

FINANCIAL STATEMENTS

Condensed consolidated interim unaudited financial statements

For the three and nine-month periods ended September 30, 2026 and 2025

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

NOUVEAU MONDE GRAPHITE

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CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	Notes	As at September 30, 2026	As at December 31, 2025
ASSETS			
CURRENT			
Cash and cash equivalents		379,522	73,940
Short-term investments	6	30,168	—
Grants receivable and other current assets		1,005	518
Deposits		620	620
Sales taxes receivable		6,781	928
Tax credits receivable	7	1,896	1,860
Prepaid expenses		1,799	1,586
Total current assets		**421,791**	**79,452**
NON-CURRENT			
Tax credits receivable	7	20,879	7,514
Investment - Listed shares		300	450
Property, plant and equipment	9	145,829	85,426
Right-of-use assets		1,921	1,552
Deferred financing costs	8	7,231	—
Restricted cash and deposits		2,434	50
Total non-current assets		**178,594**	**94,992**
Total assets		**600,385**	**174,444**
LIABILITIES			
CURRENT			
Accounts payable	10	44,328	10,482
Deferred grants		185	185
Convertible notes	11	17,660	16,948
Derivative warrant liability	12	33,788	62,957
Current portion of lease liabilities		568	569
Current portion of borrowings		276	265
Total current liabilities		**96,805**	**91,406**
NON-CURRENT			
Asset retirement obligation		2,155	1,584
Lease liabilities		1,349	1,107
Borrowings		291	499
Total non-current liabilities		**3,795**	**3,190**
Total liabilities		**100,600**	**94,596**
EQUITY			
Share capital		838,302	436,475
Other reserves	11	6,760	5,357
Contributed surplus and warrants		41,050	37,065
Deficit		(386,327)	(399,049)
Total equity		**499,785**	**79,848**
Total liabilities and equity		**600,385**	**174,444**
Commitments	21		
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APPROVED BY THE BOARD OF DIRECTORS
/s/ Eric Desaulniers – “Director”
/s/ Paola Farnesi – “Director”
The accompanying notes are an integral part of the condensed consolidated interim financial statements.

CONSOLIDATED STATEMENTS OF LOSS (INCOME) AND COMPREHENSIVE LOSS (INCOME)

	Notes	For the three-month periods ended September 30, 2026 $	September 30, 2025 $	For the nine-month periods ended September 30, 2026 $	September 30, 2025 $
EXPENSES					
Mining projects expenses	14	1,463	1,995	5,451	5,369
Battery Material Plant project expenses	15	3,758	3,935	11,486	22,115
General and administrative expenses	16	6,267	7,088	22,009	20,729
Operating loss		**11,488**	**13,018**	**38,946**	**48,213**
Net financial costs (income)	17	(19,349)	63,591	(51,968)	61,652
Loss (income) before tax		**(7,861)**	**76,609**	**(13,022)**	**109,865**
Income tax		100	100	300	300
Net loss (income) and comprehensive loss (income)		**(7,761)**	**76,709**	**(12,722)**	**110,165**
Loss (earnings) per share					
Basic	13.2	(0.02)	0.50	(0.05)	0.72
Diluted	13.2	(0.02)	0.50	(0.05)	0.72
Weighted average number of shares outstanding					
Basic		331,585,738	153,897,325	247,542,415	153,648,240
Diluted		331,642,408	153,897,325	247,806,210	153,648,240

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

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

					For the nine-month period ended September 30, 2026		
	Notes	Number	Share capital $	Contributed surplus and warrants $	Other reserves $	Deficit $	Total equity $
Balance as at January 1, 2026		**160,761,539**	**436,475**	**37,065**	**5,357**	**(399,049)**	**79,848**
Common shares issued upon conversion of subscription receipts	13.1	52,440,000	111,594	—	—	—	111,594
Shares issued from Private Placements	13.1	115,847,791	294,555	—	—	—	294,555
Options exercised	13.3	102,500	385	(153)	—	—	232
Release of performance share units (PSU)	13.3	8,333	28	(28)	—	—	—
Share-based compensation	13.3	—	—	4,166	—	—	4,166
Settlement of interest on Convertible Notes	11	—	—	—	1,403	—	1,403
Share issue costs		—	(4,735)	—	—	—	(4,735)
Net income and comprehensive income		—	—	—	—	12,722	12,722
Balance as at September 30, 2026		**329,160,163**	**838,302**	**41,050**	**6,760**	**(386,327)**	**499,785**

					For the nine-month period ended September 30, 2025		
	Notes	Number	Share capital $	Contributed surplus and warrants $	Other reserves $	Deficit $	Total equity $
Balance as at January 1, 2025		**152,261,189**	**411,240**	**32,609**	**3,680**	**(293,872)**	**153,657**
Options exercised	13.3	139,516	245	(400)	—		(155)
Share-based compensation	13.3	—	—	4,394	—	—	4,394
Settlement of interest on Convertible Notes	11	—	—	—	1,229	—	1,229
Net loss and comprehensive loss		—	—	—	—	(110,165)	(110,165)
Balance as at September 30, 2025		**152,400,705**	**411,485**	**36,603**	**4,909**	**(404,037)**	**48,960**

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

CONSOLIDATED STATEMENTS OF CASH FLOWS

	Notes	For the nine-month periods ended September 30, 2026 $	September 30, 2025 $
OPERATING ACTIVITIES			
Net income (loss)		12,722	(110,165)
Adjustments for non-cash items:			
Depreciation and amortization		1,048	5,712
Change in fair value - Listed shares		150	(100)
Change in fair value - Derivative warrant liability	12	(31,203)	63,591
Change in fair value - Embedded derivatives	12-13.1	(21,509)	—
Interest income on short-term investments and restricted cash		(169)	—
Interest and accretion - Convertible notes	11	726	990
Accretion on subscription receipts	13.1	7,701	—
Transaction costs - derivative	13.1	1,599	—
Unrealized foreign exchange loss (gain)		(1,540)	(397)
Loss on write-off/disposal of property, plant and equipment		—	145
Share-based compensation	13.3	3,885	3,804
Other accretions included within financial costs		85	72
Net change in working capital	18	(7,705)	4,761
Cash flows used in operating activities		**(34,210)**	**(31,587)**
INVESTING ACTIVITIES			
Additions to property, plant, and equipment, net of grants	9-18	(40,672)	(11,221)
Purchase of short-term investments		(30,000)	—
Increase in restricted cash and deposits		(2,383)	—
Cash flows used in investing activities		**(73,055)**	**(11,221)**
FINANCING ACTIVITIES			
Proceeds from private placements	13.1	294,555	—
Proceeds from the issuance of subscription receipts	13.1	132,288	—
Subscription receipts issuance costs	13.1	(9,017)	—
Repayment of borrowings		(197)	(186)
Repayment of lease liabilities		(442)	(490)
Proceeds from the exercise of stock options	13.3	232	—
Deferred financing costs	8	(3,654)	—
Share issue costs		(5,390)	(689)
Cash flows from financing activities		**408,375**	**(1,365)**
Effect of exchange rate changes on cash		4,472	(356)
Net change in cash and cash equivalents		**305,582**	**(44,529)**
Cash and cash equivalents at the beginning of the period		73,940	106,296
Cash and cash equivalents at the end of the period		**379,522**	**61,767**
Non-cash investing and financing activities	18		

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

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

1. NATURE OF OPERATIONS AND LIQUIDITY RISK

Nouveau Monde Graphite Inc. (the "Company", or "parent company") was established on December 31, 2012, under the *Canada Business Corporations Act*. The Company specializes in exploration, evaluation and development of mineral properties located in Québec and is developing carbon-neutral advanced graphite materials.

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

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

During the nine-month period ended September 30, 2026, the Company reported a net income after tax of $12.7M and cash outflows from operating activities of $34.2M and had an accumulated deficit of $386.3M as of September 30, 2026. The Company has yet to generate positive cash flows.

On May 15, 2026, the Company completed a private placement with Canada Growth Fund Inc. ("CGF"), the Government of Québec through Investissement Québec ("IQ"), and ENI S.p.A. ("ENI"), for aggregate gross proceeds of $294.6M (US$213.2M) (the "Private Placement"). In addition, aggregate gross proceeds of $132.3M (US$96.5M) from the Company's subscription receipts issued on April 16, 2026 were released upon satisfaction of the applicable escrow release conditions. These transactions formed part of an aggregate equity financing package of $426.9M (US$309.7M), which enabled the Company to reach a final investment decision ("FID") for the Phase-2 Matawinie Mine.

In addition, the Company has secured a fully committed senior project debt commitment letter of US$335 million with Export Development Canada ("EDC") and Canada Infrastructure Bank ("CIB"), subject to certain conditions precedent, with closing expected in the upcoming weeks. Together, the equity and debt financings constitute the Company's Matawinie Mine financing package.

As long as the Company closes the senior project debt and meets the draw down conditions, the Company anticipates that the proceeds from its financing package will be sufficient to fund its capital requirements up to the start of commercial production of the Matawinie Mine. In the event that the financing package is insufficient to complete the construction and the commissioning of the mine, the Company will be required to obtain additional financing. Following the achievement of commercial production, the Company expects to generate sufficient cash flows from its mining operations to meet its capital commitments and obligations and to fund its planned expenditures for the Project.

In parallel, the Company is advancing project financing activities for the Phase-2 Bécancour Battery Material Plant. The development of this project is subject to the Company securing additional financing, which has not yet been obtained. Although management believes that an FID for the Bécancour Battery Material Plant will be achieved, there can be no assurance that the Company will be able to do so or that such financing will be available to the Company on acceptable terms, or at all.

2. BASIS OF PREPARATION AND STATEMENT OF COMPLIANCE

The Company's condensed consolidated interim financial statements have been prepared in accordance with IFRS Accounting Standards applicable to the preparation of interim financial statements, including IAS 34 *Interim Financial Reporting*, and also using the same accounting policies and procedures as those used for the Company's audited consolidated financial statements as at December 31, 2025, except as described in Note 4. These condensed consolidated interim financial statements do not include all the disclosures and notes required for annual consolidated financial statements and should therefore be read with the Company's audited consolidated financial statements as at December 31, 2025, which have been prepared in accordance with IFRS Accounting Standards.

The condensed consolidated interim financial statements for the three and nine-month periods ended September 30, 2026 (including comparative statements) were approved and authorized for publication by the Board of Directors on November 11, 2026.

3. MATERIAL ACCOUNTING POLICIES

Basis of consolidation

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

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

Subsidiaries

Information on the Company's subsidiaries as at September 30, 2026, all of which are wholly-owned, are as follows:

NAME OF SUBSIDIARY	PRINCIPAL ACTIVITY	COUNTRY OF INCORPORATION	YEAR OF INCORPORATION
Quartier du Nouveau Monde Inc.	Real estate	Canada	2017
Nouveau Monde Europe Ltd.	Trading	England and Wales	2020
NMG Bécancour Inc.	Active anode material operations	Canada	2025
NMG Matawinie Inc.	Mining of natural flake graphite	Canada	2025
NMG Holdings Inc.	Holding company	Canada	2026

Short-term investments

Short-term investments consist of investments with original maturities greater than three months and up to one year and are measured at amortized cost. Investments with original maturities of three months or less that meet the definition of cash equivalents are included in cash and cash equivalents.

Deferred Financing Fees

Deferred Financing Fees paid to obtain a financing are recognised as transaction costs when it is likely that some or all of the debt, to which the fees are related, will be drawn. Transaction costs are deferred until the facility is arranged and drawdown occurs, at which time the deferred financing fees will be offset against the proceeds of the debt facility. If it becomes likely that the credit facility will not be completed, the deferred financing fees will be expensed.

4. NEW ACCOUNTING STANDARDS

IFRS 7 Financial instruments: disclosures and IFRS 9 Financial instruments

On January 1, 2026, the Company adopted *Amendments to the Classification and Measurement of Financial Instruments (Amendments to IFRS 9 and IFRS 7).* The amendments to IFRS 9 notably clarify de-recognition and classification of specific financial assets and liabilities respectively. For qualifying financial liabilities settled throught an electronic cash transfer system, the Company has elected to derecognize the liability when an irrevocable payment instruction is submitted to payment system. The adoption of these amendments did not have a material impact on the Company's condensed interim consolidated financial statements.

IFRS 18 Presentation and Disclosure in Financial Statements

In April 2024, the IASB issued IFRS 18, the new standard on presentation and disclosure in financial statements, with a focus on updates to the statement of profit or loss. IFRS 18 was issued in response to investors' concerns about the comparability and transparency of entities' performance reporting. The new requirements introduced in IFRS 18 will help to achieve comparability of the financial performance of similar entities, especially related to how 'operating profit or loss' is defined. The new disclosures required for some management-defined performance measures will also enhance transparency. The key new concepts introduced in IFRS 18 relate to:

- the structure of the statement of profit or loss;
- required disclosures in the financial statements for certain profit or loss performance measures that are reported outside an entity's financial statements (that is, management-defined performance measures); and
- enhanced principles on aggregation and disaggregation which apply to the primary financial statements and notes in general.

IFRS 18 will replace IAS 1; many of the other existing principles in IAS 1 are retained, with limited changes. IFRS 18 will not impact the recognition or measurement of items in the financial statements, but it might change what an entity reports as its 'operating profit or loss'.

IFRS 18 will apply for reporting periods beginning on or after January 1, 2027 and shall be applied retrospectively. Management is continuing to assess the impact of the new standard on its consolidated financial statements.

5. ESTIMATES, JUDGEMENTS AND ASSUMPTIONS

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

Information about the significant estimates and assumptions that have the greatest impact on the recognition and measurement of assets, liabilities, and expenses can be found in the note 5 of the 2025 consolidated audited annual financial statement. Actual results may differ significantly.

6. SHORT-TERM INVESTMENTS

Short-term investments consist of a fixed-term guaranteed investment certificate ("GIC") with a principal amount of $30.0 million, bearing interest at 3.65% per annum and having an original maturity of 180 days. The investment is classified as a current financial asset and is not included in cash and cash equivalents due to its original maturity exceeding three months.

7. TAX CREDITS RECEIVABLE

As at September 30, 2026, tax credits receivable totalled $22,775, including $20,879 classified as non-current assets (December 31, 2025: $9,374, including $7,514 classified as non-current assets). The increase mainly relates to the Clean Technology Manufacturing Investment Tax Credit ("CTMITC") of $10,068 generated on eligible expenditures incurred during the period for the Matawinie Mine Project, which are recognized as a reduction of the carrying amount of the Mine under Construction asset category within property, plant and equipment. The increase was also driven by $3,228 of tax credits related to the Scientific Research and Experimental Development ("SR&ED") tax incentive program, reflecting enhanced incentives introduced under both the Canadian and Québec SR&ED programs.

8. DEFERRED FINANCING COSTS

In connection with the committed senior project debt facilities with EDC and CIB described in Note 1, the Corporation has a balance of deferred financing costs of $7,231 recorded as Deferred Financing Costs as at September 30, 2026. These costs of which $3,654 were paid in cash are directly attributable to the debt transaction that otherwise would have been avoided and will be offset against the proceeds when the Corporation draws down the funds.

9. PROPERTY, PLANT AND EQUIPMENT

	For the nine-month period ended September 30, 2026									
	Land $	Buildings $	Equipment $	Furniture and other IT equipment $	Mining infrastructure $	Rolling stock $	Mine under construction [1] $	Bécancour Battery Material Plant under construction [1] $	Other assets under construction [1] $	Total $
COST										
January 1, 2026	2,455	1,980	21,246	235	1,478	399	76,020	1,219	842	105,874
Additions, net of grants	801	1,383	—	—	—	77	58,864	—	50	61,175
Transfers	—	—	263	—	—	—	—	—	(263)	—
Write-Off/Disposals	—	—	(209)	—	—	—	—	—	—	(209)
September 30, 2026	3,256	3,363	21,300	235	1,478	476	134,884	1,219	629	166,840
ACCUMULATED DEPRECIATION										
January 1, 2026	—	534	19,383	179	20	332	—	—	—	20,448
Depreciation	—	111	552	7	77	25	—	—	—	772
Write-Off/Disposals	—	—	(209)	—	—	—	—	—	—	(209)
September 30, 2026	—	645	19,726	186	97	357	—	—	—	21,011
Net book value as at September 30, 2026	**3,256**	**2,718**	**1,574**	**49**	**1,381**	**119**	**134,884**	**1,219**	**629**	**145,829**

	For the year ended December 31, 2025									
	Land $	Buildings $	Equipment $	Furniture and other IT equipment $	Mining infrastructure $	Rolling stock $	Mine under construction [1] $	Bécancour Battery Material Plant under construction [1] $	Other assets under construction [1] $	Total $
COST										
January 1, 2025	2,455	2,028	27,547	235	—	350	62,479	1,175	1,615	97,884
Additions, net of grants	—	169	(1,100)	—	115	49	13,541	44	1,884	14,702
Transfers	—	—	1,151	—	1,363	—	—	—	(2,514)	—
Write-Off/Disposals	—	(217)	(6,352)	—	—	—	—	—	(143)	(6,712)
December 31, 2025	2,455	1,980	21,246	235	1,478	399	76,020	1,219	842	105,874
ACCUMULATED DEPRECIATION										
January 1, 2025	—	644	19,097	170	—	307	—	—	—	20,218
Depreciation	—	105	6,638	9	20	25	—	—	—	6,797
Write-Off/Disposals	—	(215)	(6,352)	—	—	—	—	—	—	(6,567)
December 31, 2025	—	534	19,383	179	20	332	—	—	—	20,448
Net book value as at December 31, 2025	**2,455**	**1,446**	**1,863**	**56**	**1,458**	**67**	**76,020**	**1,219**	**842**	**85,426**

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

The amount of borrowing costs included in Mine under construction for the three and nine-month periods ended September 30, 2026 is $382 and $1,146, respectively ($561 and $1,683 for the three and nine-month periods ended September 30, 2025). The rate used to determine the amount of borrowing costs to be capitalized is the weighted average interest rate applicable to the entity's general borrowings during the three and nine-month periods ended September 30, 2026.

Included in additions to Mine under Construction are capitalized depreciation charges of $21 and $38 for the three and nine-months periods ended September 30, 2026, respectively (2025 – nil), relating to assets currently in service that support the development and construction activities of the Matawinie Mine Project.

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

10. ACCOUNTS PAYABLE

	September 30, 2026 $	December 31, 2025 $
Trade payables and accrued liabilities	41,287	8,041
Wages and benefits liabilities	3,041	2,441
Accounts payable	**44,328**	**10,482**

11. CONVERTIBLE NOTES

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

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

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

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

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

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

Convertible Notes – Amendment dated October 27, 2025:

	Host (amortized cost) $	Derivative (FVTPL) $	Total $
Issuance	**16,844**	**651**	**17,495**
Interest accretion	102	—	102
Fair value adjustment	—	(286)	(286)
Settlement	—	—	—
Foreign exchange	(350)	(13)	(363)
Balance as of December 31, 2025	**16,596**	**352**	**16,948**
Interest accretion	469	—	469
Fair value adjustment	—	(362)	(362)
Foreign exchange	595	10	605
Balance as of September 30, 2026	**17,660**	**—**	**17,660**

On October 27, 2025, the Company reached an agreement with Investissement Québec to extend the maturity date of their Convertible Note from November 8, 2025 to November 8, 2026. In consideration for the extension, the terms of the Notes were amended as follows:

- The interest rate was increased from the greater of 7% or 3-month CME Term SOFR + 5% to the greater of 7% or 3-month CME Term SOFR + 7%, effective November 9, 2025; and
- The Company's discretionary repurchase option was retained; however, the previous interest-related redemption clause (Redemption Premium Forward Rate – 7% and Redemption Premium Backward Rate – 12%) was removed. It was replaced with a new provision allowing the Company to redeem the Notes at any time up to maturity for the principal amount plus any unpaid accrued interest.

Because the amendment occurred shortly before the original maturity date of November 8, 2025 and represented a renegotiation of the terms, the transaction was accounted for as an extinguishment of the original liability and the issuance of a new financial liability in accordance with IFRS 9. No additional costs were incurred in connection with the amendment.

Subsequent to September 30, 2026, the Company amended the terms of IQ's convertible note, including an extension of its maturity date. Refer to Note 22, Subsequent Events, for further details.

For the three and nine-month periods ended September 30, 2026, the interest coupon totalled an aggregate amount of $480 (US$343) and $1,403 (US$1,013), respectively ($408 (US$296) and $1,229 (US$879)) for the three and nine-month periods ended September 30, 2025). For the third quarter of 2026, the Company elected to pay the interest coupon with 283,265 common shares at a price of US$1.21 which will be issued at maturity or at conversion of IQ's Note. The common shares to be issued are recorded as other reserves in the consolidated statements of changes in equity.

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

	December 31, 2025	Reasonably possible change	Sensitivity [1] (Derivative liability)	September 30, 2026	Reasonably possible change	Sensitivity [1] (Derivative liability)
Observable inputs						
Share price	US$2.48	+/- 10%	+29/-114	US$1.20	+/- 10%	+0/0
Foreign Exchange rate	1.37	+/-5%	+/-18	1.42	+/-5%	+/-0
Unobservable inputs						
Expected volatility	59.9%	+/- 10%	+21/-109	63.1%	+/- 10%	+0/0
Credit spread	11.1%	+/-5%	+47/-72	11.1%	+/-5%	+0/0

[1] Holding all other variables constant.

12. DERIVATIVE WARRANT LIABILITY

	Total $
Issuance	**40,151**
Fair value adjustment	(24,900)
Foreign exchange	338
Balance as of December 31, 2024	**15,589**
Fair value adjustment	64,723
Settlement	(16,151)
Foreign exchange	(1,204)
Balance as of December 31, 2025	**62,957**
Fair value adjustment	(31,203)
Foreign exchange	2,034
Balance as of September 30, 2026	**33,788**

Private placement with GM and Panasonic:

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

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

In October 2025, GM provided the Company with a termination notice indicating that, effective November 30, 2025, it was terminating both the Subscription Agreement and the Supply Agreement. The termination resulted in the derecognition of GM's derivative warrant liability and a gain of $16,151 (US$11,554) recognized in the consolidated statement of loss related to the settlement of the derivative warrant liability.

In April 2026, the Company entered into an amendment agreement with Panasonic in respect of its warrants. Under the amended terms, the warrants are exercisable upon the final investment decision ("FID") for the 13ktpy Bécancour Battery Material Plant ("Bécancour FID") project, rather than upon an affirmative FID, which could previously have been interpreted as either the Matawinie Mine FID or the Bécancour FID.

Private placement with Mitsui and Pallinghurst:

On May 2, 2024, the Company completed a private placement, with Mitsui and Pallinghurst for the surrender and cancellation of their convertible notes dated November 8, 2022. The Company issued 18,750,000 Common Shares and 18,750,000 Warrants to Mitsui and Pallinghurst for a total value of US$37.5 million.

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

In April 2026, the Company entered into an amendment agreement with Mitsui in respect of its warrants. Under the amended terms, the warrants are exercisable upon the final investment decision ("FID") for Bécancour FID, rather than upon an affirmative FID, which could previously have been interpreted as either the Matawinie Mine FID or the Bécancour FID.

Private placement with IQ and CGF:

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

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

In May 2026, the Company amended the warrant certificates issued to CGF and IQ, to extend their expiry date from December 20, 2029 to December 20, 2030. The amended and restated warrant certificates became effective on May 28, 2026.

Upon closing of the private placement on May 15, 2026, acceleration notices were issued in respect of the CGF Warrants and IQ Warrants. Following the issuance of these notices, the IQ Warrants became exercisable after 30 days, while the CGF Warrants became exercisable after 90 days, in accordance with the terms of the respective agreements.

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

	IQ & CGF	September 30, 2026 Bécancour FID
Number of Warrants	39,682,538	31,250,000
Risk-Free Interest Rate	5.05%	4.33%
Expected Volatility	74%	93%
Stock Price at Valuation Date	US$1.20	US$1.20
Exercise Price	US$2.38	US$2.38
Average Fair Value per Warrant	US$0.53	US$0.09

	Matawinie Mine FID	December 31, 2025 Bécancour FID
Number of Warrants	45,932,538	25,000,000
Risk-Free Interest Rate	3.67%	3.54%
Expected Volatility	98%	98%
Stock Price at Valuation Date	US$2.48	US$2.48
Exercise Price	US$2.38	US$2.38
Average Fair Value per Warrant	US$0.53	US$0.87

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

	IQ & CGF $	September 30, 2026 Bécancour FID $
10% increase in volatility	3,605	1,141
10% decrease in volatility	(3,780)	(1,040)

	Matawinie Mine FID $	December 31, 2025 Bécancour FID $
10% increase in volatility	2,840	2,503
10% decrease in volatility	(2,854)	(2,547)

13. EQUITY

13.1 SHARE CAPITAL

Authorized share capital

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

	For the nine-month period ended September 30, 2026	For the year ended December 31, 2025
Shares issued at the start of the period	160,761,539	152,261,189
Shares issued from offering	—	8,333,334
Common shares issued upon conversion of subscription receipts	52,440,000	—
Shares issued from Private Placements	115,847,791	—
Options exercised (Note 13.3)	102,500	167,016
Release of performance share units (PSU) (Note 13.3)	8,333	
Shares issued at the end of period	**329,160,163**	**160,761,539**

On April 16, 2026, the Company completed a bought deal public offering of 52,440,000 subscription receipts, which included the exercise in full of the over-allotment option, at a price of US$1.84 per Subscription Receipt, for gross proceeds of $132.3M (US$96.5M). Each Subscription Receipt represented the right to receive one common share upon satisfaction of certain release conditions, notably the approval of the concurrent private placement by the Company's shareholders and the closing thereof. The gross proceeds from the offering were placed into escrow pending satisfaction of the release conditions. On May 15, 2026, the release conditions were met and the conversion of the Subscription Receipts into 52,440,000 common shares became unconditional.

Had the Financing Transaction not closed, the proceeds would have been refunded and the Subscription Receipts cancelled. As a result of this conditionality, the Subscription Receipts were classified as a financial liability with an embedded derivative upon initial recognition, as the Company was required to deliver a fixed number of common shares upon conversion, while the proceeds received were denominated in U.S. dollars and the Company's functional currency is the Canadian dollar, resulting in a variable amount of consideration in the Company's functional currency.

The derivative's fair value of $23.5M (US$17.1M) was determined based on the difference between the Company's share price on April 16, 2026 (US$2.17) and the US$1.84 Subscription Receipt issuance price. The residual amount of $108.8M (US$79.4M) was recorded as a financial liability, which was accounted for at amortized cost and accreted to the face value of the Subscription Receipts over the period from April 16, 2026 to July 31, 2026, being the ultimate date for conversion of the Subscription Receipts. Transaction costs were allocated on a pro rata basis between the host and the derivative.

Upon the closing of the Private Placement on May 15, 2026, the embedded derivative was revalued at $2.3M (US$1.7M) using the same methodology as described above, at which time the carrying value of the liability related to the Subscription Receipts and the fair value of the derivative were transferred to share capital as the conversion of the Subscription Receipts into common shares of the Company became unconditional.

	Host (amortized cost) $	Derivative (FVTPL) $	Total $
Initial proceeds	**108,828**	**23,460**	**132,288**
Deduct: transaction fees [1]	(7,418)	—	(7,418)
Interest accretion	7,701	—	7,701
Fair value adjustment	—	(21,147)	(21,147)
Foreign exchange	143	27	170
Transferred to Share Capital upon conversion of Subscription Receipts	**109,254**	**2,340**	**111,594**

[1] Transaction fees of $1,599 related to the derivative were recognized in the Consolidated Statement of loss (income).

On May 15, 2026, the Company closed the private placement with CGF, the Government of Québec via IQ, and ENI, representing aggregate gross proceeds of $294.6M (US$213,2M). Pursuant to the Private Placement, each of CGF, IQ, and ENI subscribed for 44,452,460 common shares of the Company, 33,351,853 Common Shares and 38,043,478 Common Shares, respectively, at a price of US$1.84 per Common Share. The closing of the

Private Placement was conditional upon, among other things, the receipt of various shareholder approvals in accordance with applicable rules of the TSX and *Regulation 61-101 respecting Protection of Minority Security Holders in Special Transactions*, which were obtained on May 13, 2026.

13.2 LOSS (EARNINGS) PER SHARE

The calculation of the basic and diluted loss (earnings) per share is based on the loss (earnings) attributable to ordinary shareholders and to the weighted average number of shares outstanding, including shares to be issued for payment of interest on the convertible notes. The calculation of the diluted loss (earnings) per share considers the effects of all dilutive potential ordinary shares.

	For the three-month periods ended		For the nine-month period ended	
	September 30, 2026	September 30, 2025	September 30, 2026	September 30, 2025
Net loss (income) and comprehensive loss (income)	(7,761)	76,709	(12,722)	110,165
Basic weighted average number of shares outstanding	331,585,738	153,897,325	247,542,415	153,648,240
Dilutive effect of share options and equity settled awards	56,670	—	263,795	—
Dilutive weighted average number of shares outstanding	331,642,408	153,897,325	247,806,210	153,648,240
Basic loss (earnings) per share	**(0.02)**	**0.50**	**(0.05)**	**0.72**
Diluted loss (earnings) per share	**(0.02)**	**0.50**	**(0.05)**	**0.72**

13.3 SHARE-BASED PAYMENTS

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

A summary of the share-based payments expense is detailed as follows:

	For the nine-month period ended September 30, 2026	For the nine-month period ended September 30, 2025
Stock option	1,757	4,394
RSU	669	—
PSU	1,366	—
DSU	374	—
	4,166	**4,394**

During the three and nine-month periods ended September 30, 2026, the Company capitalized $187 and $281, respectively, of share-based payment expenses in property, plant and equipment, under the category mine under construction ($99 and $435 for the three and nine-month periods ended September 30, 2025).

Stock options

The Company's stock options are as follows:

	For the nine-month period ended September 30, 2026		For the year ended December 31, 2025	
	Number of Stock Options	Weighted average exercise price $	Number of Stock Options	Weighted average exercise price $
Opening balance	7,690,750	4.59	7,994,500	4.90
Granted	1,455,439	2.68	2,052,500	2.18
Exercised	(102,500)	2.26	(510,000)	1.98
Expired	(974,250)	9.55	(1,574,000)	4.26
Forfeited	(218,701)	2.24	(272,250)	2.47
Ending balance	**7,850,738**	**3.71**	**7,690,750**	**4.59**
Options that can be exercised	5,006,500	4.33	3,845,750	6.53

The Company's stock options include grants made to key employees in 2024 that vest upon the achievement of the Bécancour FID, subject to certain conditions.

Restricted share units

The Company's RSU are as follows:

	For the nine-month period ended September 30, 2026		For the year ended December 31, 2025	
	Number of RSUs	Weighted average share price $	Number of RSUs	Weighted average share price $
Opening balance	197,342	3.42	—	—
Granted	678,949	2.63	197,342	3.42
Forfeited	(19,428)	2.97	—	—
Ending balance	**856,863**	**2.80**	**197,342**	**3.42**
Vested - end of the period	—	—	—	—

They RSU vest annually in three equal tranches from the date of grant.

Performance share units

The Company assesses each reporting period if performance criteria on share-based units will be achieved in measuring the share-based payments. The actual share-based payment and the period over which the expense is being recognized may vary from the estimate.

The Company's PSU are as follows:

	For the nine-month period ended September 30, 2026		For the year ended December 31, 2025	
	Number of PSUs	Weighted average share price $	Number of PSUs	Weighted average share price $
Opening balance	394,658	3.42	—	—
Granted	3,859,411	1.95	394,658	3.42
Forfeited	(8,333)	3.42	—	—
Released through the issuance of ordinary shares	(8,333)	3.42	—	—
Ending balance	**4,237,403**	**2.08**	**394,658**	**3.42**
Vested - end of the period	188,996	3.42	—	—

The ending balance of PSUs comprises 377,992 PSUs linked to FID milestones and 3,859,411 PSUs granted in 2026 subject to project performance criteria. Of the 377,992 PSUs linked to FID milestones, 188,996 vested upon achievement of the Matawinie Mine FID, while the remaining 188,996 will vest upon achievement of the Bécancour FID.

The 3,859,411 PSUs granted in the third quarter of 2026 are presented assuming 100% achievement of the applicable performance criteria. Upon settlement, the actual number of ordinary shares issuable may range from 0% to 200% of the number of PSUs granted, depending on the achievement

of predetermined performance criteria related to the project schedule, including construction and commissioning, and total project costs. Accordingly, maximum performance would result in the issuance of up to 7,718,822 ordinary shares for these PSUs—3,859,411 more than at the 100% achievement level.

Deferred share units

The Company's DSU are as follows:

	For the nine-month period ended September 30, 2026		For the year ended December 31, 2025	
	Number of DSUs	Weighted average share price $	Number of DSUs	Weighted average share price $
Opening balance	—	—	—	—
Granted	169,053	2.21	—	—
Ending balance	**169,053**	**2.21**	**—**	**—**
Vested - end of the period	169,053	2.21	—	—

DSUs are granted on a quarterly basis and vest immediately upon grant.

14. MINING PROJECTS EXPENSES

	For the three-month periods ended		For the nine-month periods ended	
	September 30, 2026 $	September 30, 2025 $	September 30, 2026 $	September 30, 2025 $
Wages and benefits	866	1,120	3,493	3,126
Share-based compensation	205	167	790	729
Engineering	16	—	159	—
Consulting fees	20	31	62	81
Materials, consumables, and supplies	83	166	399	504
Maintenance and subcontracting	163	319	894	532
Geology and drilling	—	15	—	15
Utilities	96	67	273	252
Depreciation and amortization	114	81	349	201
Other	30	78	67	218
Uatnan Mining Project - Exploration and evaluation expenses	4	4	13	19
Grants	—	37	—	(5)
Tax credits	(134)	(90)	(1,048)	(303)
Mining projects expenses	**1,463**	**1,995**	**5,451**	**5,369**

15. BATTERY MATERIAL PLANT PROJECT EXPENSES

	For the three-month periods ended		For the nine-month periods ended	
	September 30, 2026	September 30, 2025	September 30, 2026	September 30, 2025
	$	$	$	$
Wages and benefits	862	887	2,733	3,438
Share-based compensation	133	122	334	456
Engineering	2,026	1,446	8,427	10,418
Consulting fees	295	44	624	500
Materials, consumables, and supplies	61	160	216	821
Maintenance and subcontracting	226	403	487	1,275
Utilities	10	27	25	165
Depreciation and amortization	201	1,057	585	5,403
Other	106	63	312	248
Grants	(25)	(50)	(95)	(455)
Tax credits	(137)	(224)	(2,162)	(154)
Battery Material Plant project expenses	**3,758**	**3,935**	**11,486**	**22,115**

16. GENERAL AND ADMINISTRATIVE EXPENSES

	For the three-month periods ended		For the nine-month periods ended	
	September 30, 2026	September 30, 2025	September 30, 2026	September 30, 2025
	$	$	$	$
Wages and benefits	2,523	2,349	7,509	6,630
Share-based compensation	934	675	2,761	2,774
Professional fees	524	1,334	4,179	3,044
Consulting fees	551	671	1,939	2,506
Travelling, representation and convention	236	175	718	736
Office and administration	1,175	1,680	4,277	4,265
Stock exchange, authorities, and communication	93	164	312	598
Depreciation and amortization	38	37	114	108
Other financial fees	193	3	200	68
General and administrative expenses	**6,267**	**7,088**	**22,009**	**20,729**

17. NET FINANCIAL COSTS (INCOME)

	For the three-month periods ended		For the nine-month periods ended	
	September 30, 2026	September 30, 2025	September 30, 2026	September 30, 2025
	$	$	$	$
Foreign exchange loss (gain)	141	589	(1,569)	(412)
Interest income	(3,530)	(814)	(6,380)	(2,536)
Interest expense on lease liabilities	1	2	3	7
Change in fair value - Listed shares	—	(125)	150	(100)
Change in fair value - Embedded derivative and deferred amount amortization	(2)	—	(21,509)	—
Change in fair value - Derivative warrant liability	(16,261)	63,550	(31,203)	63,591
Interest and accretion on borrowings, notes and subscription receipts	302	389	8,540	1,102
Net financial costs (income)	**(19,349)**	**63,591**	**(51,968)**	**61,652**

18. ADDITIONAL CASH FLOW INFORMATION

		For the nine-month periods ended	
		September 30, 2026	September 30, 2025
		$	$
Grants receivable and other current assets		(639)	424
Deferred grants		—	(261)
Mining tax credits		(3,246)	2,012
Sales taxes receivable		(5,853)	433
Prepaid expenses		(213)	(221)
Restricted cash and deposits		—	2,680
Accounts payable and other	10	2,246	(306)
Total net change in working capital		**(7,705)**	**4,761**
Other Cash Flow Information			
Tax credits received		40	2,479
Interest paid		28	38
Deferred financing costs included in accounts payable and accrued liabilities		3,577	—

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

	For the nine-month periods ended	
	September 30, 2026	September 30, 2025
	$	$
Additions of property, plant and equipment as per note 9	**61,175**	**12,087**
Non-cash decrease (increase) of the asset rehabilitation obligation	(511)	(38)
Borrowing costs included in Mine under construction	(1,146)	(1,683)
Share-based compensation capitalized (non-cash)	(281)	(435)
Capitalized depreciation	(38)	—
Grants recognized	46	1,253
Grants received	(206)	(929)
Tax credits recognized	10,155	—
Accounts payable variation related to property, plant and equipment	(28,522)	966
Net cash flow used in investing activities - purchase of property, plant and equipment	**40,672**	**11,221**

19. RELATED PARTY TRANSACTIONS

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

	For the three-month periods ended		For the nine-month periods ended	
	September 30, 2026	September 30, 2025	September 30, 2026	September 30, 2025
	$	$	$	$
Key management compensation				
Wages and short-term benefits	894	551	2,597	1,441
Share-based payments	868	545	2,761	2,468
Board fees	227	203	638	673

20. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

Fair Value

Current financial assets and financial liabilities are valued at their carrying amounts, which are reasonable estimates of their fair value due to their relatively short-maturities; this includes cash and cash equivalents, short-term investments, other receivables and accounts payable and accrued liabilities. Borrowings and the convertible debt host are accounted for at amortized cost using the effective interest method, and their fair value approximates their carrying value except for the convertible debt host for which fair value is estimated at $17,656 (US$12,444) as at September 30, 2026 ($17,908 (US$12,446) as at December 31, 2025).

Fair Value Hierarchy

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

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

			As at September 30, 2026	
	Level 1	Level 2	Level 3	Total
Financial Assets at FVTPL				
Non-current investments (Equity investment in publicly listed entities)	300	—	—	300
Financial liabilities at FVTPL				
Convertible notes - Embedded derivatives (note 11)	—	—	—	—
Warrants (note 12)	—	—	33,788	33,788

			As at December 31, 2025	
	Level 1	Level 2	Level 3	Total
Financial Assets at FVTPL				
Non-current investments (Equity investment in publicly listed entities)	450	—	—	450
Financial liabilities at FVTPL				
Convertible notes - Embedded derivatives (note 11)	—	—	352	352
Warrants (note 12)	—	—	62,957	62,957

There were no transfers between Level 1, Level 2 and Level 3 during the three and nine-month periods ended September 30, 2026 (none in 2025).

Liquidity Risk

Liquidity risk (note 1) is the risk that the Company encounters difficulty in meeting its obligations associated with financial liabilities that are settled by delivering cash or another financial asset.

As at September 30, 2026, all of the Company's short-term liabilities totalled $96,805 ($91,406 in 2025). These liabilities have contractual maturities of less than one year and are subject to normal trade terms, except for the Derivative warrants liability (Note 12), which are recorded in short-term liabilities due to their conversion features. The derivative warrant liability entails no liquidity risk. The Company regularly evaluates its cash position to ensure preservation and security of capital as well as maintenance of liquidity.

				As at September 30, 2026		
	Carrying amount	Contractual cash flow	Remainder of the year	Year 2027	Year 2028	2029 and Onward
Accounts payable and other	44,328	44,328	44,328	—	—	—
Lease liabilities	1,917	2,136	175	587	425	949
Borrowings	567	600	75	300	225	—
Convertible Notes – Host[i]	17,660	17,736	17,736	—	—	—

[i] The Convertible Notes are translated at the spot rate as of September 30, 2026.

Financial Instruments Measured at FVTPL

Non-Current investments

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

21. COMMITMENTS

The Company's contractual capital commitments related to the acquisition of equipment for the Matawinie Mine Project as at September 30, 2026 are as follows:

	Total
Equipment commitments – Matawinie Mine Project	43,224
Balance as at September 30, 2026	43,224

The timing of these capital payments is expected to occur between 2026 and 2028. The Company may cancel certain commitments included above with little or no financial impact.

22. SUBSEQUENT EVENTS

On October 30, 2026, the Company amended IQ's convertible note (Note 11), primarily by extending the maturity date by one year, from November 8, 2026 to November 8, 2027. As part of the amendment, interest payable on the convertible note from October 1, 2026 through the maturity date will be settled in cash.