# HPQ Silicon Inc.

**Consolidated Financial Statements (unaudited)**
**As at September 30, 2026**

**(in Canadian dollars)**

## Table of contents


| | |
|---|---|
| Consolidated Statements of Financial Position | 2 |
| Consolidated Statements of Net Loss | 3 |
| Consolidated Statements of Comprehensive Loss | 4 |
| Consolidated Statements of Changes in Equity | 5 |
| Consolidated Statements of Cash Flows | 6 |
| Notes to Consolidated Financial Statements | 7 - 52 |


The financial statements have not been reviewed by the Company's independent auditor

# HPQ Silicon Inc.
# Consolidated Statements of Financial Position (unaudited)
As at September 30, 2026 and December 31, 2025
(in Canadian dollars)

| | Notes | September, 30 2026 | December 31 2025 |
|---|---|---|---|
| | | $ | $ |
| **ASSETS** | | | |
| **Current** | | | |
| Cash and cash equivalents | | 267,579 | 555,740 |
| Financial assets at FVTPL | 5 | 650,875 | 621,253 |
| Goods and services tax receivable | | 77,361 | 60,023 |
| Grant receivable | 6 | 335,407 | - |
| Prepaid expenses and other | 7 | 34,693 | 45,990 |
| | | 1,365,915 | 1,283,006 |
| **Non-current** | | | |
| Property and equipment | 9 | 132,013 | - |
| Intangible assets | 10 | - | 2,592,858 |
| Investments accounted for using the equity method | 12 | 18,314,513 | 14,023,111 |
| Financial assets at FVTPL | 5 | 23,983,466 | 25,327,950 |
| Right-of-use assets | | 22,089 | 30,371 |
| | | 42,452,082 | 41,974,290 |
| **Total assets** | | 43,817,996 | 43,257,296 |
| **LIABILITIES** | | | |
| **Current** | | | |
| Payable to a subcontractor and other trade payables | 13 | 1,778,587 | 1,794,048 |
| Due to directors | 14 | 100,000 | 100,000 |
| Royalties payable to a subcontractor | 10 | 250,000 | 250,000 |
| Portion of lease liabilities | | 11,040 | 10,952 |
| | | 2,139,627 | 2,155,000 |
| **Non-current** | | | |
| Due to directors, officers and a company owned by a director, without interest | 15 | 1,225,506 | 1,166,506 |
| Portion of lease liabilities | | 11,171 | 19,440 |
| | | 1,236,677 | 1,185,946 |
| **Total liabilities** | | 3,376,304 | 3,340,946 |
| **EQUITY** | | | |
| Share capital | 16 | 77,785,886 | 70,697,727 |
| Contributed surplus | | 4,852,334 | 4,896,664 |
| Deficit | | (42,196,528) | (35,678,041) |
| **Total equity** | | 40,441,692 | 39,916,350 |
| **Total liabilities and equity** | | 43,817,996 | 43,257,296 |

The accompanying notes are an integral part of the consolidated financial statements.
These consolidated financial statements were approved and authorized for issue by the Board of Directors on November 27, 2026.

**ON BEHALF OF THE BOARD OF DIRECTORS**

(s) Patrick Levasseur Director
(s) Bernard J. Tourillon Director

# HPQ Silicon Inc.
# Consolidated Statements of Net Income (unaudited)
The period ended as at September 30, 2026 and 2025
(in Canadian dollars)

| | Notes | Quarter ending September, 30 | | Period ending September, 30 | |
|---|---|---|---|---|---|
| | | 2026 | 2025 | 2026 | 2025 |
| | | $ | $ | $ | $ |
| **Expenses** | | | | | |
| Salaries and employee benefits expense | 17.1 | 145,256 | 149,496 | 493,656 | 564,091 |
| Other operating expenses | 19 | 263,553 | 182,407 | 908,832 | 980,852 |
| Research and development costs [(1)] | | - | 452,026 | - | 1,598,827 |
| License fees and consultation | | 439,759 | - | 1,329,287 | - |
| Patent maintenance | | 8,829 | - | 25,214 | - |
| Amortization of property and equipment | 9 | - | (6,919) | - | 1,909 |
| Amortization of intangible assets | 10 | 35,871 | 40,604 | 114,443 | 121,748 |
| Impairment of intangible assets | 10 | 2,478,415 | - | 2,478,415 | - |
| **Operating loss** | | 3,371,683 | 817,614 | 5,349,847 | 3,267,427 |
| **Other income (expenses)** | | | | | |
| Finance (loss) income | 20 | 765 | 174,914 | 13,993 | 192,488 |
| Finance costs | 20 | - | (56,751) | - | (169,216) |
| Share of loss from equity-accounted investment | 12 | 83,455 | (2,482) | 81,683 | (14,333) |
| Adjustment of ownership in equity-accounted investment | 12 | (90) | (237,633) | 5,727 | (204,329) |
| Gain on settlement of royalty payable | 8 | - | 21,364 | - | 21,364 |
| Recovery and (provision) for credit risk | 8 | (6,030) | 303,635 | (6,030) | 284,096 |
| Change in financial assets at FVTPL | 5 | (474,991) | - | (1,127,455) | - |
| Expected credit loss on loan | 11 | (5,078,736) | - | (5,078,736) | - |
| Gain on loss of control of a previously consolidated subsidiary | 11 | 5,092,836 | - | 5,092,836 | - |
| | | (382,791) | 237,633 | (1,017,982) | 110,070 |
| **Net loss** | | (3,754,474) | (579,981) | (6,367,829) | (3,157,357) |
| **Net loss attributable to:** | | | | | |
| Owners of the Company | | (3,754,474) | (695,026) | (6,367,829) | (3,251,552) |
| Non-controlling interests | 23 | - | 115,045 | - | 94,195 |
| | | (3,754,474) | (579,981) | (6,367,829) | (3,157,357) |
| **Loss per share attributable to owners** | | | | | |
| Basic and diluted loss per share | 21 | (0.01) | (0.00) | (0.01) | (0.00) |

(1) Including share-based payments of $62,170 in 2025.

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

# HPQ Silicon Inc.
# Consolidated Statements of Comprehensive Income (unaudited)
The period ended as at September 30, 2026 and 2025
(in Canadian dollars)

| | Notes | Quarter ending September, 30 | | Period ending September, 30 | |
|---|---|---|---|---|---|
| | | 2026 | 2025 | 2026 | 2025 |
| | | $ | $ | $ | $ |
| **Net loss** | | (3,754,474) | (579,981) | (6,367,829) | (3,157,357) |
| **Other comprehensive income item that will subsequently be reclassified to net earnings:** | | | | | |
| Exchange difference resulting from the conversion of a foreign subsidiary | | - | 9,260 | - | 41,440 |
| **Comprehensive loss** | | (3,754,474) | (570,721) | (6,357,829) | (3,115,917) |
| **Comprehensive loss attributable to:** | | | | | |
| Owners of the Company | | (3,754,474) | (685,766) | (6,357,829) | (3,210,112) |
| Non-controlling interests | 23 | - | 115,045 | - | 94,195 |
| | | (3,754,474) | (570,721) | (6,357,829) | (3,115,917) |

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

# HPQ Silicon Inc.
# Consolidated Statements of Changes in Equity (unaudited)
The period ended as at September 30, 2026 and 2025
(in Canadian dollars)

| | Notes | Equity attributable to owners | | | | | Non-controlling interests | Total shareholders' equity (deficit) |
|---|---|---|---|---|---|---|---|---|
| | | Share capital | Contributed surplus | Deficit | Accumulated Other comprehensive | Total | | |
| | | $ | $ | $ | $ | $ | $ | $ |
| **Balance at January 1st 2025** | | 59,439,981 | 2,299,980 | (66,391,863) | (448) | (4,652,350) | 802,359 | (3,849,991) |
| Private placement unit issuance | 16.1 | 784,945 | 123,035 | - | - | 907,980 | - | 907,980 |
| Common share issuance for the settlement of accounts payable | 16.1 | 4.392,280 | 645,860 | - | - | 5,043,140 | - | 5,043,140 |
| Common share issuance R&D expenses | 16.1 | 535,600 | 908 | - | - | 536,508 | - | 536,508 |
| Common share issuance for the increase the Company's interest in Novacium | 16.1 | 3,722,250 | 1,948,958 | (5,593,553) | - | 77,655 | (77,655) | - |
| Issuance of shares on convertible note payable | | 100,000 | - | - | - | 100,000 | - | 100,000 |
| Exercise of warrants | 16.2 | 34,755 | (7,755) | - | - | 27,000 | - | 27,000 |
| Exercise of options | 17.2 | 324,100 | (74,100) | - | - | 250,000 | - | - |
| Share-based payments | 17.2 | - | 198,440 | - | - | 198,440 | - | 198,440 |
| Warrants expiry | 16.2 | - | (52,877) | 52,877 | - | - | - | - |
| Option expiry | 17.2 | - | (16,030) | 16,030 | - | - | - | - |
| Option cancellation | 17.2 | - | (935,670) | 935,670 | - | - | - | - |
| Issuance cost | | - | 6,356 | (80,094) | - | (73,738) | - | (73,738) |
| | | 69,338,911 | 4,137,105 | (71,060,933) | (448) | 2,414,635 | 724,704 | 3,139,339 |
| Net income (loss) for the period | | - | - | (3,251,552) | - | (3,251,552) | 94,195 | (3,157,357) |
| Total comprehensive for the period | | - | - | - | 41,440 | 41,440 | 41,716 | 83,156 |
| **Balance at September 30, 2025** | | 69,338,911 | 4,137,105 | (74,312,485) | 40,992 | (795,477) | 860,615 | 65,138 |
| **Balance at January 1st 2026** | | 70,697,727 | 4,896,664 | (35,678,041) | - | 39,916,350 | - | 39,916,350 |
| Private placement unit issuance | 16.1 | 3,000,000 | - | - | - | 3,000,000 | - | 3 000,000 |
| Common share issuance for the settlement of accounts payable | 16.1 | 54,734 | 15,891 | - | - | 70,625 | - | 70,625 |
| Common share issuance for the increase the Company's interest in Novacium | 16.1 | 4,033,425 | - | - | - | 4,033,425 | - | 4,033,425 |
| Option expiry | 17.2 | - | (131,322) | 131,322 | - | - | - | - |
| Issuance cost | | - | 71,101 | (281,980) | - | (210,879) | - | (210,879) |
| | | 77,785,886 | 4,852,334 | (35,828,699) | - | 46,809,521 | - | 46,809,521 |
| Net income (loss) for the period | | - | - | (6,367,829) | - | (6,367,829) | - | (6,367,829) |
| **Balance at September 30, 2026** | | 77,785,886 | 4,852,334 | (42,196,528) | - | 40,441,692 | - | 40,441,692 |

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

# HPQ Silicon Inc.
# Consolidated Statements of Cash Flows (unaudited)
The period ended as at September 30, 2026 and 2025
(in Canadian dollars)

| | Notes | 2026 | 2025 |
|---|---|---|---|
| | | $ | $ |
| **OPERATING ACTIVITIES** | | | |
| Net income (loss) | | (6,367,829) | (3,157,357) |
| Non-cash items | | | |
| Share-based payments | 17.2 | - | 198,440 |
| Amortization of intangible assets | 10 | 114,443 | 121,748 |
| Amortization of property and equipment | 9 | - | 1,909 |
| Depreciation of right-of-use assets | | 8,282 | 6,530 |
| Gain on settlement of royalty receivable | | - | (21,364) |
| Net change in fair value of marketable securities | 5 | 1,310 | (88,097) |
| Share of loss from investments accounted for using the equity method | 12 | (81,683) | 14,333 |
| Adjustment of ownership in investments accounted for using the equity method | 12 | (5,727) | 204,329 |
| Accretion revenues – royalties' receivable | 8 | - | (19,539) |
| Accretion expenses – royalties payable | 10 | - | 169,216 |
| Salaries and employee benefits expense | | 77,750 | 88,500 |
| Interest income receivable | | 6,030 | - |
| Allowance for credit losses | 8 | (6,030) | (284,096 |
| Change in financial assets at FVTPL | 5 | 1,127,455 | - |
| Impairment of intangible assets | 10 | 2,478,415 | - |
| Expected credit loss on loan | 11 | 5,078,736 | - |
| Gain on loss of control of a previously consolidated subsidiary | 11 | (5,092,836) | - |
| Loss of control over Polvere's net assets | 11 | 14,100 | - |
| | | (2,647,584) | (2,765,448) |
| Changes in working capital items | 22 | 30,373 | 1,707,828 |
| Cash flows used for operating activities | | (2,617,211) | (1,057,620) |
| **INVESTING ACTIVITIES** | | | |
| Additions to property and equipment | | (882,013) | (23,098) |
| Purchase of investments | | | (225,000) |
| Grant receipts to be received | | 414,593 | - |
| Disposal of Financial assets at FVTPL | 5 | 15,530 | 439,822 |
| Cash flows provided (used) by investing activities | | (451,890) | 191,724 |
| **FINANCING ACTIVITIES** | | | |
| Proceeds from issue of units by private placements | 16.1 | 3,000,000 | 907,980 |
| Proceeds from convertible note payable | | | 150,000 |
| Proceeds from exercise of warrants | 16.1 | - | 27,000 |
| Proceeds from exercise of options | 17.2 | - | 250,000 |
| Repayment of lease liabilities | | (8,181) | (6,984) |
| Issuance cost | | (210,879) | (73,738) |
| Cash flows provided by financing activities | | 2,780,940 | 770,644 |
| **Net change in cash** | | (288,161) | 388,362 |
| Effect of exchange difference on cash | | - | 83,290 |
| Cash, beginning of the year | | 555,740 | 676,955 |
| Cash, end of the period | | 267,579 | 1,148,607 |
| **Cash operations** | | | |
| Interests received from operating activities | | 15,303 | 33,283 |

For additional cash flows information refer to Note 22.

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

## 1. NATURE OF OPERATIONS

HPQ Silicium Inc. ("HPQ" or the "Company") specializes in technological development in silicon-based materials and their derivatives.

HPQ is incorporated under the *Canada Business Corporations Act*. The address of the registered office and its principal place of business is 3000 Omer-Lavallée Street, office 306, Montreal, Quebec, Canada. HPQ shares are listed on the TSX Venture Exchange.

## 2. GOING CONCERN AND STATEMENT OF COMPLIANCE WITH IFRS

The consolidated financial statements of the Company have been prepared in accordance with IAS 34 interim financial reporting and the basis of the going concern assumption, meaning the Company will be able to realize its assets and discharge its liabilities in the normal course of operations.

Unless otherwise indicated, all amounts presented in the consolidated financial statements are expressed in Canadian dollars.

Comparative information has been reclassified, where necessary, to conform to the presentation adopted for the current year. These reclassifications relate solely to presentation changes and have no impact on the results of operations or financial position previously reported.

The Company has not generated any revenue to date and has incurred operating losses and negative cash flows from operating activities for the period ended September 30, 2026 and December 31, 2025. As at September 30, 2026, the Company has accumulated deficit of $42,196,528 ($35,678,041 as at December 31, 2025). The Company has a negative working capital of $773,713 as at September 30, 2026 (negative $871,994 as at December 31, 2025). Management has determined that the Company has adequate resources to continue its operations in the normal course of business for at least the next 12 months from the date of the statement of financial position.

As the Company is still in the development stage and will focus on innovation in silicon-based solutions and related technologies, it will continue to incur operating losses until it obtains additional financing to fund its future operations and expansion plans related to these technologies and the commencement of their commercialization. The Company expects to generate revenue from product sales once it has successfully completed the commercialization stages of its silicon solutions, which may take a number of years. Until it is able to generate significant revenue from product sales, the Company expects to finance its operations through a combination of public or private placements, debt financing, or other sources. The Company has successfully obtained financing in the past, including during the period ended September 30, 2026 (Note 16.1). The Company has successfully secured financing in the past, during the period ended September 30, 2026 (Note 15.1), and has obtained government funding tied to future investments during the current year. Raising additional funds depends on a number of factors beyond the Company's control and, as such, there can be no assurance that it will be able to do so in the future. The Company's ability to meet its obligations and discharge its liabilities depends on the successful commercialization of its licensed technologies, its ability to raise additional funds to finance its activities, and the continued financial support of shareholders and lenders. The conditions described above indicate the existence of a material uncertainty that may cast significant doubt on the Company's ability to continue as a going concern.

The carrying amounts of assets, liabilities, revenues and expenses presented in the consolidated financial statements and the classification used in the statement of financial position have not been adjusted as would be required if the going concern assumption was not appropriate. Those adjustments could be material.

**2. GOING CONCERN AND STATEMENT OF COMPLIANCE WITH IFRS** (continued)

There are a significant business relationship and economic dependence on the subcontractor PyroGenesis Inc. ("PyroGenesis" or the "subcontractor"). HPQ engages PyroGenesis for its research and development activities involving plasma-based processes. PyroGenesis develops plasma reactors operating in a closed-loop furnace system. Under agreements entered into by the Company or its subsidiaries, PyroGenesis provides engineering services and carries out the assembly of equipment, with the Company bearing the costs upon receipt of invoices for work performed. The assets acquired with the subcontractor PyroGenesis and the related royalties payable are described in Notes 9 and 10. Expenses recognized in 2026 related to costs incurred with PyroGenesis amounted to $25,214 in patent maintenance fees and $215,280 in research and development expenses for the year ended December 31, 2025.

During the year of 2025, the Company settled a total amount of liabilities due to PyroGenesis of $4,941,440 by the issuance of 17,968,873 units (Note 16.1 (a)).

There is a significant business relationship with Novacium, resulting in a certain degree of economic interdependence. The Company collaborates with Novacium in research and development activities relating to silicon-based materials for lithium-ion battery anodes and hydrogen production technologies. Under the agreements in place, Novacium and the Company jointly contribute to these activities (Notes 5 and 12).

**3. MATERIAL ACCOUNTING POLICIES**

**3.1 Overall considerations**

The material accounting policies that have been applied in the preparation of these consolidated financial statements are summarized below.

**3.2 Principle of consolidation**

The Company's consolidated financial statements include the accounts of the parent company and the subsidiaries it controls. Control exists when an investor is exposed, or has rights, to variable returns from its involvement with an investee and has the ability to affect those returns through its power over the investee. Subsidiaries are included in the consolidated financial statements from the date control is obtained until the date control ceases. Where the Company's interest in a subsidiary is less than 100%, the Company recognizes non-controlling interests. All intercompany balances, transactions, income, expenses, profits, and losses, including unrealized gains and losses have been eliminated on consolidation. When the Company ceases to have control; any retained interest in the entity is re-measured to its fair value at the date when control is lost, with the change in carrying amount recognized in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture, or financial asset.

**3. MATERIAL ACCOUNTING POLICIES** (continued)

**3.2 Principle of consolidation** (continued)

The following table presents detailed information on the subsidiaries and affiliated companies held by the Company at the end of the financial reporting period.

| Name | Principal activities | Country of incorporation | Percentages held by the Company | |
|---|---|---|---|---|
| | | | June 30, 2026 | December 31, 2025 |
| HPQ Energies Inc. ("HPQ Energies") | Manufacture of silicon Materials for Energy Production | Canada | 100 % | 100% |
| HPQ Silica Polvere Inc. ("HPQ Polvere") (1) | Manufacture of Fumed Silica | Canada | - | 100% |
| NOVACIUM S.A.S. ("Novacium") (2) | Research and development of products made of silicon and its derivatives | France | - | 28,4% |

(1) On September 23, 2026, the Company lost control of its subsidiary HPQ Polvere when PyroGenesis exercised its conversion option and acquired 50% of Polvere's shares. As of that date, HPQ and PyroGenesis each hold 50% of the voting rights. Polvere is now accounted for as a joint venture using the equity method of accounting, in accordance with IFRS 11 and IAS 28.

(2) On February 26 , 2025, the Company increased its interest from 20% to 28.4% through the issuance of 17,312,790 units (Note 15.1 (c)).

Regarding Novacium, since June 7, 2022, the Company exercised control through the holding of a preferred share granting it veto rights over decisions that had a significant impact on Novacium's relevant activities. This preferred share was created on a temporary basis, until such time as the Company would increase its equity participation in Novacium through a cash investment. The Company lost control of the subsidiary on December 11, 2025, following the conversion of its preferred share into a common share, as set out in Novacium's updated articles of incorporation and approved by Novacium's extraordinary general meeting held on the same date. Following these changes, the Company retains a 28.4% interest in Novacium and continues to participate in strategic and operational discussions through its Chairman (who also serves as Chief Executive Officer of the Company). The Company exercises significant influence over Novacium since December 11, 2025.

**3. MATERIAL ACCOUNTING POLICIES** (continued)

**3.2 Principle of consolidation** (continued)

**Loss of Control of a Subsidiary**

For accounting purposes, a loss of control of a subsidiary generally occurs when the Company disposes of or otherwise transfers a portion of its interest in a subsidiary, whether through a single transaction or multiple transactions. Upon the loss of control of a subsidiary, the Company:

- derecognizes the assets (including goodwill) and liabilities of the subsidiary at their carrying amounts;
- derecognizes the non-controlling interest, including any components of other comprehensive income attributable to it;
- recognizes the fair value of the consideration received, if any, as well as any shares distributed as dividends as part of the transaction resulting in the loss of control;
- recognizes at fair value any investment retained in the former subsidiary;
- reclassifies to profit or loss, when required by other IFRS Accounting Standards, or transfers directly to retained earnings, amounts previously recognized in other comprehensive income;
- recognizes in profit or loss, attributable to the owners of the parent, any gain or loss resulting from the loss of control.

**3.3 Investments in Associates and Joint Ventures**

Investments in associates represent entities over which the Group has significant influence, but not control, which is generally the case when the ownership interest held is between 20% and 50% of the voting rights. Investments in associates are included in the consolidated financial statements using the equity method.

Joint ventures are arrangements over which the Company exercises joint control and in which the parties having joint control have rights to the net assets of the arrangement. Investments in associates and joint ventures are accounted for using the equity method in accordance with IAS 28. Long-term interests that, in substance, form part of the net investment in an associate or joint venture are subject to the requirements of IFRS 9 before applying the provisions of IAS 28 relating to the allocation of losses.

Under the equity method, investments are initially recognized at cost and subsequently adjusted to recognize the Group's share of the profit or loss of the associate after acquisition in profit or loss, as well as the Group's share of changes in the associate's other comprehensive income in other comprehensive income. Dividends received or receivable from associates and joint ventures are recognized as a reduction in the carrying amount of the investment.

When the Group's share of losses of an investment accounted for using the equity method equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the Group discontinues recognizing its share of further losses unless it has incurred obligations or made payments on behalf of the other entity.

Unrealized gains resulting from transactions between the Group and its associates are eliminated to the extent of the Group's interest in these entities. Unrealized losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

The carrying amount of investments accounted for using the equity method is tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized when the carrying amount of the asset exceeds its recoverable amount. The recoverable amount is the higher of fair value less costs of disposal and value in use.

**3. MATERIAL ACCOUNTING POLICIES** (continued)

**3.4 Functional and presentation currency**

The Company and its subsidiaries each determine their functional currency based on the currency of the primary economic environment in which they operate. Transactions denominated in a currency other than the functional currency of the entity are translated at the exchange rate in effect on the transaction date. Related exchange differences are included in each entity's net income for the period in which they arise.

**3.5 Financial Instruments**

**Recognition and derecognition**

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

Financial assets and liabilities are initially measured at fair value adjusted for transaction costs, if applicable.

Financial assets are derecognized when the contractual rights to cash flows from a financial asset expire, or when a financial asset and substantially all risks and rewards are transferred. A financial liability is derecognized in the event of termination, extinction, cancellation or expiration.

The classification of financial instruments under IFRS 9 is based on the entity’s business model and the characteristics of the contractual cash flows of the financial asset or liability.

**Classification and initial valuation of financial assets**

Financial assets are classified into one of the following categories:

- Amortized cost;
- Fair value through profit or loss (“FVTPL”);

All income and expenses relating to financial assets recognized in profit or loss are presented in finance costs or financial income.

**Subsequent measurement of financial assets**

**Financial assets**

Financial assets are measured at amortized cost if they meet the following conditions:

- They are held according to an economic model whose objective is to hold financial assets in order to collect the contractual cash flows;
- The contractual terms of the financial assets give rise to cash flows that correspond solely to repayments of principal and interest payments on the principal outstanding.

After initial recognition, they are measured at amortized cost using the effective interest rate method. Royalties’ receivables are included in this category of financial instruments.

Financial assets that are held in a different economic model other than “holding for the purpose of collection” or “holding for the purpose of collection and sale” are classified in the FVTPL category.

**Financial assets at fair value through profit or loss (“FVTPL”)**

The class includes the marketable securities of a quoted company as an equity investment.

Assets in this category are measured at fair value and gains or losses are recognized in net income. The fair value of financial assets in this category is determined based on transactions in an active market or by applying a valuation technique when there is no active market.

**3. MATERIAL ACCOUNTING POLICIES** (continued)

**3.5 Financial instruments** (continued)

**Impairment of financial assets**

The impairment provisions in IFRS 9 use more forward-looking information, the expected future credit loss model.

The recognition of credit losses is no longer dependent on the identification of a credit loss event by the Company. Rather, it must take into account an expanded range of information for assessing credit risk and assessing expected credit losses, including past events, current circumstances, and reasonable and justifiable forecasts that affect expected recoverability of future cash flows of the financial instrument.

The estimate of expected credit losses is determined at each reporting date to reflect changes in credit risk since the initial recognition of the related financial asset.

**Classification and measurement of financial liabilities**

The Company's financial liabilities include trade payables and other payables (excluding salaries and personnel expenses), royalties payable, due to directors and officers (current and non-current liabilities), and to a corporation owned by a director (excluding salaries and personnel expenses).

**3.6 Basic and diluted loss per share**

Basic loss per share is calculated by dividing the loss attributable to common equity holders of the Company by the weighted average number of common shares outstanding during the period. Diluted earnings per share is calculated by adjusting loss attributable to common equity holders of the Company, and the weighted average number of common shares outstanding, for the effects of all dilutive potential common shares which include share options, brokers' warrants, brokers' units and warrants. Dilutive potential common shares shall be deemed to have been converted into common shares at the average market price at the beginning of the period or, if later, at the date of issue of the potential common shares.

**3.7 Investment tax credits receivable**

Tax credits are recognized as a reduction of the cost of assets acquired and on estimates made by management. The Company records these tax credits when there is reasonable assurance with regards to collections and assessments and that the Company will comply with the conditions associated to them. Adjustments required, if any, are reflected in the year when such assessments are received.

**3.8 Government grants receivable**

The Company recognizes government grants when there is reasonable assurance that the related conditions will be met and that the amounts will be received. Grants related to operating expenses are recognized as a reduction of the related expenses, while grants related to capital assets are presented as a reduction of the cost of the related assets and amortized over their estimated useful lives.

**3.9 Property and equipment**

Property and equipment are held at cost less accumulated amortization and accumulated impairment losses. Cost includes all costs incurred initially to acquire or construct an item of property and equipment. Amortization is recognized on a straight-line basis to reduce the cost to its estimated residual value, with a constant charge over the useful life of the asset.

Equipment under construction will be amortized on a straight-line basis over a period of 3 to 10 years when they are ready for use.

**3. MATERIAL ACCOUNTING POLICIES** (continued)

**3.10 Intangible assets**

Patents and intellectual property are intangible assets measured at historical cost less accumulated amortization and accumulated impairment losses, if any. The cost of patents consists of the cost of patent applications. The cost of intellectual property is initially comprised of the acquisition cost. Amortization is calculated on a straight-line basis over the estimated useful life of the patent and intellectual property, which is valued at 17 and 21 years, respectively. The amortization period and amortization method are reviewed annually and adjusted prospectively as required.

**3.11 Impairment of assets**

For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are largely independent cash inflows (cash-generating units). As a result, some assets are tested individually for impairment and some are tested at a cash-generating unit level.

Whenever events or changes in circumstances indicate that the carrying amount may not be recoverable, an asset or cash-generating unit is subject to an impairment test, with the exception of the equipment under construction and intangible assets that are not yet ready for use.

Intangible assets that are not yet ready for use must be tested for impairment annually.

An impairment loss is recognized for the amount by which the asset's (or cash-generating unit's) carrying amount exceeds its recoverable amount, which is the higher of fair value less costs of disposal and value-in-use. To determine the value-in-use, management estimates expected futures cash flows from each cash-generating unit and determines a suitable discount rate in order to calculate the present value of those cash flows. Discount factors are determined individually for each cash-generating unit and reflect current market assessments of the time value of money and asset-specific risk factors.

An impairment loss is recognized in profit or loss for the amount by which the assets or cash-generating unit's carrying amount exceeds its recoverable amount. The recoverable amount of an asset or a cash-generating unit is the higher of its fair value less cost to sell and its value in use.

An impairment charge is reversed if the assets or cash-generating unit's recoverable amount exceeds it carrying amount.

**3.12 Provisions and contingent liabilities**

All provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. No provision was recognized in the consolidated statements of financial position at September 30, 2026 and December 31, 2025 other than the provision for credit loss.

**3.13 Income taxes**

Tax expenses recognized in profit or loss comprises the sum of deferred tax and current tax not recognized directly in equity.

Calculation of current tax is based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period. Deferred income taxes are calculated using the liability method.

Deferred tax assets are recognized to the extent that it is probable that the underlying tax loss or deductible temporary difference will be utilized against future taxable income. This is assessed based on the Company's forecast of future operating results, adjusted for significant non-taxable income and expenses and specific limits on the use of any unused tax loss or credit.

**3. MATERIAL ACCOUNTING POLICIES** (continued)

**3.13 Income taxes** (continued)

Deferred tax liabilities are generally recognized in full, although *IAS 12 "Income Taxes"* specifies limited exemptions. As a result of these exemptions, the Company does not recognize deferred tax on temporary differences relating to goodwill, or to its investments in subsidiaries.

**3.14 Research and development expenses**

Research costs are charges to the consolidated statement of net (loss) income in the period they are incurred and are included under ''operating expenses, net amount''. Development expenses which are directly attributable expenses, either internal or external, are charged to the consolidated statement of net (loss) income, except if the Company can demonstrate all of the following (in that case capitalised as an intangible asset - development costs):

– the technical feasibility of completing the intangible asset so that it will be available for use or sale;

– its intention to complete the intangible asset and to use or sell it;

– its ability to use or sell the intangible asset;

– how the intangible asset will generate probable future economic benefits. Among other things, the Company can demonstrate the existence of a market for the output of the intangible asset or the intangible asset itself, or, to be used internally, the usefulness of intangible asset;

– the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and

– its ability to measure reliably the expenditure attributable to the intangible asset during its development.

**3.15 Equity**

Share capital represents the amount received on the issue of shares. If shares are issued when share options, brokers' warrants, brokers' units or warrants are exercised, the share capital account also comprises the compensation costs or the value of the stock options, warrants or brokers' warrants previously recorded as contributed surplus.

**Unit placements**

Proceeds from unit placements are allocated between shares and warrants issued using the residual method. Proceeds are first allocated to the shares according to the quoted price of existing shares at the time of issuance and any residual in the proceeds is allocated to warrants.

**3.16 Equity-settled share-based payments**

The Company operates an equity-settled share-based payment plan for its eligible directors, officers, employees and consultants. The Company's plan does not feature any option for a cash settlement.

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

**3. MATERIAL ACCOUNTING POLICIES** (continued)

**3.16 Equity-settled share-based payments** (continued)

All equity-settled share-based payments (except brokers' warrants, brokers' units and brokers' options) are ultimately recognized as an expense in profit or loss, depending on the nature of the payment with a corresponding credit to Contributed surplus, in equity. Equity-settled share-based payments to brokers, in respect of an equity financing are recognized as issuance costs of the equity instruments with a corresponding credit to contributed surplus, in equity.

**3.17 Segmental reporting**

The Company presents and discloses segmental information based on information that is regularly reviewed by the chief operating decision maker, i.e. the Chairman and the Board of Directors. The Company has determined that there was only one operating segment, being the sector of the transformation of quartz into silicon materials and derivative products.

**3.18 New accounting standards adopted**

The amendment below is applicable to annual periods beginning on or after January 1, 2025.

*Lack of Exchangeability – Amendment to IAS 21*

The amendment clarifies how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate in the absence of exchangeability. A currency is considered exchangeable into another currency when an entity is able to obtain the other currency within a timeframe that allows for a normal administrative delay and through a market or exchange mechanism in which a foreign exchange transaction would create enforceable rights and obligations.

When a currency is not exchangeable into another currency, an entity is required to estimate the spot exchange rate at the measurement date. The objective of the entity in estimating the spot rate is to reflect the rate at which an orderly exchange transaction would take place at the measurement date between market participants under prevailing economic conditions.

The amendment specifies that an entity may use an observable exchange rate without adjustment or apply another estimation technique.

This new accounting standard did not have a significant impact on the Company's consolidated financial statements.

**3.19 New accounting standards not yet adopted**

At the date of authorization of these consolidated financial statements, new standards and interpretations of existing standards, as well as new amendments, have been issued but are not yet effective, and the Company has not early adopted them.
Management expects that all pronouncements will be adopted in the Company's accounting policies during the first period beginning after their respective effective dates

Information on new standards and interpretations and amendments that may be relevant to the Company's consolidated financial statements is provided below. Certain other new standards and interpretations have been issued but are not expected to have a material impact on the Company's consolidated financial statements.

**3. MATERIAL ACCOUNTING POLICIES** (continued)

**3.19 New accounting standards not yet adopted** (continued)

***IFRS 18 Presentation and Disclosure in Financial Statements***

In April 2024, the IASB issued IFRS 18, which replaces IAS 1 Presentation of Financial Statements. IFRS 18 introduces new requirements for presentation in the statement of profit or loss, including specified totals and subtotals. Entities are also required to classify all income and expenses into five categories: operating, investing, financing, income taxes, and discontinued operations.

It also introduces new requirements for management-defined performance measures in a single note, subtotals of income and expenses, and new requirements for aggregation and disaggregation of financial information based on the "roles" of the primary financial statements and notes.

In addition, limited amendments were made to IAS 7 Statement of Cash Flows, including changing the starting point for determining cash flows under the indirect method from "profit or loss" to "operating profit," and removing the option for classification of interest and dividend cash flows.

IFRS 18 and related amendments are effective for annual periods beginning on or after January 1, 2027, with earlier application permitted. The standard will be applied retrospectively with specific transition provisions.

**IFRS 19 Subsidiaries without Public Accountability: Disclosures**

IFRS 19 was issued in May 2024. It allows certain subsidiaries to apply IFRS Accounting Standards with reduced disclosure requirements. These entities apply IFRS recognition, measurement, and presentation requirements, except for disclosure requirements, which are replaced by those in IFRS 19.

The standard is effective for annual periods beginning on or after January 1, 2027.

**Amendments to classification and measurement of financial instruments (IFRS 9 / IFRS 7)**

Amendments to the classification and measurement of financial instruments were issued in May 2024 in response to feedback received as part of the post-implementation review of the classification and measurement requirements of IFRS 9 *Financial Instruments and the related disclosure requirements of IFRS 7 Financial Instruments: Disclosures*.

The amendments clarify:

• when a financial liability settled through an electronic payment system may be considered discharged before the settlement date;

• how to assess the contractual cash flow characteristics of financial assets with contingent features when the nature of the contingent event is not directly related to changes in the basic lending risks and costs; and

• new or amended disclosure requirements relating to investments in equity instruments designated at fair value through other comprehensive income and financial instruments with contingent features that are not directly related to the basic lending risks and costs.

**IFRS 7 Financial Instruments: Disclosure – Gain or Loss on Derecognition**

The amendment addresses potential confusion in paragraph B38 of IFRS 7 arising from an outdated reference to a paragraph that was removed upon the issuance of IFRS 13 Fair Value Measurement. It relates to the application guidance of IFRS 7 Financial Instruments: Disclosures—specifically the introduction, disclosures on the deferred difference between fair value and transaction price, and disclosures on credit risk.

**3. MATERIAL ACCOUNTING POLICIES** (continued)

**3.19 New accounting standards not yet adopted** (continued)

**IFRS 7 Financial Instruments: Disclosure – Gain or Loss on Derecognition** (continued)

The amendment also corrects an inconsistency between paragraph 28 of IFRS 7 and its application guidance, resulting from a consequential amendment made to paragraph 28 when IFRS 13 was issued, which was not reflected in the corresponding paragraph of the application guidance. In addition, the amendment clarifies in paragraph IG1 that the guidance does not necessarily illustrate all the requirements of the referenced paragraphs of IFRS 7 and simplifies certain explanations to reduce the risk of confusion.

**IFRS 10 Consolidated Financial Statements – Determination of a "de facto agent"**

The amendment addresses potential confusion arising from an inconsistency between paragraphs B73 and B74 of IFRS 10 regarding the determination by an investor of whether another party is acting on its behalf. The amendment aligns the wording of the two paragraphs to ensure a consistent interpretation.

These amendments are effective for annual periods beginning on or after January 1, 2026.

**4. JUDGMENTS, ESTIMATES AND ASSUMPTIONS**

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

**4.1 Significant management judgments**

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

**Determination of control, joint control or significant influence over a business**

The Company is required to exercise judgment when assessing the level of control or influence it has over its investees, taking into account, in particular, how decisions about the relevant activities of the investee are made, whether the rights held by other parties are protective or substantive in nature, and the Company's ability to influence the returns of the investee. The Company must also apply judgment in identifying related parties.

**Going concern**

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

**Impairment indicators**

The Company performs an evaluation of facts and circumstances from internal and external sources demonstrating the existence of potential indicators of impairment. Significant judgments are required in evaluating impairment indicators.

**Identification of Cash-Generating Units ("CGU")**

The Company exercises judgment in identifying and grouping its assets at the lowest levels that generate largely independent cash flows.

**4. JUDGMENTS, ESTIMATES AND ASSUMPTIONS** (continued)

**4.1 Significant management judgments** (continued)

**Conversion of royalties payable**

As described in Notes 2, 3.2 and 10, the Company has a significant business relationship with PyroGenesis. In particular, PyroGenesis held the right to convert the royalties relating to fumed silica technology into a 50% ownership interest in HPQ Polvere. After notifying the Company of its intention to exercise this right on May 29, 2024, the conversion resulting from the exercise of the option was finalized on September 23, 2026, and PyroGenesis acquired 50% of Polvere's shares (Note 11). The Company concluded that its relationship with PyroGenesis does not confer upon PyroGenesis either control or significant influence over the Company.

**4.2 Assumptions and estimation uncertainty**

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

**Investment tax credits receivable**

The calculation of the Company's refundable tax credit of scientific research and experimental development tax credits involves a degree of estimation and judgment with respect to certain items whose tax treatment cannot be finally determined until a notice of assessment has been issued by the relevant taxation authority and payment has been received. Differences arising between the actual results following final resolution of some of these items and the assumptions made could necessitate adjustments to the refundable tax credit, refundable tax credit for scientific research and experimental development, property and equipment and income tax expense in future periods. See Note 3.7 for more information.

**Grant receivable**

Estimates related to government grants may be affected by regulatory interpretations, government audits, and changes to applicable programs. Actual results could differ from these estimates, and such differences could be material. See Note 3.8 for more information.

**Impairment of assets**

When an indication of an impairment loss or a reversal of an impairment loss exists, the recoverable amount of the individual asset or the cash-generating units must be estimated.

In assessing impairment, the Company must make some estimates and assumptions regarding future circumstances. Estimates and assumptions may change if new information becomes available. If, information becomes available suggesting that the recovery of expenditure is unlikely, the amount capitalized is written off in profit or loss in the period when the new information becomes available.

**Impairment of property and equipment and intangible assets**

In assessing impairment, management estimates the recoverable amount of each cash-generating asset or unit based on future cash flows and uses an interest rate to discount them. The uncertainty in the estimates is related to assumptions about future operating results and the determination of an appropriate discount rate.

During the period ended September 30, 2026, the Company recognized an impairment of $2,478,415$ (25,108 in 2025) on intangible assets in net income.

**4. JUDGMENTS, ESTIMATES AND ASSUMPTIONS** (continued)

**4.2 Assumptions and estimation uncertainty** (continued)

**Level 3 of the fair value hierarchy**

*Estimation of the fair value of the retained interest in a formerly controlled subsidiary*

The fair value of the retained interest in the subsidiary Novacium, previously controlled by the Company, was estimated as at December 11, 2025 and was primarily based on the discounted expected future cash flows. This method relies on unobservable market inputs, including management's financial projections, revenue growth assumptions, expected operating margins, working capital requirements, and future capital expenditures. The fair value of €30,756,939 was determined based on probability-weighted cash flow scenarios over an 11-year period and a terminal EBITDA multiple of 2.3x, discounted at a rate of 43%, corresponding to the required return for financial instruments with a similar risk profile and reflecting management's best estimate at that date. Given the uncertainties surrounding the achievement of forecasts and the significant unobservable assumptions used, any variation in these elements could have a material impact on the estimated fair value.

*Estimation of the fair value of a derivative instrument classified as a financial asset at FVTPL*

The fair value of the option related to future acquisitions of Novacium shares was estimated as at December 18, 2025, following the amendment to the shareholders' agreement, by discounting the expected future gains derived from the fair value of Novacium shares. This method relies on unobservable market inputs, including the expected timing of option exercise, contractual amounts, probabilities associated with the achievement of different acquisition tranches, and assumptions regarding the Company's future financial conditions. The fair value, estimated at $25,881,363, was determined based on the probability of expected future gains over an average period of four years using the Black-Scholes valuation model, consistent with financial instruments with a similar level of risk. Future contractual payments represent a nominal value of €7,500,000 and reflect management's best estimate regarding the likely timing of settlement, the fulfillment of conditions set out in the shareholders' agreement, and the Company's financial outlook at the measurement date. The prospective value of Novacium shares to be obtained from these future contractual payments is derived from the fair value of Novacium shares as at December 11, 2025. Due to the use of significant unobservable assumptions based on the fair value of Novacium shares, any change in these assumptions could result in a material change in the estimated fair value of the option.

**5. FINANCIAL ASSETS AS FVTPL**

The Company holds shares and warrants in publicly traded companies and a private company. During the period ended September 30, 2026, these shares were valued at fair market value, resulting in a loss of $1,310 (gain of $156,570 as at December 31, 2025).

As at September 30, 2026, the Company holds 100,000 common shares (128,000 shares as at December 31, 2025), and the quoted market price of QIMC's shares was $0.51 ($0.53 as at December 31, 2025).

**5. FINANCIAL ASSETS AS FVTPL** (continued)

The following table summarizes the information on marketable securities for the periods presented:

| | September 30, 2026 | December 31, 2025 |
|---|---|---|
| | $ | $ |
| Balance at January 1st | 25,949,203 | 326,725 |
| Acquisition (a) | - | 225,000 |
| Disposed (b) | (15,530) | (640,455) |
| Change in fair market value (c) | (1,310) | 156,570 |
| Amendment to the Novacium shareholders' agreement (d) | - | 25,881,363 |
| Change in financial assets at FVTPL (d) | (1,127,455) | - |
| Derecognition in financial assets at FVTPL (d) | (170,567) | - |
| | 24,634,341 | 25,949,203 |

The following table presents the breakdown of financial assets at FVTPL.

| | September 30 2026 | December 31 2025 |
|---|---|---|
| | $ | $ |
| Current | 650,875 | 621,253 |
| Non-current | 23,983,466 | 25,327,950 |
| | 24,634.341 | 25,949,203 |

(a) For the year ended of December 31, 2025, the Company exercised 1,500,000 Québec Innovative Materials Corp. ("QIMC") warrants for a total amount of $225,000, as detailed below:

On August 11, 2025, 500,000 warrants were exercised for a total amount of $75,000.
On August 25, 2025, 500,000 warrants were exercised for a total amount of $75,000.
On August 27, 2025, 500,000 warrants were exercised for a total amount of $75,000.

(b) The Company disposed of 28,000 shares of QIMC (1,972,000 shares as at December 31, 2025 and 275,000 shares of PyroGenesis as at December 31, 2025) (Note 19).

(c) The Company's shares in public companies are classified at FVTPL and are recorded at fair value using quoted market prices as at September 30, 2026 and, and are therefore classified as Level 1 within the fair value hierarchy.

The warrants in various public companies are classified at FVTPL and are recorded at fair value using a Black-Scholes pricing model with observable market inputs and are therefore classified as Level 2 within the fair value hierarchy.

During the year ended December 31, 2025, the Company exercised all of its 1,500,000 warrants in QIMC.

**5. FINANCIAL ASSETS AS FVTPL** (continued)

(d) On December 18, 2025, the Company entered into an amendment to the Novacium shareholders' agreement. Under this amendment, the Company is granted an option allowing it to acquire, on a staged basis over time, part or all of the shares held by the founding shareholders of Novacium, under the following terms:

| Tranches | NB of shares | Value in shares | Cash value |
|---|---|---|---|
| Between January 1 and January 10, 2026 | | | |
| DRS issued before February 28, 2026 | 84 | 2,500,000 € | 1,250,000 € |
| Between January 1 and January 10, 2027 | | | |
| DRS issued before February 28, 2027 | 64 | 2,000,000 € | 1,000,000 € |
| Between January 1 and January 10, 2028 | | | |
| DRS issued before February 28, 2028 | 64 | 2,000,000 € | 1,000,000 € |
| Between January 1 and January 10, 2029 | | | |
| DRS issued before February 28, 2029 | 504 | 1,000,000 € | 500,000 € |

During the period, the Company held a call option relating to an equity investment in Novacium, recognized as a derivative instrument at fair value through profit or loss in accordance with IFRS 9. The fair value of the option amounted to $553,413 as at December 31, 2025 and $170,567 as at February 24, 2026, resulting in the recognition of a fair value loss of $382,846 in the statement of income.

On February 24, 2026, the Company exercised the option through the issuance of shares, for consideration of $4,033,425, and acquired the underlying investment. On that date, the option was derecognized at its carrying amount of $170,567, which was included in the initial cost of the investment, bringing the total carrying amount to $4,203,992. No gain or loss was recognized upon the exercise of the option.

The underlying share prices of Novacium remained denominated in euros as at September 30, 2026, and the fair value of the option, as estimated by management, amounted to $24,583,341. The key assumptions used by management in estimating the fair value of the option are as follows:

| | **Tranche February 28, 2027** | **Tranche February 28, 2028** | **Tranche February 28, 2029** |
|---|---|---|---|
| Underling share price of Novacium [(1)] | 3,090,528 | 3,090,528 | 24,337,908 |
| Exercise price | 3,219,300 | 3,219,300 | 1,609,650 |
| Risk-free rate | 2.29% | 2.29% | 2.29% |
| Estimated term (years) | 0.42 | 1.42 | 2,42 |
| Volatility | 81% | 81% | 81% |
| **Fair value of the price** | **599,875** | **1,136,574** | **22,846,892** |

[(1)] The underlying share price of Novacium was converted into the Company's functional currency and represents the total value of the number of shares to be acquired.

**5. FINANCIAL ASSETS AS FVTPL** (continued)

The fair value of the option, estimated by management at $25,881,363 as at December 18, 2025, was maintained as at December 31, 2025. The key assumptions used by management in estimating the fair value of the option are as follows:

| | **Tranche February 28, 2026** | **Tranche February 28, 2027** | **Tranche February 28, 2028** | **Tranche February 28, 2029** |
|---|---|---|---|---|
| Underling share price of Novacium | 4,054,428 | 3,089,088 | 3,089,088 | 24,326,568 |
| Exercise price | 4,022,250 | 3,217,800 | 3,217,800 | 1,608,900 |
| Risk-free rate | 2.29% | 2.29% | 2.29% | 2.29% |
| Estimated term (years) | 0.17 | 1.17 | 2.17 | 3,17 |
| Volatility | 81% | 81% | 81% | 81% |
| **Fair value of the price** | **553,413** | **1,030,886** | **1,394,848** | **22,902,216** |

**6. GRANT RECEIVABLE**

The mars 31, 2026, the Company amended a funding agreement entered into with the National Research Council of Canada ("NRC") during the 2025 fiscal year under the Energy Innovation Program

Under the terms of the amended agreement, the Company is eligible for financial assistance of up to $3,000,000 in respect of certain eligible expenditures incurred in connection with the approved project. The eligible expenditure period ends on March 31, 2030. Amounts received remain subject to compliance with various technical, operational, and administrative requirements set out in the agreement

In accordance with IAS 20, Accounting for Government Grants and Disclosure of Government Assistance, the Company recognizes government grants when there is reasonable assurance that:

- the conditions attached to the program will be met; and
- the amounts will be received.

Government grants are recognized as the related eligible expenditures are incurred. Amounts relating to capital expenditures are recognized as a reduction of construction-in-progress assets, while amounts relating to operating expenses recognized as a reduction of the related expenses in the consolidated statements of net income.

For the period ended September 30, 2026, the Company recognized an amount of $750,000 related to the NRC program, which was presented as a reduction of construction-in-progress costs.

| | September 30, 2026 |
|---|---|
| | $ |
| Opening balance | - |
| Grant | 750,000 |
| Grant received | (424,593) |
| Balance at end | 335,407 |

## 7. PREPAID EXPENSES AND OTHER

As at of September 30,2026 and December 31, 2025, prepaid and other expenses are detailed as follows:

| | September 30, 2026 | December 31, 2025 |
|---|---|---|
| | $ | $ |
| Prepaid expenses | 28,963 | 42,188 |
| Interest receivable and other receivables | 5,730 | 3,802 |
| Balance at End | 34,693 | 45,990 |

## 8. ROYALTIES RECEIVABLE

During the 2021 fiscal year, the Company received 166,667 common shares of Beauce Gold Fields Inc. ("COB") in settlement of a royalty receivable from COB in the form of an NSR valued at $50,000. Following the debt settlement, the Company recognized an increase of $9,770 in its investment and a loss of $40,230 in net income.

On June 23, 2022, an addendum was signed to modify the initial terms of the agreement signed in 2017 with COB. The NSR payments for each of the subsequent years have been replaced by a 10% annual interest, the $250,000 royalty is non-transferable and the due date is December 31, 2025 including unpaid interests.

| | December 31, 2025 |
|---|---|
| | $ |
| Balance, beginning | - |
| Accretion charge | 19,539 |
| Balance, end | 19,539 |
| Allowance for credit losses | (19,539) |
| Net Balance at End | - |

The fair value of the royalties' receivable was estimated as at June 23, 2022, using a present value technique, immediately prior to the modification date. The revalued fair value of $133,772 was estimated based on the probability of cash outflows over 3 years at 18%, which is the interest rate for similar financial instruments. Undiscounted cash inflows are $250,000 and reflect management's estimate of the timing of royalty repayment.

During the year ended December 31, 2025, a provision for credit risk was recognized for the full amount of the unwinding of discount of $19,539 ($34,211 for the year ended December 31, 2024) (Note 19). As at December 31, 2024, a provision for credit risk had been recognized for the full amount receivable of $209,097 due to significant uncertainty regarding its recoverability.

The Company recognized a net reversal of $284,097 of the 2024 provision for credit risk, which included interest receivable of $75,000 in net income. The remaining balance of $228,636 as at July 23, 2025 was settled by COB through the issuance of 3,225,000 common shares to the Company, with a market value of $322,500 (Note 12). As a result, the Company recognized a gain on the settlement of royalties receivable of $21,364, which was recorded in the statement of net income.

### 9. PROPERTY AND EQUIPMENT

Property and equipment of the Company are composed of leasehold improvements and equipment. The $5,022,500 equipment and rental improvements of $344,000 pertain to the QRR PUREVAP™ process pilot plant located at the subcontractor's facilities and that the Company lost access to. During the last year, the Company derecognized property, plant and equipment with a net carrying amount of $67,863 following the loss of control over the Novacium that is holding these assets (gross amount of $105,892 and accumulated depreciation of $38,029).

The carrying value is set out as follows:

| | Construction in progress equipment | Total |
|---|---|---|
| | $ | $ |
| **Gross carrying value** | | |
| Balance at January 1, 2026 | - | - |
| Acquisition | 882,013 | 864,221 |
| Grant | (750,000) | (750,000) |
| Balance at September 30, 2026 | 132,013 | 114,221 |
| | | |
| **Accumulated depreciation** | | |
| Balance at January 1, and September 30, 2026 | - | - |
| **Carrying value at September 30, 2026** | 132,013 | 114,221 |

| | Leasehold improvements | Equipment | Total |
|---|---|---|---|
| | $ | $ | $ |
| **Gross carrying value** | | | |
| Balance at January 1, 2025 | 344,000 | 5,083,735 | 5,427,735 |
| Acquisition | - | 39,573 | 39,573 |
| Write-off | (344,000) | (5,022,500) | (5,366,500) |
| Effect of foreign exchange | - | 5,084 | 5,084 |
| Derecognition | - | (105,892) | (105,892) |
| Balance at December 31, 2025 | - | - | - |
| | | | |
| **Accumulated depreciation** | | | |
| Balance at January 1, 2025 | 344,000 | 5,057,712 | 5,401,712 |
| Write-off | (344,000) | (5,022,500) | (5,366,500) |
| Effect of foreign exchange | - | 2,817 | 2,817 |
| Derecognition | - | (38,029) | (38,029) |
| Balance at December 31, 2025 | - | - | - |
| **Carrying value at December 31, 2025** | - | - | - |

## 10. INTANGIBLE ASSETS

PUREVAP™ QRR

As part of its strategic review for the 2025 fiscal year, HPQ concluded that the Quartz Reduction Reactor ("QRR") program for the production of silicon metal was no longer sufficiently aligned with the Company's short- and medium-term commercialization objectives. HPQ has informed its technology provider that it no longer intends to pursue activities related to the development of this technology. The related intellectual property will be formally transferred to PyroGenesis during the 2026 fiscal year. The royalties payable to PyroGenesis associated with this technology were derecognized as at December 31, 2025, and a gain on the extinguishment of royalties payable of $1,065,601 was recognized in the statement of net income.

The following table shows the distribution of royalty payments to be paid according to PUREVAP™ technology as at September 30, 2026:

| | QRR | Total |
|---|---|---|
| | $ | $ |
| **Balance at January 1, and September 30, 2026** | 250,000 | 250,000 |
| Current | 250,000 | 250,000 |
| | 250,000 | 250,000 |

The following table shows the distribution of royalty payments to be paid according to PUREVAP™ technology as at December 31, 2025:

| | QRR | NSiR | Total |
|---|---|---|---|
| | $ | $ | $ |
| **Balance at January 1, 2025** | 1,589 632 | 212,500 | 1,802,132 |
| Accretion expenses | 225,969 | - | 225,969 |
| Payment | (500,000) | (212,500) | (712,500) |
| Derecognition of QRR | (1,065,601) | | (1,065,601) |
| **Balance at December 31, 2025** | 250,000 | - | 250,000 |
| Current | 250,000 | - | 250,000 |
| | 250,000 | - | 250,000 |

On January 15, 2025, the Company completed a debt settlement with PyroGenesis, which included the payment of $500,000 in royalties payable related to QRR and $212,500 related to NSiR (Note 16.1 (a)).

**10. INTANGIBLE ASSETS** (continued)
Fumed Silica

On June 30, 2021, the Company acquired intellectual property for the production of fumed silica materials. Pursuant to the purchase agreement, the Company is committed to pay to the seller an annual royalty equal to 10% of net revenues, excluding the samples and testing products (as defined in the agreement) generated from the exploitation of the acquired technology or the minimum amounts per the agreement not exceeding total sales. Also, the seller is being granted the right to convert, at any time and at its sole discretion, its royalties into a 50% equity stake of HPQ Polvere. An amount of $3,300,000 paid in cash was recorded as the cost of intellectual property. On September 23, 2026, the conversion resulting from the exercise of the option was finalized, and PyroGenesis acquired 50% of Polvere's shares.

For the period ended September 30, 2026, the Company concluded that significant impairment indicators existed for its Pyrogenic Silica technology. The Company wrote off the total net carrying amount of the intellectual property of $3,300,000, with corresponding accumulated amortization of $821,585, for a total net expense of $2,478,415.

During the year ended December 31, 2025, the Company derecognized the total carrying amount of intangible assets of $8,459 following the loss of control of the associate Novacium, which held these assets, being $30,548 with related accumulated amortization of $22,089. The Company also wrote off the total net carrying amount of related patents and intellectual property of $32,907, with corresponding accumulated amortization of $7,799, for a total net expense of $25,108.

The Company's intangible assets include patents and intellectual property. The carrying value is as follows:

| | Intellectual property | Total |
|---|---|---|
| | $ | $ |
| **Gross carrying value** | | |
| Balance at January 1, 2026 | 3,300,000 | 3,300,000 |
| Write-off | (3,300,000) | (3,300,000) |
| Balance as at September 30, 2026 | - | - |
| **Accumulated depreciation** | | |
| Balance at January 1, 2026 | 707,142 | 707,142 |
| Depreciation | 114,443 | 114,443 |
| Write-off | (821,585) | (821,585) |
| Balance as at September 30, 2026 | - | - |
| **Carrying value at September 30, 2026** | - | - |

**10. INTANGIBLE ASSETS** (continued)

| | Patents | Intellectual property | Total |
|---|---|---|---|
| | $ | $ | $ |
| **Gross carrying value** | | | |
| Balance at January 1, 2025 | 61,192 | 3,300,001 | 3,361,193 |
| Effect of foreign exchange | 2,263 | (1) | 2,262 |
| Derecognition | (30,548) | - | (30,548) |
| Write-off | (32,907) | - | (32,907) |
| Balance as at December 31, 2025 | - | 3,300,000 | 3,300,000 |
| **Accumulated depreciation** | | | |
| Balance at January 1, 2025 | 26,198 | 549,999 | 576,197 |
| Depreciation | 2,056 | 157,143 | 159,199 |
| Effect of foreign exchange | 1,634 | - | 1,634 |
| Derecognition | (22,089) | - | (22,089) |
| Write-off | (7,799) | - | (7,799) |
| Balance as at December 31, 2025 | - | 707,142 | 707,142 |
| **Carrying value at December 31, 2025** | - | 2,592,858 | 2,592,858 |

An amount of $114,443 ($159,199 as at December 31, 2025) is presented in Amortization of intangible assets.

## 11. LOSS OF CONTROL

HPQ Silica Polvere Inc.

On June 30, 2021, PyroGenesis Canada Inc. and HPQ Silica Polvere Inc. (“Polvere”) entered into a development and purchase agreement relating to fumed silica reactor technology. The agreement provided, among other things, for a royalty on future sales and an option allowing PyroGenesis, at its sole discretion, to convert the royalty into a 50% ownership interest in Polvere.

On September 23, 2026, PyroGenesis exercised its conversion option and acquired 50% of Polvere’s shares. As of that date, HPQ and PyroGenesis each hold 50% of the voting rights, each appoints two directors, and decisions regarding relevant activities require their joint approval. Consequently, the Company lost control of Polvere on September 23, 2026, and ceased consolidating the entity as of that date. Since then, Polvere has been accounted for as a joint venture using the equity method, in accordance with IFRS 11 and IAS 28.

**11. LOSS OF CONTROL** (continued)

Impact of the loss of control and deconsolidation

At the date control was lost, the Company derecognized Polvere's assets and liabilities and recognized its retained 50% interest at fair value. The fair value of the retained interest was estimated to be nil. The calculation of the gain on deconsolidation is presented below:

| **September 23,2026** | **$** |
|---|---|
| Liabilities of Polvere derecognized | 5,102,823 |
| Less: Assets of Polvere derecognized | (9,987) |
| Fair value of the retained 50% interest (a) | – |
| Consideration received | – |
| Gain on loss of control and deconsolidation | 5,092,836 |
| Expected credit loss on the loan to Polvere (b) | (5,078,736) |
| Net impact on net income | 14,100 |

The amounts presented above are based on the balances as at September 23, 2026, the date on which control was lost. No amount was recognized for cash consideration, non-controlling interests or accumulated other comprehensive income to be reclassified.

(a) The fair value of the retained 50% interest was estimated at nil based on the information available at the date control was lost. Considering the financing and commercialization prospects, management concluded that no future cash flows attributable to the retained interest would support a positive fair value.

(b) At the date control was lost, the Company had a receivable from Polvere in the amount of $5,078,736. Following the loss of control, this receivable became a separate financial asset subject to the impairment requirements of IFRS 9. Given Polvere's financial position, accumulated deficit, limited financial resources, lack of sufficient cash flows to ensure repayment of the receivable and uncertainty surrounding its future financing, the Company estimated that the recoverable contractual cash flows were negligible. Accordingly, an expected credit loss of $5,078,736 was recognized in net income.

**12. INVESTMENT ACCOUNTED FOR USING THE EQUITY METHOD**

The following table presents information on significant investments accounted for using the equity method as at September 30, 2026 and December 31, 2025 (Note 3.3). These investments include associates over which the Company exercises significant influence, as well as the joint venture over which it exercises joint control.

**12. INVESTMENT ACCOUNTED FOR USING THE EQUITY METHOD** (continued)

he following table presents detailed information on significant associates of the Company.

| Name | Principal activities | Country of incorporation | Percentages held by the Company | |
|---|---|---|---|---|
| | | | June 30, 2026 | December 31, 2025 |
| Champs d'or de la Beauce Inc. ("COB") | Mining exploration | Canada | 4,52 % | 4,52 % |
| NOVACIUM S.A.S. ("Novacium") (1) | Research and development of products made of silicon and its derivatives | France | 36,8 % | 28,4 % |
| HPQ Silica Polvere Inc. ("HPQ Polvere") | Manufacture of Fumed Silica | Canada | 50 % | - |

(1) The Company no longer consolidates Novacium, as it lost control of Novacium as of December 11, 2025 (Note 3.2).

(2) The Company no longer consolidates HPQ Silica Polvere, as it lost control of HPQ Silica Polvere as of September 23, 2026 (Note 3.2).

The summarized financial information presented below represents amounts reported in the financial statements of the entities, which have been prepared in accordance with IFRS and adjusted to reflect fair value adjustments at the time of acquisition.

**Summary of Income Statements and Comprehensive Income Statements**

| | The quarter ended September 30,2026 | | | |
|---|---|---|---|---|
| | Novacium | Polvere (1) | COB (1) | Total |
| Income | 700,467 | | | 700,467 |
| Expenses | 433,605 | 5,818 | 259,552 | 698,975 |
| | 266,862 | (5,818) | (259,552) | 1,492 |
| Depreciation | 8,168 | | | 8,168 |
| Net income (loss) | 258,694 | (5,818) | (259,552) | (6,676) |
| Total comprehensive income | 258,694 | (5,818) | (259,552) | (6,676) |
| Average ownership interest held by the Company | 36,80% | 50% | 4,50% | |
| Owners of the HPQ | 95,174 | (2,909) | (11,719) | 80,546 |
| Unrecognized loss | | 2,909 | | 2,909 |
| Total comprehensive income (loss) attributable to HPQ | 95,174 | - | (11,719) | 83,455 |

(1) Quarter ended July 31, 2026 for COB and 8-day period for Polvere

**12. INVESTMENT ACCOUNTED FOR USING THE EQUITY METHOD** (continued)

| | The period ended September 30,2026 | | | |
|---|---|---|---|---|
| | Novacium | Polvere [1] | COB [1] | Total |
| Income | 1,796,122 | | | 1,796,122 |
| Expenses | 1,492,456 | 5,818 | 614,246 | 2,112,520 |
| | 303,666 | (5,818) | (614,246) | (316,398) |
| Depreciation | 23,517 | | | 23,517 |
| Net income (loss) | 280,149 | (5,818) | (614,246) | (339,915) |
| Total comprehensive income | 280,149 | (5,818) | (614,246) | (339,915) |
| Average ownership interest held by the Company | 34,43% | 50% | 4,50% | |
| Owners of the HPQ | 109,417 | (2,909) | (27,734) | 78,774 |
| Unrecognized loss | | 2,909 | | 2,909 |
| Total comprehensive income (loss) attributable to HPQ | 109,417 | 0 | (27,734) | 81,683 |

(1) Period ended July 31, 2026 for COB and 8-day period for Polvere

| | The year ended December 31,2025 | | |
|---|---|---|---|
| | Novacium [1] | COB [1] | Total |
| Income | 83,505 | - | 83,505 |
| Expenses | 69,742 | 554,050 | 623,792 |
| | 13,763 | (554,050) | (540,287) |
| Depreciation | - | 1,207 | 1,207 |
| Net income (loss) | 13,763 | (555,257) | (541,494) |
| Total comprehensive income | 13,763 | (555,257) | (541,494) |
| Average ownership interest held by the Company | 28.4% | 4.4% | |
| Owners of the HPQ | 3,909 | (24,242) | (20,333) |
| Total comprehensive income (loss) attributable to HPQ | 3,909 | (24,242) | (20,333) |

(1) Year ended October 31, 2025 for COB and 20-day period for Novacium.

**12. INVESTMENT ACCOUNTED FOR USING THE EQUITY METHOD** (continued)

**Summary Statement of Financial Position**

| | Period ended September 30, 2026 | | |
|---|---|---|---|
| | Novacium | Polvere | COB[(1)] |
| Cash and cash equivalents | 2,286,020 | 9,929 | 124,569 |
| Other current Assets | 368,732 | 1,322 | 102,851 |
| Current Assets | 2,654,752 | 11,251 | 227,420 |
| Non-currents assets | 83,947 | - | 5,205,768 |
| | 2,738,699 | 11,251 | 5,433,188 |
| Payable and other trade payables | 1,108,033 | 25,410 | 128,157 |
| Other current liabilities | - | - | - |
| Current liabilities | 1,108,033 | 25,410 | 128,157 |
| Non- current liabilities | - | 5,084,495 | 585,097 |
| Equity | 1,630,666 | (5,098,654) | 4,719,934 |
| | 2,738,699 | 11,251 | 5,433,188 |

(1) Period ended July 31, 2026.

| | Year ended December 31, 2025 | |
|---|---|---|
| | Novacium | COB [(1)] |
| Cash and cash equivalents | 1,041,842 | 751,659 |
| Other current Assets | 410,736 | 367,535 |
| Current Assets | 1,452,578 | 1,191,194 |
| Non-currents assets | 83,586 | 4,843,283 |
| | 1,536,164 | 5,962,477 |
| Payable and other trade payables | 217,478 | 297,891 |
| Other current liabilities | - | - |
| Current liabilities | 217,478 | 297,891 |
| Non- current liabilities | - | 464,199 |
| Equity | 1,318,686 | 5,200,387 |
| | 1,536,164 | 5,962,477 |

[(1)] Period ended October 31, 2025.

**12. INVESTMENT ACCOUNTED FOR USING THE EQUITY METHOD** (continued)

Reconciliation of summarized financial information to the carrying amount of investments in associates.

| | Period ended September 30, 2026 | | | |
|---|---|---|---|---|
| | Novacium | Polvere | COB | Total |
| Balance as at January 1, 2026 | 13,799,409 | - | 223,702 | 14,023,111 |
| Acquisition | 4,203,992 | - | - | 4,203,992 |
| Change in ownership interest | - | - | 5,727 | 5,727 |
| Share of profit (loss) | 109,417 | - | (27,734) | 81,683 |
| Balance as at September 30, 2026 | 18,112,818 | - | 201,695 | 18,314,513 |

| | Year ended December 31, 2025 | | |
|---|---|---|---|
| | Novacium | COB | Total |
| Balance as at January 1, 2025 | - | 119,351 | 119,351 |
| Acquisition | | 322,500 | 322,500 |
| Remeasurement of the retained interest at fair market value [(1)] | 13,795,500 | - | 13,795,500 |
| Change in ownership interest | - | (193,907) | (193,907) |
| Share of profit (loss) | 3,909 | (24,242) | (20,333) |
| Balance as at December 31, 2025 | 13,799,409 | 223,702 | 14,023,111 |

[(1)] The retained interest was initially recognized at its fair value on December 11, 2025, which was determined using a valuation approach appropriate for Novacium's stage of development.

***Novacium***

The determination of fair value is based on the expertise of an external valuator and takes into account several assumptions, including:

- Expected cash flows arising from technological development and licensing agreements;
- A royalty-based valuation approach;
- Discount rates reflecting the risks associated with technologies in the development phase;
- Consideration of research programs funded by government grants;
- Market-based comparable companies for similar research and development entities in Europe.

The fair market value was estimated using a valuation model based on potential future revenues following the loss of control of Novacium on December 11, 2025.

**12. INVESTMENT ACCOUNTED FOR USING THE EQUITY METHOD** (continued)

***Novacium*** *(continued)*

This approach is based on the discounting of estimated future cash flows generated by the underlying asset or business, taking into account assumptions considered reasonable and supportable by management at the valuation date. The results obtained were also corroborated using relevant market comparables in order to ensure the consistency of the value determined.

The fair value was therefore estimated at €30,756,939, based on the probabilities assigned to projected cash inflow scenarios and a discount rate of 43%, corresponding to the required return for financial instruments or investments with a similar level of risk. This rate reflects, among other factors:

- the stage of development of the business;
- the uncertainty surrounding the realization of future cash flows;
- the operational and financial risks inherent in the activities;
- general market conditions at the valuation date; and
- investor return expectations for a comparable investment.

The key assumptions used in this valuation include, among others:

- projected revenue growth: approximately 50% to 150% during ramp-up phases, followed by stabilization at maturity;
- expected profit margin: approximately 40% to 45% (EBITDA margin);
- projection horizon: 11 years;
- discount rate: 43%;
- terminal value or exit multiple: 2.33x EBITDA; and
- liquidity or specific risk adjustment, if applicable: no additional adjustment, as such risks are already incorporated into the discount rate and conservative assumptions.

Management believes that these assumptions represent its best estimate of the economic and operating conditions existing at the modification date. However, changes in these assumptions could result in significant variations in the estimated value.

**Disclosure Update**

During the period, the Company removed certain descriptive information previously presented in the note relating to the fair value measurement of Novacium, as this information did not represent assumptions used in the valuation model. This disclosure update had no impact on the valuation methodology, the assumptions used, the fair value determined, or the amounts presented in the financial statements.

Management concluded that the fair value determined was reasonable in the context of IFRS 13 – Fair Value Measurement.

**12. INVESTMENT ACCOUNTED FOR USING THE EQUITY METHOD** (continued)

***Novacium*** *(continued)*

The gain on remeasurement of the retained interest at fair market value on December 11, 2025 was determined as follows:

| As at December 11, 2025 | Notes | $ |
|---|---|---|
| Fair value of the retained interest | | 13,795,500 |
| Fair value of the option | 6 | 25,881,363 |
| Carrying amount of the non-controlling interest | 23 | 994,498 |
| Less net carrying amount of the net assets of the former subsidiary Novacium, previously controlled | 23 | (1,355,919) |
| **Gain on retained investment in a formerly controlled subsidiary** | | **39,315,442** |

On December 11, 2025, the Company elected to convert its Class P share into a common share. With the objective of better aligning shared interests and facilitating Novacium's access to certain sources of financing, Novacium's articles were amended to adopt a simple majority decision-making mechanism.

As Novacium's activities are focused on energy-related sectors—particularly high-performance silicon-based battery anodes and hydrogen technologies—industries considered strategic by France, the presence of the Class P share (preferred share), which had been established at the outset of the collaboration to grant the Company veto rights over certain specific actions within Novacium, could have complicated Novacium's access to certain funding programs reserved for companies under European control, particularly in the strategic sectors of energy and defense.

Following this conversion, HPQ's interest in Novacium changed to an investment in an associate, reflecting its strategic investment, while maintaining close alignment between the two companies in the development and commercialization of their technologies.

This decision is intended to simplify Novacium's governance structure while facilitating its access to European funding programs reserved for companies under European control, particularly in the strategic sectors of energy and defense.

During the 2026 period, the Company held a call option relating to an equity investment in Novacium, recognized as a derivative instrument at fair value through profit or loss in accordance with IFRS 9. The fair value of the option amounted to $553,413 as at December 31, 2025 and $170,567 as at February 24, 2026, resulting in the recognition of a fair value loss of $382,846 in the statement of income. On February 24, 2026, the Company exercised the option through the issuance of shares, for consideration of $4,033,425, and acquired the underlying investment. On that date, the option was derecognized at its carrying amount of $170,567, which was included in the initial cost of the investment, bringing the carrying amount to $4,203,992. No gain or loss was recognized upon the exercise of the option (Note 5).

**12. INVESTMENT ACCOUNTED FOR USING THE EQUITY METHOD** (continued)

***COB***

On September 30, 2026, the Company holds the 4.52% (4.52% as at December 31, 2025) voting and equity interest in COB. The investment is accounted for using the equity method since December 2018. Although the Company holds less than 20% of the voting rights, it has concluded that it exercises significant influence over it, in particular because of the representation it has on the Board of Directors. As at September 30, 2026, the fair value of the investment amounts to $187,854 ($281,781 as at December 31, 2025).

The Company has not incurred any contingent liabilities or other commitments relating to its investment in this associate.

On July 23, 2025, the Company received 3,225,000 common shares as settlement of the royalty receivable as well as the interest receivable, for a total amount of $322,500.

During the period 2026, COB issued shares through private placements and debt settlements. These issuances increased the Company's ownership interest from 4.52% to 4.52%.

***HPQ Silica Polvere Inc.***

Polvere's share of the net loss for the period from September 23 to September 30, 2026 amounted to $2,909. As the carrying amount of the investment and the loan, after applying IFRS 9, is nil, this loss was not recognized. Unrecognized losses will be tracked off-balance sheet and must be recovered before any subsequent profits are recognized, unless HPQ has incurred a legal or constructive obligation or has made payments on behalf of Polvere.

The Company is exposed to Polvere's technology development, commercialization and financing risks. No additional funding commitment has been recognized, except to the extent that HPQ may have a legal or constructive obligation.

**13. TRADE AND OTHER PAYABLES**

| | September 30, 2026 | December 31, 2025 |
|---|---|---|
| | $ | $ |
| Trade accounts | 166,324 | 59,340 |
| Payable to a subcontractor | 263,560 | 431,860 |
| Salaries payable | 178,750 | 160,000 |
| Other | 1,169,953 | 1,142,848 |
| | 1,778,587 | 1,794,048 |

On January 15, 2025, the Company completed a debt settlement with PyroGenesis, including an amount of $798,940 related to debt owed to a subcontractor (Note 16.1 (a)).

## 14. CONVERTIBLE PROMISSORY NOTE

On August 20, 2025, the Company entered into a loan agreement with a related party in the amount of $150,000. The loan has a 90-day term, is unsecured, bears no interest, and is not linked to any of the Company's assets. At the time of repayment, the lender may elect to convert the loan into units at a price of $0.18 per unit. Each unit will consist of one common share and one common share purchase warrant of the Company. Each warrant will entitle the holder to purchase one common share of the Company at an exercise price of $0.25 for a period of 48 months from the date of issuance of the units.

On September 16, 2025, the Company issued 555,555 units to settle the note payable with a carrying amount of $100,000.

On November 18, 2025, the Company issued 277,778 units to settle the note payable with a carrying amount of $50,000.

## 15. DUE TO DIRECTORS, OFFICERS AND A COMPANY OWNED BY A DIRECTOR

The Company owes to directors, officers and a company owned by a director some salaries and remuneration for a nominal value of $1,325,506 (2025: $1,266,506). The Company has obtained confirmation for said nominal value of $1,225,506 in debts (2025: $1,166,506), that they will not request payment thereof prior to 12 months plus one day following June 30, 2026. These amounts are classified as non-current liabilities. The remaining amount of $100,000 (2025: $100,000) has been classified as current liabilities and presented as due to the directors.

## 16. EQUITY

### 16.1 Share capital

The authorized share capital of the Corporation consists of an unlimited number of common shares without par value. They are voting, participating and eligible to receive the dividends.

| | September 30, 2026 | December 31, 2025 |
|---|---|---|
| | Number of shares | Number of shares |
| Shares issued at the beginning | 430,832,290 | 377,615,828 |
| Private placements (f) (g) (j) (k) (m) | 18,181,819 | 13,098,588 |
| Issuance for the payment of accounts payable (a) (e) (n) | 353,125 | 18,533,873 |
| Issuance for R&D expenses (b) (d) | - | 2,337,878 |
| Issuance related to the increase in ownership interest in a non-controlling interest entity (c) (l) | 22,407,916 | 17,312,790 |
| Issuance for convertible promissory note (h) (i) | - | 833,333 |
| Exercise of options (o) | - | 1,000,000 |
| Exercise of warrants (p) | - | 100,000 |
| Total shares issued and fully paid at the end | 471,775,150 | 430,832,290 |

(a) On January 15, 2025, the Company settled a total amount of liabilities due to PyroGenesis of $4,941,440 by the issuance of 17,968,873 units. Each unit consists of one common share and one warrant. Each warrant entitles the holder thereof to acquire one common share of the Company at a price of $0.285 per share for 24 months following the closing date of the transaction. An amount of $1,395,162 related to warrants was recorded as an increase in contributed surplus, and an amount of $749,302 was recorded in net income as a loss on settlement of debt.

**16. EQUITY** (continued)
**16.1 Share capital** (continued)

(b) On January 29, 2025, the Company issued 1,083,333 units for a value of $260,908 for the R&D expenses. Each unit consists of one common share and one-half of a warrant. Each warrant entitles its holder to acquire one common share of the Company at a price of $0.315 per share for 48 months following the closing date of the transaction. An amount of $980 related to warrants was recorded in increase to contributed surplus.

(c) On February 26, 2025, the Company issued 17,312,790 units $5,671,208 (the equivalent of 2,500,000 euros) for the acquisition of 84 shares of Novacium. Each unit consists of one common share and one warrant. Each warrant entitles its holder to acquire one common share of the Company at a price of $0.25 per share for 48 months following the closing date of the transaction. An amount of $77,655 was recorded as a reduction in non-controlling interest, an amount of $1,948,958 related to warrants was recorded in increase to contributed surplus and $5,593,553 as a reduction in retained earnings.

(d) On March 18, 2025, the Company issued 1,254,545 units for a value of $275,600 for the R&D expenses. Each unit consists of one common share and one-half of a warrant. Each warrant entitles its holder to acquire one common share of the Company at a price of $0.285 per share for 48 months following the closing date of the transaction.

(e) On June 16, 2025, the Company settled a trade account payable of $101,700 by the issuance of 565,000 units. Each unit consists of one common share and one warrant. Each warrant entitles the holder thereof to acquire one common share of the Company at a price of $0.25 per share for 48 months following the closing date of the transaction. An amount of $16,950 was attributable to the warrants and no gain or loss was recorded on this transaction.

(f) On June 17, 2025, the Company completed a private financing for an amount of $568,440. The Company issued 3,158,000 units consisting of one common share and one warrant. Each warrant entitles the holder thereof to subscribe to one common share of the Company at a price of $0.25 per share during a period of 48 months following the closing of the financing. An amount of $94,740 was attributable to the warrants was recorded in increase to contributed surplus.

In addition, the Company paid an amount of $11,772 in commission fees and issued 65,400 warrants to an agent (for a value of $4,268). Each warrant entitles the holder to subscribe to one common share of the Company at a price of $0.25 per share for a period of 48 months from the date of closing of the financing.

(g) On July 10, 2025, the Company completed a private financing for an amount of $339,540. The Company issued 1,886,331 units consisting of one common share and one warrant. Each warrant entitles the holder thereof to subscribe to one common share of the Company at a price of $0.25 per share during a period of 48 months following the closing of the financing.

In addition, the Company paid an amount of $5,220 in commission fees and issued 29,000 warrants to an agent (for a value of $2,088). Each warrant entitles the holder to subscribe to one common share of the Company at a price of $0.25 per share for a period of 48 months from the date of closing of the financing.

(h) On September 16, 2025, the Company issued 555,555 units consisting of one common share and one warrant to settle the note payable with a carrying amount of $100,000. Each warrant entitles the holder thereof to subscribe to one common share of the Company at a price of $0.25 per share during a period of 48 months following the closing of the financing.

**16. EQUITY** (continued)
**16.1 Share capital** (continued)

(i) On November 18, 2025, the Company issued 277,778 units consisting of one common share and one warrant to settle the note payable with a carrying amount of $50,000. Each warrant entitles the holder thereof to subscribe to one common share of the Company at a price of $0.25 per share during a period of 48 months following the closing of the financing.

(j) On November 21, 2025, the Company completed a private financing for an amount of $306,120. The Company issued 1,883,815 common shares.

(k) On December 12, 2025, the Company completed a private financing for an amount of $1,002,697. The Company issued 6,170,442 common shares.

In addition, the Company paid in commission fees and issued 333,303 warrants to an agent (for a value of $36,359). Each warrant entitles the holder to subscribe to one common share of the Company at a price of $0.18 per share for a period of 48 months from the date of closing of the financing.

(l) On February 24, 2026, the Company issued 22,407,916 shares valued at $4,033,425 (equivalent to €2,500,000) and exercised its option to acquire 84 shares of Novacium (Note 6).

(m) On March 2, 2026, the Company completed a private placement financing for gross proceeds of $3,000,000. The Company issued 18,181,819 units, each comprised of one common share and one warrant. Each warrant entitles the holder to acquire one common share of the Company at a price of $0.25 per share for a period of 24 months following the closing of the financing.

In addition, as commission fees, the Company paid $180,000 in cash and issued 1,090,909 warrants to an agent. Each warrant entitles the holder to acquire one common share of the Company at a price of $0.25 per share for a period of 24 months from the closing date of the financing.

(n) On July 21, 2026, the Company settled a trade account payable of $70,625 by the issuance of 353,125 units. Each unit consists of one common share and one warrant. Each warrant entitles the holder thereof to acquire one common share of the Company at a price of $0.25 per share for 48 months following the closing date of the transaction. An amount of $15,891 was attributable to the warrants and no gain or loss was recorded on this transaction.

(o) During the period ended December 31, 2025, 1,000,000 common shares were issued following the exercise of options. The weighted average share price at the exercise was $0.25 per share.

(p) During the period ended December 31, 2025, 100,000 common shares were issued following the exercise of warrants. The weighted average share price at the date of exercise was $0.27 per share.

**16. EQUITY** (continued)

**16.2 Warrants**

Outstanding warrants entitle their holders to subscribe an equivalent number of common shares, as follows:

| | September 30, 2026 | | December 31, 2025 | |
|---|---|---|---|---|
| | Number of warrants | Weighted average exercise price | Number of warrants | Weighted average exercise price |
| | | $ | | $ |
| Balance, beginning of reporting year | 48,449,654 | 0.27 | 6,348,388 | 0.30 |
| Granted | 18,534,944 | 0.25 | 42,893,266 | 0.27 |
| Exercised | - | - | (100,000) | 0.27 |
| Expired | - | - | (692,000) | 0.30 |
| Balance, end of reporting period | 66,984,598 | 0.26 | 48,449,654 | 0.27 |

The weighted average fair value $0.113 of the warrants granted for the acquisition of the 84 Novacium shares was estimated on the grant date using the Black-Scholes option pricing model, based on the following weighted average assumptions:

| | 2025 |
|---|---|
| Average share price at date of grant | $0.215 |
| Expected Dividends yield | 0 % |
| Expected weighted volatility | 73 % |
| Average risk-free interest rate | 2.59 % |
| Expected average life | 4.0 years |
| Average exercise price at date of grant | $0.25 |

The underlying expected volatility was determined by reference to historical data of the Company's shares over the expected average life of the warrants.

**16. EQUITY** (continued)

**16.2 Warrants**

Outlined below are the outstanding warrants which could be exercised for an equivalent number of common shares:

| Expiration date | September 30, 2026 | | December 31, 2025 | |
|---|---|---|---|---|
| | Number | Exercise price | Number | Exercise price |
| | | $ | | $ |
| January 2027 | 17,968,873 | 0.285 | 17,968,873 | 0.285 |
| November 2027 [(1)] | 2,107,318 | 0.30 | 2,107,318 | 0.30 |
| February 2028 | 18,181,819 | 0.25 | - | - |
| June 2028 | 3,449,070 | 0.30 | 3,449,070 | 0.30 |
| January 2029 | 541,667 | 0.315 | 541,667 | 0.315 |
| February 2029 | 17,312,790 | 0.25 | 17,312,790 | 0.25 |
| March 2029 | 627,272 | 0.285 | 627,272 | 0.285 |
| June 2029 | 3,723,000 | 0.25 | 3,723,000 | 0.25 |
| July 2029 | 1,886,331 | 0.25 | 1,886,331 | 0.25 |
| September 2029 | 555,555 | 0.25 | 555,555 | 0.25 |
| November 2029 | 277,778 | 0.25 | 277,778 | 0.25 |
| July 2030 | 534,944 | 0.25 | - | - |
| | 66,984,598 | 0.26 | 48,449,654 | 0.27 |

[(1)] On September 17, 2025, the Company extended 2,107,318 warrants that were set to expire on November 17, 2025, to a new expiry date of November 17, 2027.

**16.3 Brokers' warrants**

Outstanding brokers' warrants entitle their holders to subscribe to an equivalent number of common shares as follows:

| | September 30, 2026 | | December 31, 2025 | |
|---|---|---|---|---|
| | Number of broker's warrants | Weighted average exercise price | Number of broker's warrants | Weighted average exercise price |
| | | $ | | $ |
| Balance, beginning | 427,703 | 0.19 | 50,454 | 0.30 |
| Granted | 1,090,909 | 0.25 | 427,703 | 0.19 |
| Expired | - | - | (50,454) | 0.30 |
| Balance, end | 1,518,612 | 0.23 | 427,703 | 0.19 |

The Company recorded an amount of $ 71,101 ($42,715 as at December 31, 2025) in issuance costs when the brokers' warrants were issued and was recorded as an increase to contributed surplus and a decrease to retained earnings.

**16. EQUITY** (continued)

**16.3 Brokers' warrants** (continued)

The weighted average fair value $0.065 ($0.099 as at December 31,2025)of the brokers' warrants granted was estimated on the grant date using the Black-Scholes option pricing model, based on the following weighted average assumptions:

| | 2026 | 2025 |
|---|---|---|
| Share price at date of grant | $0.20 | $0.18 |
| Expected dividend yield | 0% | 0% |
| Expected volatility | 70% | 73% |
| Risk-free interest rate | 2,39% | 2,93% |
| Expected life | 2.0 years | 4.0 years |
| Exercise price at date of grant | $0.25 | $0.20 |

The underlying expected volatility was determined in relation to the historical data of the Company's shares over the expected life of the brokers' warrants.

Outlined below are the outstanding broker's warrants which can be exercised for an equivalent number of common shares:

| | September 30, 2026 | | December 31, 2025 | |
|---|---|---|---|---|
| Expiration date | Number | Weighted average exercise price | Number | Weighted average exercise price |
| | | $ | | $ |
| February 2028 | 1,090,909 | 0.25 | - | - |
| June 2029 | 65,400 | 0.25 | 65,400 | 0.25 |
| July 2029 | 29,000 | 0.25 | 29,000 | 0.25 |
| November 2029 | 333,303 | 0.18 | 333,303 | 0.18 |
| | 1,518,612 | 0.23 | 427,703 | 0.19 |

**17. EMPLOYEE REMUNERATION**

**17.1 Salaries and employee benefits expense**

Salaries and employee benefits expense are analyzed below:

| | Quarter ending September, 30 | | Period ending September, 30 | |
|---|---|---|---|---|
| | 2026 | 2025 | 2026 | 2025 |
| | $ | $ | $ | $ |
| Salaries and benefits | 48,506 | 45,246 | 153,406 | 142,241 |
| Managements fees | 93,750 | 93,750 | 281,250 | 281,250 |
| Share-based payments | - | - | - | 74,100 |
| Remuneration of director | 3,000 | 4,500 | 59,000 | 66,500 |
| Salaries and employee benefit expenses | 145,256 | 201,497 | 493,656 | 564,091 |

**17. EMPLOYEE REMUNERATION**

**17.2 Share-based payments** (continued)

Under this option plan, the Directors may grant options to its Directors, Employees and Consultants or of those of its subsidiaries. The maximum number of shares to be granted under the Plan is 22,000,000 (22,000,000 as at December 31, 2025). As at September 30, 2026, 10,875,000 options remained exercisable (10,625,000 options as at December 31, 2025).

The Directors fix the exercise price of an option granted under the plan which cannot be lesser than the last closing price of the Corporation's shares as quoted by the TSX Venture Exchange at the end of the day preceding the one on which an option is granted, less the applicable discount as defined by the TSX Venture Exchange. The options can be exercisable for a maximum of ten years. Options are non-assignable and non-transferable except by will or the laws of succession. Upon the death of an option holder, the option may be exercised by the legal heirs or personal representatives of the option holder for a period not exceeding one year from the option holder's death provided that nothing in the foregoing shall have the effect of extending the Term of an option beyond its original expiry date. Options granted to an option holder who is a Director, Employee, Consultant or Management Company Employee shall expire at no later than a period of 12 months after the option holder ceases to be part of at least one of those categories, by reason other than the option holder's death.

No more than 5% of the shares issued by the Company may be granted to any individual in any 12-month period (unless the Company has obtained disinterested shareholder approval). No more than 2% of the shares issued by the Company may be granted to any one Consultant, in any 12-month period. No more than an aggregate of 2% of the shares issued by the Company may be granted to Persons providing Investor Relations Activities, during a 12-month period, calculated at the date the option was granted. Options granted to Consultants providing Investor Relations activities must vest gradually over 12 months with no more that ¼ of the options vesting in any three-month period. No accelerated acquisition of such options granted to those consultants shall be permitted if not approved by the Exchange. Options granted to an option holder who is providing Investor Relations activities shall terminate on expiry of a period not in excess of 30 days following the date that the option holder ceases to be provide such services. The number of Options granted to insiders, within a 12-month period may not exceed 10% of the issued Shares of the resulting issuer. The number of shares reserved for issuance under the Plan granted to insiders may not exceed 10% of the issued shares of the Company.

The Company's share options are as follows for the reporting periods presented:

| | September 30, 2026 | | December 31, 2025 | |
|---|---|---|---|---|
| | Number | Weighted average exercise price | Number | Weighted average exercise price |
| | | $ | | $ |
| Outstanding, beginning of reporting year | 10 625,000 | 0.21 | 14,810,000 | 0.51 |
| Granted | - | - | 3,500,000 | 0.18 |
| Exercised | - | - | (1,000,000) | 0.25 |
| Expired | ( 1,000,000) | 0.21 | (1,100,000) | 0.25 |
| Cancelled | - | - | (5,335,000) | 1.00 |
| Outstanding, end of the period | 9,875,000 | 0.21 | 10,875,000 | 0.21 |
| Exercisable, end of the period | 9,875,000 | 0.21 | 10,625,000 | 0.21 |

**17. EMPLOYEE REMUNERATION** (continued)
**17.2 Share-based payments** (continued)

The table below summarizes the information related to outstanding share options as at September 30, 2026:

| | Outstanding options | |
|---|---|---|
| Number of options | Weighted average exercise price | Weighted average remaining contractual life |
| | $ | (years) |
| 2,000,000 | 0.16 | 0.82 |
| 500,000 | 0.18 | 3.01 |
| 6,675,000 | 0.215 | 2.25 |
| 700,000 | 0.35 | 0.62 |
| 9,875,000 | 0.21 | 1.88 |

The table below summarizes the information related to outstanding share options as at December 31, 2025:

| | Outstanding options | |
|---|---|---|
| Number of options | Weighted average exercise price | Weighted average remaining contractual life |
| | $ | (years) |
| 2,000,000 | 0.16 | 1.56 |
| 500,000 | 0.18 | 3.75 |
| 7,675,000 | 0.215 | 2.99 |
| 700,000 | 0.35 | 1.36 |
| 10,875,000 | 0.21 | 2.66 |

The weighted fair value of the granted options of $0.072 as at December 31, 2025 was determined using the Black-Scholes option pricing model based on the following weighted average assumptions:

| | 2025 |
|---|---|
| Average share price at date of grant | $0.16 |
| Expected dividend yield | 0% |
| Expected weighted volatility | 69.9% |
| Average risk-free interest rate | 2.85% |
| Expected average life | 2.4 years |
| Average exercise price at date of grant | $0.18 |

**17. EMPLOYEE REMUNERATION** (continued)

**17.2 Share-based payments** (continued)

The underlying expected volatility was determined by reference to historical data of the Company's shares over the expected average life of the options. No special features inherent to the options granted were incorporated into measurement of fair value.

In total, an amount of $252,876 as at December 31, 2025, related to employee compensation expense (all arising from share-based payment transactions settled in equity), was included in net income and credited to contributed surplus. This amount consists of $74,100 in salaries and employee benefits expense, $116,606 in professional and consulting fees, and $62,170 in research and development expense.

**18. FAIR VALUE MEASUREMENT**

**18.1 Financial instruments measured at fair value**

The hierarchy groups financial assets and liabilities into three levels based on the significance of inputs used in measuring the fair value of the financial assets and liabilities. The fair value hierarchy levels are as follows:

– Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities at the reporting date;

– Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; and

– Level 3: Inputs for the assets or liabilities that are not based on observable market data.

The fair value of the marketable securities in a quoted company was estimated based on the market price at the closing date. Marketable securities in a quoted company measured at fair value in the consolidated statement of financial position as at September 30, 2026 and December 31, 2025 are classified as Level 1 and warrants are classified as Level 2.

**18.2 Financial instruments measured at amortized cost for which a fair value is disclosed**

The fair value of amounts due to directors, officers, and a company controlled by a director, as well as royalties payable, was estimated using a discounted cash flow analysis based on interest rates applicable to similar financial instruments.

The fair value of short-term royalties payable approximates their carrying value at the end of the year.

The fair value of amounts due to directors, officers and a company controlled by a director is $1,225,506 respectively ($1,166,506 as at December 31, 2025). See Notes 15 for the valuation methodologies used to determine fair values.

Financial instruments are classified within Level 2 of the fair value hierarchy.

## 19. OTHER OPERATING EXPENSES

Other operating expenses are detailed as follows:

| | Quarter ending September, 30 | | Period ending September, 30 | |
|---|---|---|---|---|
| | 2026 | 2025 | 2026 | 2025 |
| | $ | $ | $ | $ |
| Professional fees | 186,920 | 103,395 | 727,142 | 683,189 |
| Traveling expenses | 29,500 | 23,113 | 38,526 | 110,639 |
| Office expenses | 14,370 | 31,008 | 52,380 | 113,794 |
| Information to shareholders and registration fees | 33,673 | 23,421 | 92,230 | 72,169 |
| Bank charges | 751 | 2,430 | 3,537 | 7,049 |
| Administrative expenses recovered | (1,661) | (960) | (4,983) | (4,988) |
| | 263,453 | 182,407 | 908,832 | 980,852 |

## 20. FINANCE INCOME AND FINANCE COSTS

Finance income consists of the following for the reporting periods presented:

| | Quarter ending September, 30 | | Period ending September, 30 | |
|---|---|---|---|---|
| | 2026 | 2025 | 2026 | 2025 |
| | $ | $ | $ | $ |
| Net change in fair value of marketable securities in a quoted company | (8,000) | 171,268 | (1,310) | 139 000 |
| Accretion revenues - royalties receivable | - | - | - | 19,539 |
| Interest | 8,765 | 3,646 | 15 303 | 33,949 |
| Finance income | 765 | 174,914 | 13,993 | 192,488 |

** The amount of the change in fair value includes a realized gain of $11,330 (gain of $144,833 as at December 31,2025 (Note 5).*

Finance costs consist of the following for the reporting periods presented:

| | Quarter ending September, 30 | | Period ending September, 30 | |
|---|---|---|---|---|
| | 2026 | 2025 | 2026 | 2025 |
| | $ | $ | $ | $ |
| Amortization change of the present value of royalties payable | - | (56,751) | - | (169,216) |
| | - | (56,751) | - | (169,216) |

## 21. INCOME (LOSS) PER SHARE

The calculation of basic loss per share is based on the loss for the period divided by the weighted average number of outstanding shares during the period. In calculating the diluted loss per share, dilutive potential common shares such as warrants, brokers' warrants, brokers' units, share options and the convertible debenture have not been included as they would have the effect of decreasing the loss per share. Decreasing the loss per share would be antidilutive. Details of share options and warrants issued that could potentially dilute earnings per share in the future are given in Notes 16.2 ,16.3 and 17.2.

Both the basic and diluted loss per share have been calculated using the loss as the numerator, i.e. no adjustment to the loss was necessary in 2026 and 2025.

| | Quarter ending September, 30 | | Period ending September, 30 | |
|---|---|---|---|---|
| | 2026 | 2025 | 2026 | 2025 |
| Net loss attributable to common shareholders | (3,754,474) | (579,981) | (6,367,829) | (3,157,357) |
| Weighted average number of outstanding shares | 471,694,545 | 421,850,747 | 465,425,226 | 415,610,284 |
| Basic and diluted loss per share | (0.01) | (0,00) | (0.01) | (0.00) |

## 22. ADDITIONAL INFORMATION – CASH FLOWS

The changes in working capital items are detailed as follows:

| | As at September 30, | |
|---|---|---|
| | 2026 | 2025 |
| | $ | $ |
| Goods and services tax receivable | (17,338) | 167,591 |
| Prepaid expenses and other | 11,297 | 5,527 |
| Investment tax credits receivable | - | 231,098 |
| Trade and other payables | 36,414 | 1,303,612 |
| | 30,373 | 1,707,828 |

Non-cash balance sheet transactions are detailed as follows:

| | As at September 30, | |
|---|---|---|
| | 2026 | 2025 |
| | $ | $ |
| Issuance of shares for payment of accounts payables | 54,734 | 4,932,880 |
| Issuance of equity instruments for payment of accounts payables | 15,891 | 645,768 |
| Issuance of common shares for the increase in ownership interest in Novacium | 4,033,425 | 3,722,250 |
| Issuance of equity instruments for the increase in ownership interest with non-controlling interest in Novacium | - | 1,948,958 |
| Issuance of equity instruments for unit issuance costs | 71,101 | 6,356 |
| Grant receivable | 750,000 | - |
| Issuance of shares upon conversion of the note payable | - | 100,000 |

## 23. NON-WHOLLY-OWNED PARTNER COMPANY

| | December 11, 2025 |
|---|---|
| Proportion of ownership interests and voting rights held by non-controlling interests [(1)] | 71.6% |
| Net earnings allocated to non-controlling interests for the period | 182,088 |
| Non-controlling interests | 994,498 |

Summarized financial information of the subsidiary that has non-controlling interests is set out below. The summarized financial information below represents amounts before intragroup eliminations.

| | December 11, 2025 |
|---|---|
| | $ |
| **Summary Statements of Net Loss and Comprehensive Loss** | |
| Income | 1,470,061 |
| Expenses | 1,209,949 |
| Comprehensive income | 260,112 |
| | |
| Comprehensive income attributable to: | |
| Owners of the Company | 78,024 |
| Non-controlling interests | 182,088 |
| | 260,112 |
| | |
| **Summary Statements of Cash Flows** | |
| Cash flows from operating activities | 390,858 |
| Cash flows used in investing activities | (23,098) |
| Cash flows from financing activities | - |
| Net change in cash and cash equivalents | 367,760 |
| | |
| **Summary Statement of Financial Position** | |
| Current assets | 1,497,075 |
| Non-current assets | 76,321 |
| | 1,573,396 |
| | |
| Current liabilities | 217,477 |
| Non-current liabilities | - |
| Net asset | 1,355,919 |
| Equity attributable to owners | 361,917 |
| Non-controlling interests | 959,179 |
| Foreign currency translation adjustment | 34,823 |
| | 1,573,396 |

(1) On February 26, 2025, the Company issued 17,312,790 units for the acquisition of 84 shares of Novacium.

As a result of the issuance of HPQ shares, the non-controlling interest's share of net income decreased from 80% to 71.6% as of that date.

**23. NON-WHOLLY-OWNED PARTNER COMPANY** (continued)

Novacium is subject to certain restrictive clauses under legal and contractual agreements. The approval of non-controlling interest holders is required for any transfer of significant assets and other decisions related to the Company's operations, as listed in the shareholders' agreement, including mergers, demergers, partial asset contributions, or the approval of agreements entered into between Novacium and its executives or partners.The Company no longer exercises control as of December 11, 2025, following the conversion of its preferred share into a common share.

There are also restrictions on the use of cash and cash equivalents amounting to €420,900 as at December 31, 2024, thereby limiting their availability for other entities within the HPQ Group. These restrictions could delay or limit the Group's access to these funds.

**24. RELATED PARTY TRANSACTIONS**

The Company's related parties include key management and companies held by a director or an officer, as described below.

Unless otherwise stated, none of the transactions contain special features or conditions, and no guarantees were given or received. Balances are generally settled in cash, except for the acquisition of patents and the reacquisition of rights under the Novacium shareholders' agreement, which were previously settled through the issuance of units.

**24.1 Transactions with key management personnel**

Key management personnel of the Company are members of the Board of Directors and officers. Key management personnel remuneration and asset acquisitions are as follows:

| | Quarter ending Sept., 30 | | Period ending Sept., 30 | |
|---|---|---|---|---|
| | 2026 | 2025 | 2026 | 2025 |
| | $ | $ | $ | $ |
| Salaries and employee benefits expense | 22,869 | 25,932 | 70,654 | 72,987 |
| Salaries and benefits for research and development [1] | - | 187,662 | - | 729,423 |
| Managements fees [2] | 93,750 | 93,750 | 281,250 | 281,250 |
| Share-based payments | - | 62,170 | - | 136,270 |
| Remuneration of director | 3,000 | 10,500 | 59,000 | 66,500 |
| Salaries and employee benefit expenses | 119,619 | 380 014 | 410,904 | 1,286,430 |

[1] Paid to the partners of the Novacium partnership agreement .

[2] Paid to a company owned by a director

**24. RELATED PARTY TRANSACTIONS** (continued)

**24.1 Transactions with key management personnel** (continued)

Trade and other payables include an amount of $1,077 900 due to a company owned by a director ($1,043,006 as at December 31, 2025).

On September 30, 2026, due to directors, officers and a company owned by a director totalled $1,325,506 ($1,266,506 as at December 31, 2025).

On January 29, 2025, the Company issued 1,083,333 units valued at $260,908 for R&D expenses.

On February 26, 2025, the Company issued 17,312,790 units valued at $5,671,208 (equivalent to €2,500,000) for the acquisition of 84 shares held by the co-shareholders of Novacium.

On March 18, 2025, the Company issued 1,254,545 units valued at $275,000 for R&D expenses.

For the period ended September 30, 2026, the Company paid Novacium $1,329,287 in licensing and consulting fees.

**25. CAPITAL MANAGEMENT POLICIES AND PROCEDURES**

The Company's capital management objectives are to ensure the Company's ability to continue as a going concern, to increase the value of the assets of the business, and to provide an adequate return to owners of the Company.

These objectives will be achieved by technological development related to the transformation of quartz into silicon materials.

The Company monitors capital on the basis of the carrying amount of equity.

The Company is not exposed to any externally imposed capital requirements.

The Company finances its technology development activities related to the transformation of quartz into silicon materials primarily by seeking additional capital either through private placements or public placements. When funding conditions are not optimal, the Company can sign option agreements or other agreements to be able to continue its exploration and evaluation activities or can slow down its activities until funding conditions improve.

**26. FINANCIAL INSTRUMENT RISKS**

The Company is exposed to various risks related to financial instruments. The main types of risks are market risk, credit risk, interest rate risk, foreign exchange risk, and liquidity risk.

To meet the cash needs of its subsidiaries, the Company advances the necessary funds to support their operations.

The Company manages these risks in close collaboration with the Board of Directors. The objectives pursued are to ensure short- and medium-term cash inflows while limiting exposure to capital markets. The Company does not actively trade financial assets for speculative purposes.

**26. FINANCIAL INSTRUMENT RISKS** (continued)

**26.1 Market risk**

The most significant financial risks to which the Company is exposed are described below.

Equity price risk is defined as the potential adverse impact on the Company's results of operations and on the ability to obtain equity financing, or the ability of holders of convertible securities (options and warrants) to exercise their securities, which affects proceeds to the Company on such exercises, due to movements in individual equity prices or general movements in the level of the stock market. The Company closely monitors individual equity movements to determine the appropriate course of action to be taken by the Company.

Commodity price risk is defined as the potential adverse impact on the Company's future results in respect of the fluctuation in the price of raw materials. The Company is exposed to commodity price risk including exposure to the fluctuating market prices of quartz and graphite. The Company is exposed to other price risk.

Other price risk sensitivity:

The Company is exposed to market price fluctuations related to its marketable securities in a publicly traded company and its derivative financial liability. The maximum exposure related to the marketable securities and the derivative financial liability is equal to their fair value.

If the quoted share price for the shares had changed by ± 15% as at September 30, 2026 (± 15% as at December 31, 2024), an increase or decrease in their value would be $7,650 ($10,200 as at December 31, 2025) in net income and shareholders' equity.

**26.2 Credit risk**

Credit risk is the risk that another party to a financial instrument fails to meet its obligations and, therefore, leads the Company to incur a financial loss.

The Company's maximum exposure to credit risk is limited to the carrying value of cash for an amount of $267,579 as at September 30, 2026 ($555,740 as at December 31, 2025).

The Company's maximum exposure to credit risk corresponds to the carrying amount of its financial assets subject to credit risk. Following the loss of control of HPQ Silica Polvere Inc. on September 23, 2026, the receivable of $5,078,736 from the entity became a separate financial asset subject to the impairment requirements of IFRS 9. An expected credit loss equal to the full amount of the receivable was recognized during the period.

The credit risk for cash is considered negligible, since the counterpart is a reputable bank with high quality external credit ratings.

The royalties to be paid by the Company are due to a company towards which it is economically dependent.

**26.3 Interest rate risk**

The Company is exposed to interest rate risk because of the fluctuation of interest rates. The Company's exposure to variable interest rates is limited to cash and cash equivalents.

**26.4 Currency risk**

Foreign exchange risk is the risk of fluctuations in profits or losses resulting from changes in exchange rates and the degree of volatility of those rates.

**26. FINANCIAL INSTRUMENT RISKS** (continued)

**26.5 Liquidity risk**

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations with financial liabilities that are settled by cash or another financial asset.

Liquidity risk management serves to maintain a sufficient amount of cash and to ensure that the Company has financing sources such as private and public investments for a sufficient amount.

Over the period, the Company has financed its working capital requirements and acquisitions of property and equipment and intangible assets through private placements.

The following table sets out the contractual maturities of the Company's financial liabilities:

| | September 30, 2026 | December 31, 2025 |
|---|---|---|
| | $ | $ |
| Less than a year | | |
| Trade payables and other accounts payable | 1,515,027 | 1,362,188 |
| Payable to a subcontractor | 263,560 | 431,860 |
| Lease liabilities | 13,065 | 12,873 |
| Royalties payable QRR Purevap™ | 250,000 | 250,000 |
| Licensing and consulting fees | 1,895 400 | - |
| Total | 3,937,052 | 2,056,921 |
| | | |
| Between one and 5 years | | |
| Lease liabilities | 14,394 | 16,608 |
| Licensing and consulting fees | 3,790,800 | - |
| | 3,805,194 | 16,608 |

The Company considers expected cash flows from financial assets in assessing and managing liquidity risk, in particular its cash.

**27. CONTINGENCIES AND COMMITMENTS**

As part of the advanced phases of technological development, the Company paid a monthly amount of €80,000 until December 31, 2025. Effective July 1, 2025, this amount remained at €80,000. This amount is fully eliminated in the Company's consolidated financial statements, with 71.6% attributable to non-controlling interests up to December 11, 2025 following the loss of control (Note 22).

On December 11, 2025, the Company entered into a 4-year agreement, retroactive to July 1, 2025, with Novacium regarding patent licenses for North America and consulting services with Novacium. In the event of late payment by the end of the month, all licenses in Mexico will be suspended; by the end of the second month, licenses in the United States will be suspended; and by the end of the third month, licenses in Canada will be suspended. Upon expiry of this agreement on June 30, 2029, the license agreements will become permanent and royalty-free.

**27. CONTINGENCIES AND COMMITMENTS** (continued)

Under this agreement, the monthly contractual commitments are as follows:

| | € |
|---|---|
| 2026 | 90,000 |
| 2027 | 100,000 |
| 2028 | 110,000 |
| Until June 30, 2029 | 120,000 |

On July 18, 2025, the Company received a claim a German group for payment of €29,000 payable in cash as well as an additional claim of €180,000 to be paid in Company shares. HPQ believes it has strong grounds to dispute the claims. and arguments to contest this claim, which is unfounded

**28. SUBSEQUENT EVENTS**

On November 2, 2026, the Company settled trade payables of $47,755 through the issuance of 367,500 common shares.