profit or loss in the consolidated statement of loss and comprehensive loss.

Impairment of non-financial assets

At each financial position reporting date, the carrying amounts of the Corporation's non-financial assets are reviewed to determine whether there is any indication that those assets are impaired. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment, if any. Where the asset does not generate cash flows that are independent from other assets, the Corporation estimates the recoverable amount of the cash-generating unit ("CGU") to which the asset belongs.

An asset's recoverable amount is the higher of fair value less costs to sell and value in use. Fair value is determined as the amount that would be obtained from the sale of the asset in an arm's-length transaction between knowledgeable and willing parties. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. If the recoverable amount of an asset or CGU is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount and the impairment loss is recognized in the consolidated statement of loss and comprehensive loss for the year.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or CGU) is increased to the revised estimate of its recoverable amount, but only to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or CGU) in prior years. A reversal of an impairment loss is recognized immediately in the consolidated statement of loss and comprehensive loss.

Financial instruments

Financial assets and financial liabilities are recognized when the Corporation becomes a party to the contractual provisions of the instrument. Financial assets are derecognized when the rights to receive cash flows from the assets have expired or have been transferred and the Corporation has transferred substantially all risks and rewards of ownership. Financial liabilities are derecognized when the obligation specified in the contract is discharged, cancelled or expires.

Financial assets

Financial assets are initially measured at fair value. If the financial asset is not subsequently accounted for at fair value, then the initial measurement includes transaction costs that are directly attributable to the asset's acquisition or origination. On initial recognition, the Corporation classifies its financial assets in the following measurement categories:

i) measured subsequently at amortized cost; and
ii) measured subsequently at fair value (either through other comprehensive loss, or through net loss).

For assets measured at fair value, gains and losses will either be recorded in net loss or in other comprehensive income.

Financial assets measured at amortized cost

A financial asset is subsequently measured at amortized cost, using the effective interest method and net of any impairment loss, if:

i) the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flow; and
ii) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Impairment

The Corporation assesses on a forward-looking basis the expected credit losses associated with its debt instruments carried at amortized cost and through other comprehensive loss. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

The Corporation assumes that the credit risk on a financial instrument has not increased significantly since initial recognition if the financial instrument is determined to have low credit risk at the reporting date. An external rating of “investment grade” is considered to indicate that a financial instrument may be considered as having low credit risk.

Financial liabilities

Financial liabilities are initially recorded at fair value net of any directly attributable transaction costs. Subsequent to initial recognition, these financial instruments are measured at amortized cost using the effective interest method.

Share Capital

Common shares issued by the Corporation are classified as equity. Costs directly attributable to the issue of common shares are recognized as a deduction from equity, net of any related income tax effects.

Equity financing

The equity financing transactions may involve issuance of common shares or units. Units typically comprise a certain number of common shares and warrants. Depending on the terms and conditions of the equity financing transaction, the warrants are exercisable into additional common shares at a price prior to expiry as stipulated by the terms of the transaction. The Corporation adopted a residual value method with respect to the measurement of common shares and warrants issued as private placement units. The fair value of the common shares issued in the private placements is determined by the closing quoted bid price on the transaction date. The balance, if any, is allocated to the attached warrants. When underlying shares are issued, the amounts previously credited to contributed surplus are transferred to share capital.

Share-based payments

The fair value, at the grant date, of equity-settled share-based awards is recognized as an expense over the period for which the benefits of the employee and others providing similar services are expected to be received using the graded vesting method. The corresponding accrued entitlement is recorded in contributed surplus. The fair value of awards is calculated using the Black-Scholes valuation model, which considers the following factors:

i) Exercise price
ii) Expected volatility
iii) Risk-free interest rate
iv) Expected life of the award
v) Current market price

The amount recognized as an expense is adjusted to reflect the actual number of share purchase options for which the related service and vesting conditions are met. Consideration received on the exercise of share purchase options is recorded as share capital and the related contributed surplus is transferred to share capital.

Current and deferred income taxes

Income tax expense comprises current and deferred tax. Income tax is recognized in the consolidated statement of loss and comprehensive loss except to the extent that it relates to items recognized directly in equity or other comprehensive loss. Current tax expense, if any, is the expected tax payable on taxable income for the year, using tax rates enacted or substantively enacted at year-end, adjusted for amendments to tax payable with regard to previous years.

Deferred tax is recorded using the liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Temporary differences are not provided for relating to goodwill not deductible for tax purposes, the initial recognition of assets or liabilities that affect neither accounting nor taxable loss. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the consolidated statement of financial position date.

A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized.

Loss per share

Basic loss per share is computed by dividing loss available to common shareholders by the weighted average number of common shares outstanding during the year. The computation of diluted loss per share assumes the conversion, exercise or contingent issuance of securities only when such conversion, exercise or issuance would have a dilutive effect on loss per share. The dilutive effect of convertible securities is reflected in diluted loss per share by application of the “if converted” method. The dilutive effect of outstanding stock options and warrants and their equivalents is reflected in diluted loss per share by application of the treasury stock method.

Deferred share units

The Deferred Share Unit Plan (the “DSU Plan”) provides for the payment of directors’ compensation with deferred share units (“DSU”s). Each DSU is a right granted by the Corporation to an eligible director or officer to receive an equivalent to the value of one common share on termination of service. DSU payments are ultimately recognized as an expense in the consolidated statements of loss and comprehensive loss as share-based compensation. The Corporation may and intends to make payments due under the DSU Plan by issuing one common share for each DSU. The number of DSUs to be granted under the DSU Plan is determined by dividing the director’s compensation by the volume-weighted average price of the Common Shares on the Toronto Stock Venture Exchange for the five trading days immediately preceding the date of grant. The Corporation uses the fair value method to recognize compensation expense related to the granting of DSUs. When underlying shares are issued, the amounts previously credited to contributed surplus are transferred to share capital.

Restricted share units

The Restricted Share Unit plan (the "RSU Plan") allows the grant to directors, employees, or service providers nontransferable Restricted Share Units ("RSU”s) based on the value of the Corporation's share price at volume-weighted average price of the Common Shares on the Toronto Stock Exchange for the five trading days immediately preceding the date of grant. Unless otherwise stated, the awards typically have a vesting schedule over a three-year period and can be settled either in cash or equity upon vesting at the discretion of the Corporation. The Corporation intends to settle all RSUs in equity. The Corporation uses the fair value method to recognize compensation expense related to the granting of RSUs. When underlying shares are issued, the amounts previously credited to contributed surplus are transferred to share capital.

Standards, amendments and Interpretations to existing Standards that are not yet effective and have not been adopted early by the Corporation

IFRS 18 *Presentation and Disclosure in Financial Statements*

The IASB issued IFRS 18 to improve reporting of financial performance. The new standard replaces IAS 1 Presentation of Financial Statements. It carries forward many requirements from IAS 1 unchanged. IFRS 18 applies for annual reporting periods beginning on or after January 1, 2027, with earlier application permitted. The new Accounting Standard introduces significant changes to the structure of income statements and introduces new principles for aggregation and disaggregation of information. The impact of adoption of the amendments has not yet been determined by the Corporation.

Amendments to IFRS 9 Financial Instruments and IFRS 7 Financial Instrument Disclosures

The IASB issued targeted amendments to IFRS 9 and IFRS 7 to respond to recent questions arising in practice, and to include new requirements not only for financial institutions but also for corporate entities. Among other amendments, the IASB clarified the date of recognition and derecognition of some financial assets and liabilities, with a new exception for some financial liabilities settled through an electronic cash transfer system. The impact of adoption of the amendments has not yet been determined by the Corporation.

Management anticipates that all relevant pronouncements will be adopted for the first period beginning on or after the effective date of the pronouncement. New standards, amendments and interpretations not adopted in the current period have not been disclosed as they are not expected to have a material impact on the Corporation's financial statements.

3. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

Significant judgments and estimation uncertainty

The preparation of these consolidated financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of expenses during the reporting period. Actual outcomes could differ from these estimates. These consolidated financial statements include estimates, which, by their nature, are uncertain. The impacts of such estimates are pervasive throughout the consolidated financial statements, and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised and the revision affects both current and future periods.

Significant estimates and judgments used in applying accounting policies that have most significant effect on the amounts recognized in the consolidated financial statements are as follows:

a) Going concern and liquidity risk

The assessment of the Corporation's ability to execute its strategy by funding future working capital requirements, exploration and evaluation activities and battery anode plant activities involves judgment. Estimates and assumptions are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances (Note 12).

b) Determination of the ownership of mining property title

Management must determine if it has or still holds the legal title of its mining properties in Guinea on a continuous basis. In certain cases, to conclude on the validity of the legal title, significant judgment is required in determining if the Corporation has met all of its commitments and obligations. Management exercised its judgment, having considered the laws enforceable in Guinea and the communications with the government, to conclude on the title ownership. Note 6 to these consolidated financial statements provides background information around those judgments.

c) Determination of the functional currency of the parent and subsidiaries

A number of judgments were made in the determination of the subsidiaries' functional currency. The parent entity has determined the functional currency of each entity is the Canadian dollar. The determination of the functional currency may involve certain judgments as to defining the primary economic environment, and the parent entity will reconsider the functional currency of its entities if there is a change in events and conditions which determine the primary economic environment in which these entities operate. If a different conclusion had been reached for any one of those assumptions, it could have resulted in the identification of functional currency different from the one actually identified by the Corporation.

d) Provision for foreign tax and value-added tax

The Corporation is subject to foreign tax and value-added tax in numerous jurisdictions. Significant judgment is required in determining the provision for foreign tax and value-added taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain. The Corporation recognizes liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters differs from the amounts that were initially recorded, such differences will impact the current foreign tax and value-added tax liabilities in the period in which such determination is made.

(in Canadian dollars)

4. CASH AND CASH EQUIVALENTS AND INVESTMENTS

	2024	2023
	$	$
Cash	**965,670**	737,090
Guaranteed investment certificate, maturing August 26, 2024, 5,8%	**-**	1,020,499
Guaranteed investment certificate, maturing August 26, 2024, 5,25%	**-**	3,055,664
Ninepoint High interest savings Fund, Serie F	**-**	1,013,486
Purpose High interest savings Fund, Serie F	**-**	3,043,068
Guaranteed investment certificate, maturing February 24, 2025, 4,25%	**1,666,648**	-
BNS tiered corporate investment savings account, Serie F	**1,083,259**	-
	3,715,577	8,869,807

5. PROPERTY AND EQUIPMENT

	Equipment	**Furniture**	**Computer, equipment and software**	**Building**	**Right of use assets**	**Total**
	$	$	$	$	$	$
Cost						
Balance – January 1, 2023	664,448	82,873	151,623	109,482	159,340	1,167,766
Acquisitions	4,016	18,677	8,027	11,680	155,037	197,437
Disposition	-	-	-	-	(2,663)	(2,663)
Balance – December 31, 2023	668,464	101,550	159,650	121,162	311,714	1,362,540
Acquisitions	-	23,648	-	-	86,942	110,590
Disposition	-	-	-	-	(31,043)	(31,043)
Balance – December 31, 2024	668,464	125,198	159,650	121,162	367,613	1,442,087
Accumulated depreciation						
Balance – January 1, 2023	455,518	69,317	124,903	45,353	140,577	835,668
Amortization	98,886	12,765	20,011	11,255	53,547	196,464
Balance – December 31, 2023	554,404	82,082	144,914	56,608	194,124	1,032,132
Amortization	30,932	6,417	7,248	12,457	110,826	167,880
Disposition	-	-	-	-	(28,237)	(28,237)
Balance – December 31, 2024	585,336	88,499	152,162	69,065	276,713	1,171,775
Carrying amount						
Balance – December 31, 2023	114,060	19,468	14,736	64,554	117,590	330,408
Balance – December 31, 2024	83,128	36,699	7,488	52,097	90,900	270,312

(in Canadian dollars)

During the year ended December 31, 2024, an amortization expense of $92,903 (2023 – $60,896) was recorded in the consolidated statement of loss and comprehensive loss under general and administrative expenses and an amortization expense of $74,977 (2023 – $135,568) was recorded under exploration and evaluation expenses.

6. EXPLORATION AND EVALUATION EXPENSES

The Corporation has one project currently under evaluation which is named Lola Graphite.

On November 6, 2019, the Government of Guinea awarded SRG Guinée, through presidential order NoD/2019/291/PRG/SGG the mining permit for its Lola graphite project near the town of Lola in eastern Guinea, West Africa. The fifteen (15) year renewable permit was officially granted by the Government of Guinea through presidential decree number D/2019/291/PRG/SGG. The mining permit covers an area of 94.38 square kilometers. SRG Guinée has agreed to develop the mine and had an obligation to invest US$110,000,000 within the first year of the permit being granted. The mining permit is subject to the general obligations of the Guinean mining code. In June 2020, the Corporation asked the Government of Guinea for a deferment due to the ongoing Covid-19 crisis. A number of events since its receipt of the mining permit, namely the COVID pandemic as well as a Coup d'État, each of which the Corporation considers being a Force Majeur event, rendered impossible the fulfillment of certain obligations by the Corporation during a significant period of time. Furthermore, on June 5, 2021, the Corporation and the government of Guinea signed an agreement which stipulates that the Corporation must begin work on its Lola project within six months of being formally reissued the Gogota permit. The Corporation remains in active dialogue with the government of Guinea about the development timeline for the Lola Graphite Project.

7. LEASE LIABILITIES

The Corporation leases office space for employees. These leases are for a period of one to three years. Certain leases include an option to renew after the end of the contract term.

The movement in lease liabilities during the years ended December 31, 2024 and 2023 is comprised of the following:

	December 31, 2024	December 31, 2023
	$	$
Lease liabilities at the beginning of the year	**117,703**	19,462
Lease payments	**(126,699)**	(57,238)
Lease addition	**86,942**	154,534
Lease termination	**(2,922)**	(2,814)
Accreted interest	**12,704**	5,691
Foreign exchange gain	**9,730**	(1,932)
Balance, end of year	**97,458**	117,703
Current portion	**97,458**	81,870
Long-term portion	**-**	35,833

The undiscounted minimum lease payments on lease liabilities for the forthcoming years are as follows:

	$
2025	103,105
Total minimum payments	**103,105**
Less interest	(5,647)
Total minimum capital payments	97,458

(in Canadian dollars)

8. SHARE CAPITAL

2023

During the year ended December 31, 2023, 3,563,623 warrants were exercised at an average strike price of $0.70 per warrant for total proceed of $2,497,900.

2024

During the year ended December 31, 2024, 75,000 stock options were exercised at an average strike price of $0.58 per option for a total proceed of $43,624, and 77,934 shares were issued to former directors from a previous DSU grant.

Warrants

The following table shows the changes in warrants:

	Years ended December 31,			
		2024		2023
	Number	**$**	Number	$
Balance, beginning of year	**-**	**-**	14,880,203	0.86
Exercised	**-**	**-**	(3,563,623)	0.70
Expired	**-**	**-**	(11,316,580)	0.91
Balance, end of year	**-**	**-**	-	-

9. SHARE-BASED PAYMENTS

Share-based expense

During the year ended December 31, 2024 and 2023, the share-based expense is as follows:

	Years ended December 31	
	2024	2023
	$	$
Stock options(1)	**1,699,476**	191,743
Deferred stock units	**288,125**	304,167
Restricted stock units (2)	**584,346**	501,850
	2,571,947	997,760

(1) Expenses recognized for stock options during the year ended December 31, 2024 is due to the tranches accelerated vesting schedule related to this period stock option grant.

(2) Expenses recognized for restricted stock units during the year ended December 31, 2024 is due to the accelerated vesting accounting related to the cancellation of the RSU grant.

Share purchase options

The Corporation has a fixed stock option plan (the “Plan”), in which the maximum number of common shares which can be reserved for issuance under the Plan is 22,764,466 shares of the Corporation, less any shares reserved for issuance under the DSU Plan and the RSU Plan. The exercise price of each option (“Option”) shall not be less than the closing price of the common shares on the trading day immediately preceding the day on which the Option is granted, less any discount permitted by the TSX-V and, in any event, the exercise price per Option will not be less than $0.05, being the minimum exercise price allowable under TSX-V policy.

(in Canadian dollars)

The following table shows the changes in stock options:

				Year ended December 31,
		2024		2023
	Number	**$(1)**	Number	$(1)
Balance, beginning of year	**8,385,500**	**0.69**	8,735,500	0.71
Granted	**5,096,713**	**0.54**	-	-
Forfeited	**-**	**-**	(350,000)	1.14
Exercised	**(75,000)**	**0.58**	-	-
Balance, end of year	**13,407,213**	**0.63**	8,385,500	0.69
Exercisable, end of year	**10,608,857**	**0.66**	7,952,162	0.69

(1) Weighted average exercise price.

The number of outstanding share purchase options that could be exercised for an equal number of common shares is as follows:

			December 31, 2024
	Number outstanding	Number exercisable	Exercise price $
February 20, 2027	1,852,007	1,852,007	0.365
April 25, 2027	100,000	100,000	0.50
June 14, 2027	25,000	25,000	0.36
November 22, 2027	325,000	325,000	1.30
January 14, 2028	125,000	125,000	1.72
August 8, 2028	2,085,000	2,085,000	1.10
May 11, 2030	1,108,493	1,108,493	0.37
June 19, 2030	950,000	950,000	0.51
February 9, 2031	440,000	440,000	0.69
March 1, 2032	1,300,000	1,300,000	0.70
April 12, 2034	4,096,713	2,048,357	0.48
October 4, 2034	850,000	212,500	0.68
October 4, 2034	150,000	37,500	1.25
	13,407,213	10,608,857	

(in Canadian dollars)

The fair value of share purchase options granted was determined using the Black & Scholes valuation model based on the following weighted average assumptions:

	During the year ended December 31,	
	2024	2023
Weighted average price at the grant date	**$0.52**	$0.70
Weighted average exercise price	**$0.54**	$0.70
Expected dividend	**-$**	-$
Expected average volatility	**95.01%**	134.95%
Risk-free average interest rate	**3.53%**	1.70%
Expected average life	**10 years**	10 years
Weighted fair value per share purchase option	**$0.46**	$0.68

The expected underlying volatility was based on the historical data of comparable companies shares over a period equivalent to the expected average life of the options.

Deferred share units

The DSU Plan provides for the payment of directors' compensation with DSUs. Each DSU is a right granted by the Corporation to an eligible director to receive an equivalent of the value of one common share on termination of service. The Corporation may make payments due under the DSU Plan by issuing one common share for each DSU. The number of DSUs to be granted under the DSU Plan is determined by dividing the director's compensation by the average closing price of the common shares on the TSXV, for five trading days immediately preceding such date. Under the DSU Plan, a maximum number of common shares available and reserved for issuance is 22,764,466 shares of the Corporation, less any shares reserved for issuance under the Plan and the RSU Plan.

The following table summarizes the changes in DSUs during the year ended December 31, 2024:

	Years ended December 31,			
	2024		2023	
	Number	**$(2)**	Number	$(2)
Balance, beginning of year	**767,021**	**0.75**	382,163	0.70
Granted	**423,714**	**0.68**	384,858	0.79
Settled	**(77,934)**	**0.68**	-	-
Balance, end of year	**1,112,801**	**0.72**	767,021	0.75

(2) Weighted average fair value.

Restricted share units

The RSU Plan provides for a maximum number of common shares available and reserved for issuance to 22,764,466 shares of the Corporation, less any shares reserved for issuance under the Plan and the RSU Plan. The RSUs are time-based awards and all the amount of RSUs granted will vest upon the continuous involvement with the Corporation of the Participants on the third anniversaries of the RSU grant, starting from the date of the grant or such other period not exceeding three years determined by the Board of Directors.

(in Canadian dollars)

Pursuant to the terms of the RSU Plan, Participants will receive, upon vesting of the RSUs, common shares of the Corporation issued from treasury. The outstanding RSU's as at December 31, 2024 are as follows:

	Years ended December 31,			
	2024		2023	
	Number	**$(3)**	Number	$(3)
Balance, beginning of year	**1,750,000**	**0.70**	1,750,000	0.70
Cancelled	**(1,750,000)**	**0.70**	-	-
Balance, end of year	**-**	**-**	1,750,000	0.70
Excercisable, end of year	**-**	**-**	-	-

(3) Weighted average fair value.

10. INCOME TAXES

On June 24, 2024, the Corporation redomiciled to Abu Dhabi Global Market, United Arab Emirates. For tax purposes, the redomiciliation triggered a deemed disposition of the assets of the Corporation, that is at the parent corporation's level.

Management used an independent third-party valuator (the "appraiser") to determine the fair value of the Corporation's assets as at June 24, 2024 for the purposes of the aforementioned deemed disposition. The appraiser used a combination of a discounted cash flow model and market approach to conclude on the value attributable to the Corporation's assets. Key assumptions used in the discounted cash flow method include the quantity and grade of recoverable reserves and resources, future metal prices, capital and operating costs and discount rate. Management's estimates of the quantity and grade of recoverable reserves and resources were based on information compiled by qualified persons. Key assumptions used in the market approach include the comparability of companies used as benchmark.

The Corporation had sufficient non-capital losses carried forward to offset the taxable capital gain resulting from the deemed disposition and as a result, no income tax expense or payable have been recognized. All remaining non-capital losses carried forward and other tax attributes in Canada were forfeited. The Corporation incurred $861,080 in redomiciliation costs during the year-ended December 31, 2024, primarily composed of legal and consulting fees.

The Corporation's loss before income taxes for the year ended December 31, 2024 amounted to $7.9 million, of which approximately $3.2 million was incurred in Canada prior to the redomiciliation, $3.6 million was incurred in UAE and $1.1 was incurred in Guinea.

The corporate tax rate in Abu Dhabi Global Market free zone is 0% and businesses may carry forward tax losses for up to 15 years, subject to certain restrictions. The corporate tax rate in Guinea for mining companies is 30% and tax losses may be carried forward up to 5 years, subject to certain restrictions. No benefit of previously incurred tax losses have been recognized as at December 31, 2024 or December 31, 2023.

(in Canadian dollars)

The relationship between the expected tax expense based on the income tax rate in UAE (2023 – Canada) and the reported tax expense in the statement of comprehensive loss can be reconciled as follows:

	2024	2023
	$	$
Loss before income taxes	**(7,877,789)**	(5,490,817)
Expected tax expense calculated using the income tax rate in Abu Dhabi Global Market is 0% (2023 - Canada of 26.5%)	**-**	(1,455,067)
Impact of rate differential in foreign jurisdictions	**(327,861)**	(56,789)
Share-based compensation	**-**	264,406
Non deductible expenses	**-**	4,284
Change in unrecognized temporary differences	**327,861**	1,243,166
Deferred income tax expense (income)	**-**	-

11. CAPITAL MANAGEMENT

The Corporation's objectives when managing capital are to safeguard the Corporation's ability to continue as a going concern and to maintain a flexible capital structure, which will allow it to pursue its activities and continue to develop the Lola project.

The Corporation considers its capital structure to include equity. The Corporation monitors its capital structure and makes adjustments in light of changes in economic conditions and the risk characteristics of the underlying assets and capital markets. In order to facilitate the management of capital and the exploration and evaluation of its E&E assets and develop the Lola project, the Corporation prepares annual expenditure budgets, which are monitored and updated as considered necessary.

To maintain or adjust the capital structure, the Corporation may issue new equity if available on favorable terms, issue more debts or convertible debenture instruments, sell off permits and enter into joint venture arrangements.

The Corporation is not subject to externally imposed capital requirements. There has been no change in the Corporation's approach to capital management during the year ended December 31, 2024.

The changes in the Corporation's capital are disclosed in the consolidated statements of changes in equity.

12. FINANCIAL INSTRUMENTS AND FINANCIAL RISK FACTORS

Classification

The Corporation's financial instruments as at December 31, 2024 and 2023 consist of cash and cash equivalents, other receivables and accounts payable and accrued liabilities.

(in Canadian dollars)

The classification of financial instruments is summarized as follows:

		December 31,	
		2024	2023
Financial Assets	**Classification**	$	$
Cash and cash equivalent	Financial assets at amortized cost	**3,715,577**	737,090
Investments (Guaranteed investment certificates)	Financial assets at amortized cost	**-**	4,067,163
		3,715,577	4,813,253

		December 31,	
		2024	2023
Financial Assets	**Classification**	**$**	$
Investments (Other than guaranteed investment certificates)	Fair value through profit & loss	**-**	4,056,554
		-	4,056,554

		December 31,	
		2024	2023
Financial Liabilities	**Classification**	**$**	$
Accounts payable and accrued liabilities	Financial liabilities at amortized cost	**258,752**	222,555
		258,752	222,555

The Corporation’s risk exposures and the impact of these exposures on the Corporation’s financial instruments are summarized below:

Fair value

Fair value estimates are made at the consolidated statement of financial position date based on relevant market information and other information about financial instruments.

The Corporation’s financial assets and financial liabilities approximate their fair values due to their relatively short periods to maturity. Investments (other than guaranteed investment certificates) are valued at the quoted prices.

Credit risk

Credit risk is the risk of financial loss to the Corporation if a counterparty to a financial instrument fails to meet its contractual obligations. The Corporation is exposed to credit concentration risk by holding cash and guaranteed investment certificates. This risk is minimized by holding cash and guaranteed investment certificates balances with large Canadian financial institutions and a minimal amount with local banks in Africa.

The Corporation is also indirectly exposed to credit risk through its investments (other than guaranteed investment certificates).

Liquidity risk

The Corporation manages its liquidity risk by using budgets that enable it to determine the amounts required to fund its E&E programs. The Corporation also ensures that it has sufficient working capital available to meet its day-to-day commitments.Further disclosure related to the Corporation’s liquidity risk has been included in note 1 to these consolidated financial statements.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in prevailing market interest rates.

Except for the fixed interest recognized on the guaranteed investment certificates, all of the Corporation's assets and liabilities are non-interest-bearing and, as such, are not subject to a significant amount of risk arising from fluctuations in interest rates.

The Corporation is also indirectly exposed to the interest rate risk through its investments (other than guaranteed investment certificates)

Market risk

Foreign exchange risk

Currency risk is the risk that future cash flows or fair value of financial instruments will fluctuate because of changes in foreign exchange rates. The Corporation is exposed to foreign exchange (''FX'') risk as cash is primarily held in Canadian dollars, while a significant portion of expenditures are denominated in US dollars and Guinean francs and, to a lesser extent, euros.

The below table shows the impact on net earnings and equity of a 10% increase or decrease in foreign currencies on the Corporation's net income:

	December 31, 2024 in CAD	Impact of 10% change in FX	December 31, 2023 in CAD	Impact of 10% change in FX
United States dollar	141,913	+/- 14,191	421,508	+/- 42,151
Guinea franc	88,786	+/- 8,879	153,129	+/- 15,313
Euro	41,268	+/- 4,127	5,860	+/- 586

Commodity price risk

Commodity price risk is the risk that the fair value or expected future cash flows will fluctuate as a result of changes in commodity prices. Commodity prices for minerals are impacted by world economic events that dictate the levels of supply and demand as well as the relationship between the Canadian dollar and other currencies, as outlined above. As the Corporation has not yet developed commercial mineral interests, the Corporation is not a party to financial instruments exposed to the price of commodities. However, the Corporation is indirectly exposed to commodity price risk, as it impacts the Corporation's access to capital and funding.

(in Canadian dollars)

13. RELATED PARTIES

Remuneration of key management personnel

Key management personnel are the members of the Board of Directors, and executive officers of the Corporation. During the years ended December 31, 2024 and 2023, the remuneration awarded to key management personnel is as follows:

	Years ended December 31,	
	2024	2023
	$	$
Salaries and benefits	**50,709**	65,667
Consulting and professional fees	**1,106,991**	791,166
Share-based payments	**2,058,356**	874,033
	3,216,056	1,730,866

As at December 31, 2024, consulting fees of $286,189 are due to key management personnel (2023 - $214,500).

Termination and change of control provisions

Certain agreements between the executive team and the Corporation contain termination without cause and change of control provisions. Assuming that these agreements would be terminated without cause during the year ending December 31, 2025, the total amounts payable in respect of severance would amount to $1,768,750. If a change of control would occur during the year ending December 31, 2025, the total amounts payable in respect of severance, if elected by the executive members, would amount to $3,000,000.

14. LOSS PER SHARE

Basic earnings or loss per share is the net earnings or loss available to common shareholders divided by the weighted average number of common shares outstanding during the year. Diluted net earnings or loss per share adjusts basic net earnings per share for the effects of potential dilutive common shares. Warrants, stock options, deferred share units and restricted share units were excluded from the calculation of the diluted weighted average number of common shares outstanding for the years ending December 31, 2024 and December 31, 2023, as their effects would have been anti-dilutive.

15. SUPPLEMENTAL CASH FLOW INFORMATION

	Years Ended December 31,	
	2024	2023
Changes in working capital items	**$**	$
Sales taxes and other receivables	**46,911**	43,717
Prepaid expenses and deposits	**(129,388)**	(21,090)
Accounts payable and accrued liabilities	**150,614**	(363,996)
	68,137	(341,369)

(in Canadian dollars)

16. COMMITMENTS

The Corporation must pay US$7,079 in superficial rights every year for the next ten years to the government of Guinea to retain the rights of its mining title.

Minimum annual payments relating to the above commitments in the next five fiscal years and thereafter are as follows:

Year	US$
2025	7,079
2026	7,079
2027	7,079
2028	7,079
2029	7,079
Thereafter	28,314

17. OPERATING SEGMENTS

The Corporation operates in two reportable business segment: the exploration and evaluation of mineral properties and the battery anode plant. As at December 31, 2024, $248,317 of the Corporation's non-current assets are located in Guinea, Africa, and $21,995 are located in Abu Dhabi, United Arab Emirates. As at December 31, 2023 $313,914 of the Corporation's non-current assets were located in Guinea, Africa and $16,494 in Montréal, Canada.

18. SUBSEQUENT EVENTS

On February 21, 2025, the Corporation announced a grant to directors, officers and key consultants aggregate of 1,698,487 stock options, each exercisable to acquire one Common Share at an exercise price of $0.60 on or before February 21, 2035, being the date that is 10 years from their date of grant.

On March 25, 2025, the Corporation announced the closing of a non-brokered private placement at a price of $0.60 per unit of 10,874,832 units for gross proceeds of $6,524,900 and the closing thereof on March 24, 2025. Each unit is comprised of one ordinary common share of the Corporation and one non-transferable share purchase warrant. Each warrant grants the holder the right to purchase one additional common share at a price of $0.75 per warrant for a period of 36 months from the date of closing. Proceeds of $2 million related to the private placement are held in escrow, pending approval of the shareholders expected to occur at the Corporation's Annual General Meeting in June 2025, to adhere with the TSX Venture Exchange policies relating to a 'control person' of a corporation.