Northern Graphite Corporation

Condensed Interim Consolidated Financial Statements

For the Three and Six Month Periods Ended June 30, 2026 and 2025

(Unaudited and expressed in thousands of Canadian dollars except for number of shares and per share amounts)

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

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

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

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

NORTHERN GRAPHITE CORPORATION

CONDENSED INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

As at June 30, 2026 and December 31, 2025

(Unaudited - Stated in thousands of Canadian dollars)

	Notes		June 30, 2026		December 31, 2025
ASSETS					
Current assets					
Cash and cash equivalents		$	239	$	2,539
Receivables	4		5,260		682
Prepaids			545		1,213
Deposits			719		472
Inventories	5		1,239		1,298
Total current assets			8,002		6,204
Non-current assets					
Exploration and evaluation assets	6		17,745		17,725
Property, plant and equipment	7		26,098		25,631
Mineral interests	8		14,147		14,090
Other assets	9		5,288		3,869
Restricted cash and reclamation deposits	3, 27		2,007		1,987
Goodwill			2,713		2,713
Total Assets		$	76,000	$	72,219
LIABILITIES					
Current liabilities					
Accounts payable and accrued liabilities	10, 26	$	12,933	$	11,330
Flow through shares liability	17		661		197
Senior secured loan	11		31,790		28,498
Royalty	12		18,910		17,680
Current portion of other long-term debt	14		161		-
Current portion of leases	16		162		150
Total current liabilities			64,617		57,855
Non-current liabilities					
Deferred revenue	13		46,774		42,521
Leases	16		733		788
Other long-term debt	14		678		563
Repayable government contribution	15		1,793		411
Reclamation provisions	27		7,167		7,150
Deferred tax liability			1,958		877
Total Liabilities			123,720		110,165
SHAREHOLDERS' DEFICIENCY					
Share capital	17		72,827		71,298
Contributed surplus	17		6,575		5,638
Foreign currency translation			329		(377)
Accumulated deficit			(127,451)		(114,505)
Total Shareholders' Deficiency			(47,720)		(37,946)
Total Liabilities and Shareholders' Deficiency		$	76,000	$	72,219

Going concern (note 1)

Subsequent events (notes 7, 11, 12, 17, 20, 27 and 29)

APPROVED ON BEHALF OF THE BOARD ON August 31, 2026

(Signed) Gregory Bowes, Director

(Signed) Cam Birge, Director

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

NORTHERN GRAPHITE CORPORATION

CONDENSED INTERIM CONSOLIDATED STATEMENTS OF LOSS AND COMPREHENSIVE LOSS

Three and Six Months Ended June 30, 2026 and 2025

(Unaudited - Stated in thousands of Canadian dollars, except for number of shares and per share amounts)

		Three months ended June 30		Six months ended June 30	
	Notes	**2026**	2025	**2026**	2025
Revenue		**$ -**	$ 7,006	**$ -**	$ 11,047
Cost of Sales					
Production costs	7, 18	-	6,297	-	9,146
Depletion and depreciation	7	-	2,351	-	3,243
Total cost of sales		-	8,648	-	12,389
Loss from mine operations		-	(1,642)	-	(1,342)
Other revenue	20	**8,906**	2,511	**9,494**	3,171
Expenses					
General and administrative	19	**2,738**	1,827	**5,264**	4,331
Share-based compensation	17, 25	**322**	52	**868**	101
License expenses		**26**	-	**53**	-
Foreign exchange loss (gain)		**(936)**	313	**(750)**	(85)
Total expenses		**2,150**	2,192	**5,435**	4,347
Operating profit (loss)		**6,756**	(1,323)	**4,059**	(2,518)
Finance expense	21	**1,879**	2,832	**5,537**	6,067
Care and maintenance expense	7	**1,891**	567	**3,993**	1,343
Foreign exchange (gain) loss on financing instruments	11, 12, 13	**1,939**	(4,263)	**3,511**	(4,329)
Okorusu moving costs	7	**2,069**	-	**2,069**	-
Impairment expense	5	**-**	771	**-**	967
Interest income		**(21)**	(10)	**(35)**	(27)
Other income		**(59)**	-	**(228)**	-
Loss before taxes		**(942)**	(1,220)	**(10,788)**	(6,539)
Current tax expense		**1,248**	355	**1,084**	408
Deferred tax expense (recovery)		**808**	(580)	**1,074**	(603)
Net loss		**(2,998)**	(995)	**(12,946)**	(6,344)
Other comprehensive income (loss)					
Foreign currency translation gain (loss)		**872**	(287)	**706**	199
Total comprehensive loss		**(2,126)**	(1,282)	**(12,240)**	(6,145)
Loss per share – basic and diluted		**(0.02)**	(0.01)	**(0.08)**	(0.05)
Weighted average shares outstanding - basic and diluted		**166,008,311**	133,887,458	**163,161,734**	132,800,798

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

NORTHERN GRAPHITE CORPORATION

CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS

Three and Six Months Ended June 30, 2026 and 2025

(Unaudited - Stated in thousands of Canadian dollars)

		Three months ended June 30		Six months ended June 30	
	Notes	**2026**	2025	**2026**	2025
Operating activities					
Net loss		**$ (2,998)**	$ (995)	**$ (12,946)**	$ (6,344)
Items not affecting cash					
Depletion and depreciation		**81**	2,392	**152**	3,335
Income taxes		**2,056**	(224)	**2,158**	(194)
Share based payments	17, 25	**367**	81	**940**	159
Interest expense and accretion	21	**4,354**	3,640	**8,419**	7,215
Accretion of asset retirement obligation	21, 27	**17**	11	**35**	23
Impairment expense	5	**-**	771	**-**	967
Foreign exchange (gain) loss		**1,003**	(3,817)	**2,761**	(4,351)
Gain on modification of senior debt and royalty	21	**(2,575)**	(728)	**(3,065)**	(1,135)
Gain on derecognition of leases		**-**	(111)	**-**	(111)
Changes in non-cash working capital items					
Receivables, prepaids and deposits		**(5,139)**	(1,106)	**(5,421)**	(662)
Inventories		**20**	2,335	**59**	1,553
Accounts payable and accrued liabilities		**2,896**	227	**1,338**	1,726
Net cash provided by (used in) operating activities		**82**	2,476	**(5,570)**	2,181
Investing activities					
Restricted cash and deposits	3	**(10)**	(10)	**(20)**	(26)
Exploration and evaluation costs		**(6)**	(691)	**(20)**	(807)
Additions to property, plant, equipment, mineral property and intangibles		**(1,460)**	(72)	**(2,057)**	(65)
Net cash used in investing activities		**(1,476)**	(773)	**(2,097)**	(898)
Financing activities					
Proceeds from private placements	17	**-**	-	**2,000**	500
Proceeds from bank loan		**-**	114	**-**	114
Proceeds from repayable government contribution	15	**662**	-	**3,532**	-
Repayment of long-term debt	14	**(39)**	-	**(52)**	-
Share issuance costs	17	**-**	-	**(10)**	-
Lease payments	16	**(50)**	(57)	**(90)**	(171)
Net cash provided by financing activities		**573**	57	**5,380**	443
Effect of exchange rate changes on cash		**(1)**	40	**(13)**	24
Net decrease in cash and cash equivalents		**(821)**	1,760	**(2,287)**	1,726
Cash and cash equivalents, beginning		**1,061**	323	**2,539**	373
Cash and cash equivalents, ending		**$ 239**	$ 2,123	**$ 239**	$ 2,123

Supplemental Cash Flow Information – Note 23

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

NORTHERN GRAPHITE CORPORATION

CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' DEFICIENCY

Six Months Ended June 30, 2026 and 2025

(Unaudited - Stated in thousands of Canadian dollars, except for number of shares)

	Number of shares	Share Capital	Warrants	Contributed Surplus	Foreign Currency Translation	Accumulated Deficit	Total
Balances at December 31, 2025	**158,329,339**	**$ 71,298**	**$ -**	**$ 5,638**	**$ (377)**	**$ (114,505)**	**$ (37,946)**
Exercise of RSU	**37,500**	**3**	**-**	**(3)**	**-**	**-**	**-**
Share based payments (notes 17)	**-**	**-**	**-**	**940**	**-**	**-**	**940**
Flow-through share issuance (note 17)	**7,646,829**	**1,656**	**-**	**-**	**-**	**-**	**1,656**
Share issuance costs (note 17)	**-**	**(130)**	**-**	**-**	**-**	**-**	**(130)**
Foreign currency translation	**-**	**-**	**-**	**-**	**706**	**-**	**706**
Loss for the period	**-**	**-**	**-**	**-**	**-**	**(12,946)**	**(12,946)**
Balances at June 30, 2026	**166,013,668**	**$ 72,827**	**$ -**	**$ 6,575**	**$ 329**	**$ (127,451)**	**$ (47,720)**
Balances at December 31, 2024	131,098,214	$ 67,896	$ 223	$ 5,287	$ (1,612)	$ (93,196)	$ (21,402)
Exercise of RSU (note 17)	522,500	239	-	(239)	-	-	-
Share based payments (notes 17)	-	-	-	159	-	-	159
Flow-through share issuance (note 17)	2,631,579	276	-	-	-	-	276
Foreign currency translation	-	-	-	-	199	-	199
Loss for the period	-	-	-	-	-	(6,344)	(6,344)
Balances at June 30, 2025	134,252,293	$ 68,411	$ 223	$ 5,207	$ (1,413)	$ (99,540)	$ (27,112)

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

1. NATURE OF OPERATIONS AND GOING CONCERN

Northern Graphite Corporation ("Northern" or the "Company") is a mineral resource exploration, development and production company engaged in the acquisition, exploration, development and production of graphite and other mineral properties. The Company was incorporated under the laws of the Province of Ontario on February 25, 2002. On April 29, 2022, the Company acquired the producing Lac-des-Îles graphite mine in Quebec ("LDI") and the Okanjande graphite deposit and Okorusu processing plant in Namibia (together "Okanjande"). In addition, Northern holds a 100% interest in the Mousseau graphite project in Quebec ("Mousseau") and the Bissett Creek graphite project in Ontario ("Bissett Creek"). The Company is listed on the TSX Venture Exchange (symbol "NGC") and the OTCQB Market (symbol "NGPHF").

The Company's registered office is located at 1000 Innovation Drive, Suite 500, Ottawa, Ontario, K2K 3E7.

These condensed interim consolidated financial statements have been prepared on a going concern basis, which assumes that the Company will continue its operations for a reasonable period of time. The Company has incurred losses since its inception and had an accumulated deficit of $127,451 as at June 30, 2026 which has been primarily funded by the issuance of shares, a senior secured loan (Note 11), royalty financing (Note 12), a deferred revenue agreement (Note 13), long-term debt (Note 14), repayable government contribution (Note 15) and sales of graphite concentrate. As at June 30, 2026, the Company had a negative working capital balance of $56,615. The Company's ability to continue as a going concern depends upon its ability to raise adequate financing and to generate profitable operations in the future. The Company has been successful in the past in raising funds for operations by issuing shares and entering into financing arrangements, but there is no assurance that it will be able to continue to do so in the future. There is a material uncertainty related to these conditions that casts significant doubt about the Company's ability to continue as a going concern and therefore it may be unable to realize its assets and discharge its liabilities in the normal course of business.

These condensed interim consolidated financial statements do not give effect to any adjustments which would be necessary should the Company be unable to continue as a going concern and therefore be required to realize its assets and discharge its liabilities in other than the normal course of business and at amounts different from those reflected in these condensed interim consolidated financial statements. Any such adjustments could be material.

2. BASIS OF PRESENTATION

Statement of Compliance
These condensed interim consolidated financial statements for the three and six months ended June 30, 2026 and 2025 (the "Interim Financial Statements") have been prepared in accordance with International Accounting Standard 34, Interim Financial Reporting ("IAS 34"). These Interim Financial Statements do not include all the information and disclosures required in annual consolidated financial statements and should be read in conjunction with the Company's audited annual consolidated financial statements for the years ended December 31, 2025 and 2024, which have been prepared in accordance with IFRS® Accounting Standards as issued by the International Accounting Standards Board.

These Interim Financial Statements were approved and authorized for issue by the Board of Directors on August 31, 2026.

Basis of consolidation
Subsidiaries are entities over which the Company has control. Subsidiaries are fully consolidated from the date on which control is transferred to the Company until the date on which control ceases. These Interim Financial Statements include the accounts of the wholly-owned subsidiaries as shown below. All inter-company balances, and gains and losses on intercompany transactions, have been eliminated for consolidation purposes.

Basis of measurement
These Interim Financial Statements have been prepared on a historical cost basis except those accounts as noted in the financial instruments section (Note 24). In addition, the Interim Financial Statements have been prepared using the accrual basis of accounting.

(Unaudited - Stated in thousands of Canadian dollars)

Functional and presentation currency

These Interim Financial Statements are presented in Canadian dollars, which is the functional currency of the Company. The Company's material wholly-owned subsidiaries and their functional currencies are as follows:

Name of Subsidiary	Location	Percentage Ownership	Functional Currency
Graphite Nordique Inc.	Canada	100%	CAD
Northern Graphite Processing (Namibia) (Pty) Ltd.	Namibia	100%	NAD
Northern Graphite Holdings (Namibia) (Pty) Ltd.	Namibia	100%	NAD
Northern Graphite Okanjande Mining (Pty) Ltd.	Namibia	100%	NAD
NGC Battery Materials GmbH ("NGCBM")	Germany	100%	EUR

Comparative information

The Company reclassified the revenues generated from NGCBM to "other revenue" line of the condensed interim consolidated statement of loss and comprehensive loss. In the prior year, NGCBM revenue was reported in line "other income". The reclassification aims to present total revenue from NGCBM on single revenue line due to the increasing volume and significance of activities in the battery materials segment and its distinctive nature compared to revenues from mining activities.

Recent and future accounting standards

IFRS 18 - Presentation and Disclosures in Financial Statements

On April 9, 2024, the IASB issued IFRS 18 Presentation and Disclosures in Financial Statements. The objective of the new standard is to set out requirements for the presentation and disclosure of information in general purpose financial statements to help ensure they provide relevant information that faithfully represents an entity's assets, liabilities, equity, income and expenses. The new standard is effective for reporting periods beginning on or after January 1, 2027. Management is currently assessing the impact of the new standard on the Company's interim and annual financial statements.

Amendments to IFRS 9 and IFRS 7

On May 30, 2024, the IASB issued amendments to the classification and measurement of financial instruments to address matters identified during the post-implementation review of the classification and measurement requirements of IFRS 9. The IASB clarified the recognition and derecognition date of certain financial assets and liabilities, and amended the requirements related to settling financial liabilities using an electronic payment system. It also clarified how to assess the contractual cash flow characteristics of financial assets in determining whether they meet the solely payments of principal and interest criterion, including financial assets that have environmental, social and corporate governance-linked features and other similar contingent features. The IASB added disclosure requirements for financial instruments with contingent features that do not relate directly to basic lending risks and costs and amended disclosures relating to equity instruments designated at fair value through comprehensive income. The amendments are effective for reporting periods beginning on or after January 1, 2026. The amendments did not have an impact on the Company's Interim Financial Statements and the comparative period.

3. RESTRICTED CASH AND RECLAMATION DEPOSIT

Cash which the Company does not have immediate access to and is held in escrow accounts, on deposit with governmental agencies for reclamation obligations or as security for surety bonds has been presented as restricted cash and reclamation deposits. Restricted cash which the Company expects to receive, and have access to, within a year has been presented within current assets.

As at June 30, 2026, restricted cash consisted of $2,007 (December 31, 2025 - $1,987) deposited as collateral for an irrevocable letter of credit issued to secure a surety bond that guarantees reclamation obligations relating to LDI and Bissett Creek.

(Unaudited - Stated in thousands of Canadian dollars)

4. RECEIVABLES

	June 30, 2026	December 31, 2025
Trade receivables (note 20)	**$ 4,699**	$ 91
Value added tax	**553**	569
Other	**8**	22
	$ 5,260	$ 682

The Company's expected credit loss as at June 30, 2026, is a nominal amount (December 31, 2025 – nominal amount).

5. INVENTORIES

	June 30, 2026	December 31, 2025
Materials and supplies	**$ 1,050**	$ 1,109
Graphite ore stockpiles	**185**	185
Finished goods	**4**	4
Total inventory	**$ 1,239**	$ 1,298

The amount of inventories recognized as an expense during the three and six months ended June 30, 2026, was nil (June 30, 2025 – $8,249 and $11,791).

During the first quarter of 2026, no net realizable value impairment was recorded on its stockpile inventory (March 31, 2025 – $196).

During the second quarter of 2026, no net realizable value impairment was recorded on its stockpile inventory (June 30, 2025 - $198) and on its finished goods inventory (June 30, 2025 - $573). Total inventory net realizable value impairments recorded for the three and six months ended June 30, 2026 were nil (June 30, 2025 $771 and $967).

6. EXPLORATION AND EVALUATION ASSETS

	Bissett Creek	Mousseau	LDI	Total
Balance, December 31, 2025	**$ 12,867**	**$ 1,240**	**$ 3,618**	**$ 17,725**
Site costs and royalties	**19**	**1**	**-**	**20**
Balance, June 30, 2026	**$ 12,886**	**$ 1,241**	**$ 3,618**	**$ 17,745**

	Bissett Creek	Mousseau	LDI	Total
Balance, December 31, 2024	$ 12,836	$ 1,240	$ 3,558	$ 17,634
Engineering and metallurgical	-	-	48	48
Geological and geophysical	-	-	12	12
Site costs and royalties	31	-	-	31
Balance, December 31, 2025	$ 12,867	$ 1,240	$ 3,618	$ 17,725

Bissett Creek, Ontario, Canada

The Company has a 100% interest in Bissett Creek which consists of a 1,938 hectare mining lease, expiring in June 2034, a 565-hectare mining lease, expiring in August 2035, and 52 cells under Ontario's claim system totaling approximately 1,159 hectares. All leases and cells are located in the United Townships of Head, Clara and Maria, in the County of Renfrew, Ontario.

The Company is required to make royalty payments of $0.02 per ton of graphite concentrate produced to the previous owners and is subject to a 2.5% net smelter return payable on any other minerals derived and sold from Bissett Creek. An advance royalty of $27 per annum is payable in semi-annual installments and is recorded in exploration and evaluation assets ($13 paid in the six months ended June 30, 2026). The advance will be credited against any future royalty payments.

During 2020, the Company closed the sale of a 1.0% gross revenue royalty ("GRR") on Bissett Creek to Electric Royalties Ltd. ("ERL") for $500 in cash and 2,000,000 shares of ERL. The Company has the option to buy back half of one percent of the initial GRR by paying $1,500 in cash.

During the third quarter of 2023, Northern sold an additional 0.5% GRR to ERL for $950 in cash. In connection with this sale, the Company will make a separate fixed royalty payment to ERL in the total amount of $200, payable in equal quarterly payments of $25 for two years. The net present value of the remaining payments at June 30, 2026 is $50.

On May 27, 2024, the Company sold its 2,000,000 shares of ERL for $400 in cash.

Mousseau, Quebec, Canada
During October 2022, the Company acquired the Mousseau West property for $500 in cash and the issuance of 900,000 common shares of the Company. The Company has the right to acquire a 2% NSR retained by the owners at any time upon the payment of $1,000.

On March 14, 2023, the Mousseau East property consisting of 101.64 hectares was granted to the Company by the Québec Ministère des Ressources naturelles et des Forêts (the "Minister") through an automatic procedure under the *Mining Act* (Québec) due to the lapse of certain adjoining claims previously held by an arm's length third party. In connection with the increase in the area covered by the Company's claims, the Company paid $50 and issued 100,000 common shares of the Company to the previous holder of the adjoining claims in order to settle litigation proceedings challenging the Minister's increase in the area of the Company's claims. The Mousseau West and East properties are now collectively referred to as "Mousseau" and comprise 590.5 hectares.

Lac-des-Îles
During the year ended December 31, 2023, the Company carried out a drill program designed to explore previously untested areas of the property with the objective of extending the life of the mine. The program consisted of 8,000 meters of drilling and was financed through the proceeds of a $2,250 charity flow-through private placement.

During the fourth quarter of 2024 the Company carried out an additional drilling program to continue exploring untested areas of the property with the objective of further expanding resources. As with the 2023 drill program, this was financed by the 2023 charity flow-through share financing.

During the year ended December 31, 2024, the Company announced it received a grant of $60 from Québec's Ministère des Ressources Naturelles et des Forêts (MRNF) to pay 50 percent of eligible expenses for geo-metallurgical and geo-environmental drilling to be carried out this year. The grant is subject to a number of conditions and will be recognized when the underlying conditions have been met.

(Unaudited - Stated in thousands of Canadian dollars)

7. PROPERTY, PLANT AND EQUIPMENT

Cost	Okanjande	LDI	Other	Total
Balance, December 31, 2025	**$ 21,643**	**$ 9,595**	**$ 1,544**	**$ 32,782**
Additions	**9**	**1,014**	**-**	**1,023**
Change in reclamation asset	**-**	**(18)**	**-**	**(18)**
Disposals	**-**	**(27)**	**-**	**(27)**
Government grant	**-**	**(1,460)**	**-**	**(1,460)**
Foreign currency translation	**1,038**	**-**	**7**	**1,045**
Balance, June 30, 2026	**$ 22,690**	**$ 9,104**	**$ 1,551**	**$ 33,345**
Accumulated depletion and Depreciation				
Balance, December 31, 2025	**(162)**	**(5,605)**	**(1,384)**	**(7,151)**
Depletion and depreciation	**(31)**	**(70)**	**(17)**	**(118)**
Disposals	**-**	**22**	**-**	**22**
Balance, June 30, 2026	**(193)**	**(5,653)**	**(1,401)**	**(7,247)**
Net book value	**$ 22,497**	**$ 3,451**	**$ 150**	**$ 26,098**

Cost	Okanjande	LDI	Other	Total
Balance, December 31, 2024	$ 20,067	$ 8,825	$ 1,475	$ 30,367
Additions	1	888	70	959
Change in reclamation asset	-	325	-	325
Disposals	(110)	-	(10)	(120)
Government grant	-	(443)	-	(443)
Foreign currency translation	1,685	-	9	1,694
Balance, December 31, 2025	$ 21,643	$ 9,595	$ 1,544	$ 32,782
Accumulated depletion and Depreciation				
Balance, December 31, 2024	(115)	(4,126)	(1,350)	(5,591)
Depletion and depreciation	(68)	(1,479)	(34)	(1,581)
Disposals	21	-	-	21
Balance, December 31, 2025	(162)	(5,605)	(1,384)	(7,151)
Net book value	$ 21,481	$ 3,990	$ 160	$ 25,631

During the third quarter of 2025, the Canadian government agreed to provide a repayable and interest-free contribution of up to $6,225 to support extending the life of LDI (Note 15). Contributions are received as the eligible costs are incurred by the Company. The interest-free repayable contributions received to date were discounted and the benefit of the loan at a below-market rate of interest is treated as a government grant and is deducted from the carrying value of the asset. The government grant amount attributed to the LDI plant was $1,636 and $268 to equipment.

As at June 30, 2026 the amount of depletion and depreciation from property, plant and equipment and mineral interests included in inventory was $113 (December 31, 2025 – $113). For the three and six months ended June 30, 2026 the amount of depreciation included in general and administrative expenses was $10 and $19 (June 30, 2025 - $29 and $55) respectively. As at June 30, 2026, the amount of construction in process included in Okanjande property, plant and equipment was $9,537 (December 31, 2025 - $9,119).

As at June 30, 2026, LDI property, plant, and equipment cost includes $1,667 (December 31, 2025 - $1,667) for right of use assets with a net book value of $257 (December 31, 2025 - $327). The right of use assets consists of $257 for a land use and building lease (December 31, 2025 - $327). As at June 30, 2026, Okanjande property, plant, and equipment cost includes $568 (December 31, 2025 - $548) for right of use assets with a net book value of $419 (December 31, 2025 - $424). The right of use assets consists of $384 for land use (December 31, 2025 - $390) and $35 for access to water resources (December 31, 2025 - $34).

During the fourth quarter of 2024 the Company placed the LDI plant and mine under a temporary shutdown for maintenance and repairs and resumed mining and milling operations in mid-January 2025. In April 2025 the Company placed the plant under a temporary shutdown for two weeks to perform maintenance and build ore stockpiles. During the third quarter of 2025, the Company again placed the plant under temporary shutdown for two weeks for maintenance and repairs and resumed production during the second week of September. In November 2025, the LDI mine and mill were temporarily placed into care and maintenance in order to address an unexpected equipment issue, to accelerate critical maintenance and development work ahead of the Company's 2026 pit expansion and to allow Northern the time to request a minor amendment to its existing Certificate of Authorization to mine the remaining ore in the old pit.

On July 9, 2026, the Company received authorization from the *Ministère de l'Environnement, de la Lutte contre les changements climatiques, de la Faune et des Parcs* ("MELCCFP") to restart mining activities associated with the expansion of the existing pit. Despite the authorization being received, the timing of the restart has been affected by issues relating to the Company's mining lease (Note 27), financial constraints and current market conditions. On August 10, 2026, the Company received a notice from the Ministère des Ressources naturelles et des Forêts ("MRNF") advising of the suspension of the LDI mining lease due to the failure to make the first $916 payment with respect to an increase in the Company's financial guarantee for its reclamation obligations. The Company disagrees with the MRNF's interpretation for calculating the financial guarantee and the applicable deadline for the payment under the Mining Act (Quebec) and its regulations. The Company has 30 days to contest the MRNF's decision, with a deadline of September 9, 2026. The Company intends to contest the decision within the applicable period and the suspension of the mining lease will be stayed until a final determination is made by the Quebec Court. Accordingly, the mining lease will remain in effect until a final judgment is rendered on the issue. The MRNF already holds a surety bond of $8,233, or more than 80% of the required guarantee, which the Company believes covers the first two prescribed instalments. The Company also believes it has until November 28, 2027 to pay the final portion of the guarantee in the amount of $1,830, under section 113 of the regulations under the Mining Act (Quebec). The Company therefore maintains that it is not in default.

During the second quarter of 2026, the Company completed the relocation of its processing plant equipment from the Okorusu processing plant to the Okanjande mine site. The relocation involved dismantling the processing equipment at Okorusu and transporting it approximately 85 Km to Okanjande for reassembly in a subsequent phase. The costs incurred on the relocation during the three and six months ended June 30, 2026 were $2,069 (June 30, 2025 – nil).

Costs incurred while LDI mining and/or production were temporarily halted during the three and six months ended June 30, 2026 were $1,550 and $3,352 (June 30, 2025 - $334 and $772) respectively and have been recorded in the condensed interim consolidated statements of loss and comprehensive loss as care and maintenance expense.

The Okanjande plant has been under care and maintenance since 2023. Holding costs incurred for the three and six months ended June 30, 2026 of $341 and $641 respectively (June 30, 2025 - $233 and $571) were recorded in the condensed interim consolidated statements of loss and comprehensive loss as care and maintenance expense.

As at June 30, 2026, Okanjande construction in process includes $2,256 (December 31, 2025 - $2,256) in capitalized interest (rate of 12%) arising from accretion on deferred revenue (Note 13).

(Unaudited - Stated in thousands of Canadian dollars)

8. MINERAL INTERESTS

Cost		Okanjande		LDI		Total
Balance, December 31, 2025	**$**	**10,829**	**$**	**17,288**	**$**	**28,117**
Additions		**-**		**313**		**313**
Government grant		**-**		**(780)**		**(780)**
Foreign currency translation		**524**		**-**		**524**
Balance, June 30, 2026	**$**	**11,353**	**$**	**16,821**	**$**	**28,174**
Accumulated depletion and depreciation						
Balance, December 31, 2025		**-**		**(14,027)**		**(14,027)**
Depletion and depreciation		**-**		**-**		**-**
Balance, June 30, 2026		**-**		**(14,027)**		**(14,027)**
Net book value	**$**	**11,353**	**$**	**2,794**	**$**	**14,147**

Cost		Okanjande		LDI		Total
Balance, December 31, 2024	$	9,982	$	15,809	$	25,791
Additions		-		1,815		1,815
Government grant		-		(336)		(336)
Foreign currency translation		847		-		847
Balance, December 31, 2025	$	10,829	$	17,288	$	28,117
Accumulated depletion and depreciation						
Balance, December 31, 2024		-		(10,379)		(10,379)
Depletion and depreciation		-		(3,648)		(3,648)
Balance, December 31, 2025		-		(14,027)		(14,027)
Net book value	$	10,829	$	3,261	$	14,090

During the third quarter of 2025, the Canadian government agreed to provide a repayable and interest-free contribution of up to $6,225 to support extending the life of LDI (Note 15). Contributions are received as the eligible costs are incurred by the Company. The interest-free repayable contributions received to date were discounted and the benefit of the loan at a below-market rate of interest is treated as a government grant and is deducted from the carrying value of the asset.

As at June 30, 2026, Okanjande mineral interests included $1,197 (December 31, 2025 - $1,197) in capitalized interest (rate of 12%) arising from accretion on deferred revenue (Note 13).

(Unaudited - Stated in thousands of Canadian dollars)

9. OTHER ASSETS

		June 30, 2026		December 31, 2025
Intangible assets	$	1,266	$	1,209
Intangible assets accumulated amortization		(249)		(195)
Deposits on equipment		1,160		1,113
Contract assets (note 13)		1,742		1,742
Long-term trade receivables		1,369		-
	$	5,288	$	3,869

On July 10, 2025, the Company entered into a purchase agreement with a third-party to acquire its patents, trademarks and technical and commercial know-how in relation to carbon material processing technology for synthetic carbon. As at June 30, 2026, the total cost of the intellectual property was €677 ($1,087), exclusive of VAT. The intellectual property acquired was subsequently transferred to another arm's length third party for industrial applications (Note 20). The intellectual property has a finite life and is amortized on a straight-line basis over its estimated useful life.

The Company has a long-term trade receivable from the transfer and license of the carbon material processing technology (Note 20) who will prepay US$1,000 in royalties for the year 2027 per the terms of the agreement between the parties. The long-term trade receivable is discounted to its present value using a discount rate that reflects the credit risk of the counter-party. The present value of the receivable as at June 30, 2026 is US$964 ($1,369).

10. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

The Company's accounts payable and accrued liabilities are primarily comprised of amounts outstanding for purchases relating to mining operations, exploration and evaluation activities and corporate expenses. Accounts payable and accrued liabilities are comprised of the following items:

	June 30, 2026	December 31, 2025
Trade payables	$ 7,699	$ 6,650
Trade related accruals	2,436	2,465
Customer deposits	438	973
Income tax payable	1,738	673
Payroll and related benefits	622	569
	$ 12,933	$ 11,330

11. SENIOR SECURED LOAN

On April 29, 2022 the Company completed a senior secured loan in the amount of $15,350 (US$12,000) made at a 2% discount, which matures in 48 months, bears interest at 9% plus the greater of the three month SOFR or 1% and issued the lender 4,800,000 warrants each of which were exercisable to purchase one common share of the Company at an exercise price of $1.01 with an expiry date of April 29, 2024 (these warrants expired unexercised). The loan was discounted at a market interest rate of 15.2%, with the residual proceeds allocated to the value of warrants resulting in a value of $1,858. At the Company's option, interest payable during the initial twelve months was capitalized ($1,272) and added to the principal. In addition, the Company negotiated terms with the lender to capitalize interest payments due on June 30, September 30, and December 31, 2023 and added the balances ($2,046) to the principal amount.

In the fourth quarter of 2023, the Company obtained an additional $1,359 (US$1,000) under the above secured loan facility.

(Unaudited - Stated in thousands of Canadian dollars)

The loans are secured against the assets of LDI and Okanjande. The loans are subject to standard conditions and covenants, including maintenance of positive working capital and cash balances as well as debt service and loan life coverage upon achievement of certain cash flow levels.

As at June 30, 2026, the Company had not met some of the covenants relating to the amended and restated credit agreement dated November 29, 2023, including:

- The payment of the face value of the senior secured loan, including capitalized interest, of $22,692 (US$15,969) at the maturity date of April 29, 2026;
- The payment of accrued interest of $9,261 (US$6,517) covering the period January 1, 2024 to June 30, 2026;
- Maintaining, at all times, on a consolidated basis, positive working capital, and
- Maintaining, at all times, on a consolidated basis, a minimum cash balance of US$750.

Due to a change in the anticipated timing of the senior secured loan payments the Company has recognized a gain on modification during the three and six months ended June 30, 2026 of $539 and $677 (June 30, 2025 – $16 and $188 respectively).

As of August 31, 2026, all defaults have been waived by the lender effective June 30, 2026. On April 29, 2026, the Company and the lender entered into a binding Letter Agreement ("the Debt Agreement") to restructure the senior secured loan and the Okanjande minerals streaming agreement (Note 13). Under the terms of the Debt Agreement, in return for cancelling the US$15,969 face value of the senior secured loan (including capitalized interest) as well as all of the accrued and accruing interest to the maturity date of April 29, 2026 (US$6,030, increasing to US$6,517 as of June 30, 2026), the parties will amend the streaming agreement to remove both the previously agreed step-down date limiting it to the first 350,000 tonnes of production and the option to then convert the stream to a 1% royalty. The Company will also issue 12,500,000 common shares to the lender. In addition, the Company will provide the lender with priority payment from a portion of proceeds received from any equity financings or its technology transfer and licensing agreements until such time as it has paid in full for all accrued and unpaid amounts owing on the royalty in respect of the Company's LDI mine as of April 29, 2026 in the approximate amount of US$4,400 (increasing to US$4,500 as of June 30, 2026).

Balance, December 31, 2024	$	25,087
Interest expense and accretion		5,084
Gain on modification		(397)
Foreign exchange gain		(1,276)
Balance, December 31, 2025		28,498
Current portion of senior secured loan		28,498
Non-current portion of senior secured loan	**$**	**-**

Balance, December 31, 2025	**$**	**28,498**
Interest expense and accretion		**2,836**
Gain on modification		**(677)**
Foreign exchange loss		**1,133**
Balance, June 30, 2026		**31,790**
Current portion of senior secured loan		**31,790**
Non-current portion of senior secured loan	**$**	**-**

(Unaudited - Stated in thousands of Canadian dollars)

12. ROYALTY FINANCING

On April 29, 2022, the Company sold a 9% royalty on graphite concentrate sales revenue from LDI for gross proceeds of $5,117 (US$4,000) and issued the royalty purchaser 1,200,000 warrants each of which were exercisable to purchase one common share of the Company at an exercise price of $1.01 with an expiry date of April 29, 2024 (these warrants expired unexercised). The royalty was discounted at a market interest rate of 22.5%, with the residual proceeds allocated to the value of the warrants resulting in a value of $465.

The purchaser of the royalties has also been granted a right of first refusal with respect to any proposed grant of a stream, royalty or similar transaction on Bissett Creek. The deposits are subject to standard conditions and covenants.

In the fourth quarter of 2023, the Company sold an additional 4% graphite sales revenue royalty on LDI reducing to 0.25% once the additional royalty has been paid on 45,000 tonnes of sales for gross proceeds of $2,719 (US$2,000).

As at June 30, 2026, the Company had not met one of the covenants relating to the amended and restated royalty agreement dated November 29, 2023, consisting of the payment of certain royalty amounts due during the years ended December 31, 2024 and 2025 and the six months ended June 30, 2026 for a total of $6,370 (US$4,483). No additional royalties were due with respect to the second quarter of 2026.

As of August 31, 2026, all defaults have been waived by the lender effective June 30, 2026. On April 29, 2026 the Company and the purchaser entered into an agreement whereby the Company will provide the lender with priority payment from a portion of proceeds received from any equity financings or its technology transfer and licensing agreements until such time as it has paid in full all accrued and unpaid amounts owing on the royalty in respect of the Company's LDI mine as of April 29, 2026 in the approximate amount of US$4,400 (increasing to US$4,500 as of June 30, 2026).

Due to a change in the anticipated timing of royalty payments the Company has recognized a gain on modification during the three and six month periods ended June 30, 2026 of $2,036 and $2,388 (June 30, 2025 – $745 and $947).

Balance, December 31, 2024	$	14,826
Interest expense and accretion		5,045
Gain on modification		(1,385)
Foreign exchange gain		(806)
Balance, December 31, 2025		17,680
Current portion of royalty		17,680
Non-current portion of royalty	$	-

Balance, December 31, 2025	**$**	**17,680**
Interest expense and accretion		**2,885**
Gain on modification		**(2,388)**
Foreign exchange loss		**733**
Balance, June 30, 2026		**18,910**
Current portion of royalty		**18,910**
Non-current portion of royalty	**$**	**-**

(Unaudited - Stated in thousands of Canadian dollars)

13. DEFERRED REVENUE

On April 29, 2022 the Company completed, in exchange for an upfront deposit of $25,584 (US$20,000), a minerals stream agreement for the purchase and sale of 11.25% of the graphite produced by Okanjande until 350,000 tonnes of contained graphite in concentrate have been produced and delivered, at which time, at the option of the stream purchaser, the stream may convert into a 1% royalty for the remaining life of the Okanjande deposit. The stream is secured by the assets of Okanjande. The stream purchaser has also been granted a right of first refusal with respect to any proposed grant of a stream, royalty or similar transaction on Okanjande.

As partial consideration for entering into the stream, the Company issued 4,500,000 warrants, each of which was exercisable to purchase one common share of the Company at an exercise price of $1.01 with an expiry date of April 29, 2024 (these warrants all expired unexercised). The value of the warrants was $1,742 and was determined using the Black-Scholes option pricing model and has been recognized as a contractual asset which will be expensed over the term of the contract, beginning once sales commence.

The Company had the option, subject to any consents or approvals required under the secured loan, to reduce the stream percentage by up to 50% upon payment of $25,181 (US$17,500) in 2025. This option was not exercised and was assigned a nil value at inception.

The deposit does not contain cross-default provisions with the senior secured loan (Note 11) or the royalty (Note 12) but is subject to standard conditions and covenants. As at June 30, 2026, the Company was in compliance with all covenants.

On April 29, 2026, the Company and the lender entered into a binding Letter of Agreement (“the Debt Agreement”) to restructure the senior secured loan (Note 11) and the Okanjande minerals streaming agreement. Under the terms of the Debt Agreement, in return for cancelling the US$15,969 face value of the senior secured loan (including capitalized interest) as well as all of the accrued and accruing interest to the maturity date of April 29, 2026 (US$6,030, increasing to US$6,517 as of June 30, 2026), the parties will amend the streaming agreement to remove both the previously agreed step-down date limiting it to the first 350,000 tonnes of production and the option to then convert the stream to a 1% royalty. In addition, the Company will issue 12,500,000 common shares to the lender.

Balance, December 31, 2024	$	39,615
Interest accretion		4,879
Foreign exchange gain		(1,973)
Balance, December 31, 2025	$	42,521

Balance, December 31, 2025	**$**	**42,521**
Interest accretion		**2,608**
Foreign exchange loss		**1,645**
Balance, June 30, 2026	**$**	**46,774**

14. OTHER LONG-TERM DEBT

	Note		**June 30, 2026**		December 31, 2025
Bank Loan	14(i)	**$**	**568**	$	563
Supplier Financing	14(ii)		**271**		-
Total long-term debt			**839**		563
Less: current portion of supplier financing			**161**		-
Non-current portion of long-term debt		**$**	**678**	$	563

(Unaudited - Stated in thousands of Canadian dollars)

(i) Bank Loan

On April 14, 2025, the Company entered into an agreement for a loan of €350 bearing interest at 5.175% per annum. The drawn loan amounts and related interest are all repayable between September 30, 2027 and June 30, 2032. The loan is limited to the activities of NGCBM.

Balance, December 31, 2025	$	**563**
Foreign currency translation		**5**
Balance, June 30, 2026	$	**568**

(ii) Supplier Financing

During the fourth quarter of 2025, the Company refurbished its mining equipment ahead of the Company's 2026 pit expansion and incurred costs of $323. As at December 31, 2025, the amount payable to the supplier that performed the refurbishment was outstanding and included in accounts payable and accrued liabilities as at December 31, 2025. During the first quarter of 2026, the supplier agreed to finance the amount payable over a 24-month period starting March 2026. The amount financed bears interest at 2.99% per annum which equates the effective interest rate of the loan.

Balance, December 31, 2025	$	**-**
Financed amount		**323**
Repayment of financing		**(52)**
Balance, June 30, 2026		**271**
Less: current portion of financing		**161**
Non-current portion of financing	$	**110**

15. REPAYABLE GOVERNMENT LOAN

During the third quarter of 2025, the Economic Development Agency of Canada for the Regions of Quebec agreed to provide a repayable and interest-free contribution of up to $6,225 to support extending the life of LDI. The contribution is repayable in 84 equal monthly instalments commencing December 1, 2030. Under the *Regional Economic Growth Through Innovation Program*, the contribution finances 75% of the eligible costs for the pit extension at LDI to support continued production from the mine. Contributions are received as the eligible costs are incurred by the Company.

As of June 30, 2026, the Company had incurred eligible costs of $5,238 (December 31, 2025 - $1,576) which includes $3,662 incurred during the six-month period ended June 30, 2026 (June 30, 2025 – nil) and received a contribution of $4,714 (December 31, 2025 - $1,182) including contributions of $3,532 received during the six-month period ended June 30, 2026 (June 30, 2025 – nil). The interest-free repayable contributions received to date were discounted at a market rate of interest ranging from 12.88% to 13.26% and the benefit of the loan at a below-market rate of interest is treated as a government grant and is deducted from the carrying value of property, plant and equipment (Note 7) and mineral interests (Note 8). The total value attributed to government grants during the six-month period ended months ended June 30, 2026 was $2,240 (December 31, 2025 - $779).

On February 24, 2026, the Company signed an amendment to the agreement, whereby the Company will now receive a contribution equal to 90% of the eligible costs instead of 75% per the original agreement. The repayable and interest-free contribution of up to $6,225 remains unchanged.

(Unaudited - Stated in thousands of Canadian dollars)

Balance, December 31, 2024	$ -
Repayable contribution received	1,182
Interest accretion	8
Government grant	(779)
Balance, December 31, 2025	$ 411

Balance, December 31, 2025	**$ 411**
Repayable contribution received	**3,532**
Interest accretion	**90**
Government grant	**(2,240)**
Balance, June 30, 2026	**$ 1,793**

16. LEASES

The Company has lease agreements relating to mobile equipment and land and building use with interest rates ranging from 4.5% to 10.0%.

	June 30, 2026	December 31, 2025
Balance, beginning of year	**$ 938**	$ 1,189
Lease payments	**(139)**	(292)
Derecognition of leases	**-**	(111)
Interest expense and accretion	**49**	107
Foreign exchange loss	**47**	45
Balance, end of period	**895**	938
Less: current portion of leases	**162**	150
Non-current portion of leases	**$ 733**	$ 788

17. SHARE CAPITAL

Authorized

The Company is authorized to issue an unlimited number of common shares having no par value.

For the six Months Ended June 30, 2026

On March 9, 2026, the Company completed a non-brokered private placement of 7,142,858 common shares of the Company issued on a flow-through basis at a price of $0.28 per share for gross proceeds of $2,000. In connection with the private placement, the Company paid a finders' fee consisting of 503,971 common shares of the Company. This was accounted for by fair valuing the shares with the residual of $464 being allocated to flow through share liability as the value of tax deductions to be renounced by the Company. Share issuance costs related to the private placement consist of finder fees paid in shares valued at $120 and transactions costs of $10.

Stock option, DSU and RSU issuances

On February 7, 2026, the Board of Directors approved a grant of 4,850,000 RSUs and 1,500,000 stock options to management, including officers and executives and employees. The RSUs vest over three years on each of the first, second, and third anniversaries of the date of grant at a rate of one-third per year. Out of the total RSUs granted, 3,700,000 were to officers and executives of the Company. The stock options are exercisable at $0.25 per share, will vest over three years on each of the first, second, and third anniversaries from the date of grant at a rate of one-third per year and will expire on February 7, 2031. The Company also granted a total of 1,000,000 stock options to two consultants, who are individuals working with the Company on a full-time-equivalent basis. The stock options are exercisable at $0.25 per share, will vest based on certain performance milestones established by the Company and expire on February 7, 2031.

On March 6, 2026, the Company granted 2,000,000 DSUs and 2,000,000 stock options to a senior executive. The stock options are each exercisable to acquire one common share of the Company at a price of $0.25 per share for a period of five years and vest immediately. The DSUs are entirely performance based and vest on the attainment of specific corporate objectives, but in no case earlier than one year from the date of grant. Objectives include restructuring the Company's debt, final investment decisions with respect to the restart of operations at the Okanjande Mine and the construction of a battery anode material plant in Saudi Arabia, achieving specific growth targets with respect to the Company's market capitalization, progress towards the Company's ESG goals and engagement of stakeholders. Upon vesting, each DSU shall entitle the holder to receive one common share of the Company or the cash equivalent thereof.

During the first quarter of 2026, 120,000 share units and 215,333 stock options were vested and were exercisable.

During the second quarter of 2026, 175,000 share units and 113,340 stock options were vested and were exercisable.

Subsequent to June 30, 2026, 725,000 share units and 100,000 options were vested and were exercisable as of August 28, 2026 and August 29, 2026 respectively.

Year Ended December 31, 2025

On March 11, 2025, the Company completed a non-brokered private placement of 2,631,579 common shares on a flow-through basis at a price of $0.19 per share for gross proceeds of $500. In connection with the private placement, the Company paid a cash finders' fee of $30 on closing. This was accounted for by fair valuing the shares with the residual of $224 being allocated to flow through share liability as the value of tax deductions to be renounced by the Company. This liability was reduced by $27 at December 31, 2025 based on eligible expenditures made since March 11, 2025.

On October 9, 2025, the Company also completed a non-brokered private placement of 13,114,546 common shares at a price of $0.11 per offered share for gross proceeds of $1,443. In connection with this private placement, the Company paid a cash finders' fee of $29 on closing and a cash finder fee balance of $23 is payable on December 31, 2025. The Company will also pay additional finder fees of $7 in common shares of the Company.

On December 19, 2025, the Company completed another non-brokered private placement of 10,800,000 common shares at a price of $0.125 per offered share for gross proceeds of $1,350. In connection with the private placement, the Company paid a cash finders' fee of $11 on closing and a cash finder fee balance of $22 is payable on December 31, 2025. The Company will also pay additional finder fees of $18 in common shares of the Company. During the year ended December 31, 2025, total transaction costs recognized and deducted from share capital were $140.

Also during the year ended December 31, 2025, 685,000 vested RSUs were exercised resulting in the issuance of 685,000 common shares of the Company.

Stock option and RSU issuances

On May 14, 2025 the Company issued 125,000 stock options to an officer and an employee of the Company at an exercise price of $0.105 which expire on May 10, 2030.

On March 13, 2025, the Board of Directors approved a grant of 350,000 RSUs to an officer and an employee of the Company. The vesting terms of these RSUs are as follows: 250,000 RSUs vest 40 percent on April 1, 2026; 30 percent on April 1, 2027; and, 30 percent on April 1, 2028; and, 100,000 RSUs vest 25 percent on April 1, 2026; 25 percent on April 1, 2027; and, 50 percent on April 1, 2028.

On June 25, 2025, the Board of Directors approved a grant of 200,000 RSUs to an employee of the Company vesting one quarter after each of years one and two, and half after year three.

(Unaudited - Stated in thousands of Canadian dollars)

On December 5, 2025, the Company granted non-executive directors a total of 2,860,000 stock options as part of their compensation. The stock options vest immediately, are exercisable at $0.20 per share and expire on December 5, 2030.

Warrants

The Company's warrants outstanding as at June 30, 2026 and December 31, 2025 are as follows:

	Number of warrants	Weighted average exercise price $
Balance, December 31, 2024	1,680,000	0.75
Warrants expired	(1,680,000)	0.75
Balance, December 31, 2025	-	-
Balance, June 30, 2026	-	-

Share units

The Company has a DSU/RSU Plan which is a fixed security-based compensation plan with the maximum number of common shares of the Company that may be issued to participants under the DSU/RSU Plan being 12,036,052 shares, subject to customary adjustments as provided for in the DSU/RSU Plan. Subsequent to June 30, 2026, the Company amended its DSU/RSU Plan to increase the maximum number of common shares of the Company that may be issued to the participants of the amended plan to 16,601,366. The amendment is subject to the final approval of the TSX Venture Exchange. The maximum aggregate number of common shares issuable to insiders of the Company (as a group) under the DSU/RSU Plan and the Company's Option Plan shall, together collectively, not exceed 10% of the issued and outstanding number of shares at any time.

A summary of the share unit activity is presented below:

	Number of share units
Balance, December 31, 2024	5,267,500
Granted	550,000
Exercised	(685,000)
Forfeited	(1,425,000)
Balance, December 31, 2025	**3,707,500**
Granted	**6,850,000**
Exercised	**(37,500)**
Forfeited	**(575,000)**
Balance, June 30, 2026	**9,945,000**

A summary of the Company's outstanding share units at June 30, 2026 is as follows:

Issue price	RSU's Outstanding	RSU's Exercisable
$0.45	120,000	120,000
$0.07	2,775,000	600,000
$0.10	550,000	175,000
$0.25	6,500,000	-
Balance, June 30, 2026	**9,945,000**	**895,000**

As at June 30, 2026, there was $1,082 of unrecognized share-based compensation costs related to unvested share unit awards granted under the Company's DSU/RSU Plan. In the three and six months period ended June 30, 2026, $240 and $378 of share-based compensation costs were recognized (June 30, 2025 - $55 and $111).

(Unaudited - Stated in thousands of Canadian dollars)

Stock options

The Company has adopted the Option Plan for directors, officers, employees and consultants of the Company. Under the Option Plan, the Company may grant non-transferable stock options to purchase common shares of the Company for a period of up to ten years from the date of the grant. The maximum aggregate number of common shares issuable to insiders of the Company (as a group) under the Option Plan and the DSU/RSU Plan shall together collectively not exceed 10% of the issued and outstanding number of shares at any time.

A summary of the stock option activity is presented below:

	Number of Options	Weighted average exercise price $
Balance, December 31, 2024	11,392,000	0.47
Granted	2,985,000	0.20
Expired	(1,568,000)	0.32
Forfeited	(2,773,000)	0.36
Balance, December 31, 2025	**10,036,000**	**0.44**
Granted	**4,500,000**	**0.25**
Expired	**(2,600,000)**	**0.52**
Forfeited	**(328,000)**	**0.35**
Balance, June 30, 2026	**11,608,000**	**0.35**

A summary of the Company's outstanding stock options at June 30, 2026 is as follows:

Exercise price	**Stock options Outstanding**	**Stock options Exercisable**	**Expiry date**
$0.11	125,000	125,000	May 10, 2030
$0.20	400,000	100,000	August 29, 2029
$0.20	2,860,000	2,860,000	December 5, 2030
$0.25	2,500,000	-	February 7, 2031
$0.25	2,000,000	2,000,000	March 6, 2031
$0.35	483,000	321,968	February 27,2029
$0.55	950,000	950,000	January 20, 2028
$0.55	190,000	190,000	May 4, 2028
$0.55	100,000	100,000	June 29, 2028
$0.55	400,000	400,000	January 10,2029
$0.75	500,000	500,000	December 31, 2026
$0.75	1,100,000	1,100,000	January 30, 2027
	11,608,000	**8,646,968**	

As at June 30, 2026, the weighted average remaining contractual life of stock options outstanding is 3.49 years (December 31, 2025 – 1.1 years).

(Unaudited - Stated in thousands of Canadian dollars)

The value of stock options granted during the six months ended June 30, 2026 and the year ended December 31, 2025 was determined utilizing the Black-Scholes option pricing model with input factors and assumptions as follows:

	June 30, 2026	December 31, 2025
Stock options granted during the period	**4,500,000**	2,985,000
Weighted-average exercise price	**0.25**	0.11 to 0.20
Expected stock option life	**5 years**	5 years
Expected volatility	**101.77% to 103.04%**	104.26% to 104.79%
Risk free interest	**2.91% to 2.95%**	2.78% to 3.01%
Dividend yield	**Nil**	Nil
Forfeiture rate	**Nil**	Nil
Weighted average fair value (Black-Scholes value)	**0.17 to 0.19**	0.08 to 0.13

As at June 30, 2026, there were $272 of unrecognized share-based compensation costs related to unvested stock option awards granted under the Company's Option Plan. In the three and six month periods ended June 30, 2026, $126 and $561 of share-based compensation costs were recognized (three and six month periods ended June 30, 2025 - $26 and $48).

18. PRODUCTION COSTS

	Three months ended June 30,		Six months ended June 30,	
	2026	2025	**2026**	2025
Raw materials and consumables	**$ -**	$ 831	**$ -**	$ 1,252
Salaries and employee benefits	**-**	2,169	**-**	3,275
Contracted services	**-**	1,345	**-**	1,829
Electricity and energy	**-**	765	**-**	1,110
Freight	**-**	342	**-**	439
Insurance	**-**	510	**-**	767
Other	**-**	335	**-**	474
	$ -	$ 6,297	**$ -**	$ 9,146

During the six-month period ended June 30, 2026, the LDI mine and mill remained in temporary care and maintenance to address an unexpected equipment issue, to accelerate critical maintenance and development work ahead of the Company's 2026 pit expansion and to allow Northern the time to request a minor amendment to its existing Certificate of Authorization to mine the remaining ore in the current pit. No sales or production of graphite occurred during the period.

19. GENERAL AND ADMINISTRATIVE EXPENSES

	Three months ended June 30,		Six months ended June 30,	
	2026	2025	**2026**	2025
Legal and audit	**$ 326**	$ 281	**$ 748**	$ 814
Office and management	**1,932**	1,494	**4,002**	3,428
Promotion and investor relations	**14**	-	**19**	-
Regulatory and transfer agent	**39**	23	**59**	34
Prepaid expense write-off	**417**	-	**417**	-
Depreciation	**10**	29	**19**	55
	$ 2,738	$ 1,827	**$ 5,264**	$ 4,331

During the three months ended June 30, 2026, the Company made a one-time write off of a prepayment totaling $417 as the supplier to whom the prepayment was made defaulted on their obligations.

(Unaudited - Stated in thousands of Canadian dollars)

20. OTHER REVENUE AND REVENUE FROM CONTRACTS WITH CUSTOMERS

	Three months ended June 30,		Six months ended June 30,	
	2026	2025	**2026**	2025
Technology transfer fees	**$ 8,363**	$ 2,014	**$ 8,363**	$ 2,014
Other revenues	**543**	497	**1,131**	1,157
	$ 8,906	$ 2,511	**$ 9,494**	$ 3,171

In 2025, the Company entered into a number of intellectual property transactions related to carbon material processing technologies. The Company first acquired the patents, trademarks and other intellectual property of the carbon material processing technology that it had previously licensed to develop, produce and sell a high-performance carbon-based material. The Company then entered into an agreement to transfer and license its carbon material processing technology for synthetic carbon to an arm's length third party for industrial applications.

In a first phase under the agreement, the Company will receive a technology transfer and exclusivity reservation fee of up to US$7,000 ($9,550), payable in instalments, subject to certain conditions including the counter-party conducting due diligence on the technology to its satisfaction, the execution of a definitive long form agreement, and the Company's completion of the acquisition of the intellectual property which was completed in July 2025 for €647 ($1,040), exclusive of VAT. As part of the purchase agreement, the Company is obliged to pay to the counterparty 12.5% of any royalties received.

In a second phase, the Company will receive royalties based on the agreement for the transfer and license of the carbon material processing technology. For the year 2026 and year 2027, the counter-party will prepay US$1,000 ($1,325) each year to the Company in respect of the royalty to be agreed by the parties in the definitive agreements, subject to the fulfillment of certain conditions as set out in the first phase which were completed during the three months ended June 30, 2026.

The Company has accounted for the transfer and licensing of its carbon material processing technology under IFRS 15, *Revenue from Contracts with Customers.* In 2025, the Company recognized revenue of $4,038 relating to the agreement which consisted of two payments of US$1,500 with respect to the US$7,000 technology transfer and exclusivity reservation fee. During the second quarter of 2026, the Company received in advance a payment of US$2,000 with respect to the US$7,000 technology transfer and exclusivity reservation fee with the remaining balance of $2,000 received subsequent to June 30, 2026. All the conditions stipulated in the agreement were met by the Company and the technology is transferred in full to the counter-party as of June 30, 2026. Revenue includes the prepayment of $1,000 USD in each of 2026 and 2027 as the conditions set out in the first phase were met during the second quarter of 2026.

The balance of trade receivables relating to revenue from contracts with customers at June 30, 2026 was $5,631 including long-term trade receivables of $1,369 (Note 9, December 31, 2025 – nil).

In the three and six month periods ended June 30, 2026, other revenues included $316 and $678 in sales of other products respectively (June 30, 2025 – $35 and $316) and lab and other services to third parties. Some of lab services are on a cost recovery basis, of which nil (June 30, 2025 – $330 and $660) respectively relates to one customer based on a fixed monthly fee.

(Unaudited - Stated in thousands of Canadian dollars)

21. FINANCE EXPENSE

	Three months ended June 30,		Six months ended June 30,	
	2026	2025	**2026**	2025
Interest expense and accretion (including notes 11–13, 15)	**$ 4,354**	$ 3,550	**$ 8,419**	$ 7,179
Gain on modifications (notes 11 and 12)	**(2,575)**	(729)	**(3,065)**	(1,135)
Accretion of reclamation provision (note 27)	**17**	11	**35**	23
Other	**83**	-	**148**	-
	$ 1,879	$ 2,832	**$ 5,537**	$ 6,067

During the three and six months ended June 30, 2026 the Company paid interest expense of $48 and $107 (three and six months ended June 30, 2025 - $66 and $133).

22. CAPITAL MANAGEMENT

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to pursue the exploration, development and operation of its mineral properties and to maintain a flexible capital structure for its projects for the benefit of its stakeholders.

The Company's capital consists of items included in shareholders' deficiency, the senior secured loan, long-term debt, government loan and leases net of cash and cash equivalents and current restricted cash.

Management reviews the Company's capital structure on a regular basis to ensure the above-noted objectives are met. The Company manages its capital structure and makes adjustments to it considering changes in the economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may issue common shares or acquire or dispose of assets or issue debt if circumstances permit.

23. SUPPLEMENTAL CASH FLOW INFORMATION

Non-cash transactions not reflected in the condensed interim consolidated statements of cash flows are as follows:

	Three months ended June 30,		Six months ended June 30,	
	2026	2025	**2026**	2025
Exploration and evaluation costs in accounts payable and accrued liabilities	**$ -**	$ (593)	**$ -**	$ (645)
Reclamation provision – change in estimate	**8**	96	**18**	(26)
Okanjande in process costs in accounts payable and accrued liabilities	**-**	(35)	**-**	(23)

24. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

Fair value

As at June 30, 2026 the levels in the fair value hierarchy into which the Company's financial assets and liabilities are measured and recognized on the condensed interim consolidated statements of financial position at fair value on a recurring basis are categorized as follows: cash and cash equivalents (Level 1) of $239 (December 31, 2025 - $2,539).

As at June 30, 2026 and December 31, 2025, there were no financial assets and liabilities measured and recognized at fair value on a non-recurring basis. The Company's policy for determining when a transfer occurs between levels in the fair value hierarchy is to assess the impact at the date of the event or the change in circumstances that could result in a transfer. There were no transfers between Level 1, Level 2 and Level 3 for the six months ended June 30, 2026 and the year ended December 31, 2025. As at June 30, 2026 and December 31, 2025, there were no financial assets or liabilities measured and recognized in the condensed interim consolidated statements of financial position at fair value that would be categorized as Level 3 in the fair value hierarchy.

(Unaudited - Stated in thousands of Canadian dollars)

The carrying value of receivables and accounts payable and accrued liabilities approximates fair value due to the short-term nature of these financial instruments. The carrying value of restricted cash approximates fair value given that it earns a market rate interest. The carrying value of the bank loan and supplier financing approximate fair value given that it bears a market rate of interest. The Company has performed a sensitivity analysis which indicates that the carrying value of the royalty obligation, senior secured debt and repayable government loan would approximate its fair value with a 5%, 2% and 1% increase in the market rate respectively.

Currency risk

Foreign currency exchange rate risk is the risk that the fair values or future cash flows of the Company's financial instruments will fluctuate as a result of changes in foreign exchange rates. Some of the Company's operating and corporate administration expenditures are incurred in US dollars and the fluctuation of the US dollar in relation to the Canadian dollar will have an impact on the Company's profitability and the carrying amounts of the Company's financial assets and liabilities. At June 30, 2026, the Company had the following financial assets and liabilities denominated in US dollars:

	June 30, 2026	December 31, 2025
Cash and cash equivalents	**$ 1**	$ 1,444
Receivables	**3,000**	57
Other assets	**964**	-
Accounts payable and accrued liabilities	**(638)**	(517)
Senior secured loan	**(22,371)**	(20,792)
Royalty	**(13,308)**	(12,900)
Net Exposure	**$ (32,352)**	$ (32,708)

At June 30, 2026, with other variables unchanged, a 1% increase on the US$/CAD exchange rate would result in an unrealized foreign exchange loss of $460 (December 31, 2025 - $448). The Company has not entered into any formal arrangements to hedge currency risk but does maintain cash balances within each currency.

Commodity price risk

The Company is subject to commodity price risk from fluctuations in the market prices for graphite. Commodity price risks are affected by many factors that are outside the Company's control including global or regional consumption patterns, the supply of and demand for graphite, inflation and political and economic conditions. Management closely monitors trends in commodity prices of graphite as part of its routine activities, as these trends could significantly impact future cash flows. Given that no sales of graphite occurred during the six-month period ended June 30, 2026, a 10% increase or decrease in the price of graphite would have resulted in a decrease or increase of nil in the Company's loss from mine operations for the three and six months ended June 30, 2026 (June 30, 2025 - $701 and $1,105).

Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Company's trade receivables. Substantially all trade receivables at June 30, 2026 have since been collected from these customers.

The Company invests cash and cash equivalents, restricted cash and reclamation deposits with financial institutions that are financially sound based on their credit rating. The Company's exposure to credit risk associated with receivables is influenced mainly by the individual characteristics of each customer. Given the Company's relatively short operating history at LDI, current customers have limited history of credit default with the Company. The Company had nominal credit losses during the three and six months ended June 30, 2026.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet is financial obligations as they come due. The Company manages its liquidity risk through the management of its capital structure. Further discussion on liquidity and management's plans is outlined in note 1 and further analysis relating to the maturity of the Company's financial obligations are outlined in note 26.

(Unaudited - Stated in thousands of Canadian dollars)

Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. As at June 30, 2026, with other variables unchanged, a 1% increase on the Company's floating rate debt would increase interest expense by $123 (June 30, 2025 - $308). The Company closely monitors its exposure to interest rate risk and has not entered into any derivative contracts to manage this risk.

25. RELATED PARTY TRANSACTIONS AND COMPENSATION OF KEY MANAGEMENT

	Three months ended June 30,		Six months ended June 30,	
	2026	2025	**2026**	2025
Salary and compensation to key management personnel	**$ 463**	$ 392	**$ 928**	$ 858
Management fees to a company owned and controlled by key management personnel	**2**	12	**4**	21
Director fees	**42**	40	**84**	88
Stock options and RSUs to key management personnel and directors	**203**	53	**656**	102

As at June 30, 2026, $520 (December 31, 2025 – $403) was included in accounts payable and accrued liabilities owing to officers and directors relating to management and directors' fees and for reimbursement of expenses.

On February 7, 2026, the Board of Directors approved a grant of 4,850,000 RSUs and 1,500,000 stock options to management, including officers and executives and employees. The RSUs vest over three years on each of the first, second, and third anniversaries of the date of grant at a rate of one-third per year. Out of the total RSUs granted, 3,700,000 were to officers and executives of the Company. The stock options are exercisable at $0.25 per share, will vest over three years on each of the first, second, and third anniversaries from the date of grant at a rate of one-third per year and will expire on February 7, 2031.

On March 6, 2026, the Company granted 2,000,000 DSUs and 2,000,000 stock options to a senior executive. The stock options are each exercisable to acquire one common share of the Company at a price of $0.25 per share for a period of five years and vest immediately. The DSUs are entirely performance based and vest on the attainment of specific corporate objectives, but in no case earlier than one year from the date of grant. Objectives include restructuring the Company's debt, final investment decisions with respect to the restart of operations at the Okanjande Mine and the construction of a battery anode material plant in Saudi Arabia and, achieving specific growth targets with respect to the Company's market capitalization. Upon vesting, each DSU shall entitle the holder to receive one common share of the Company or the cash equivalent thereof.

On March 13, 2025, the Company issued 250,000 RSUs to an officer.

On May 14, 2025, the Company issued 100,000 stock options to an officer at an exercise price of $0.105 and which expire on May 10, 2030. On December 5, 2025, the Company issued 2,860,000 stock options to non-executive board members at an exercise price of $0.20 and which expire on December 5, 2030.

(Unaudited - Stated in thousands of Canadian dollars)

26. COMMITMENTS AND CONTINGENCIES

At June 30, 2026, the Company had the following contractual obligations outstanding:

	Within 1 Year	**2-3 years**	**4-5 years**	**5+ Years**	**Total**
Accounts payable and accrued liabilities	$ 12,933	$ -	$ -	$ -	$ 12,933
Senior secured loan	31,790	-	-	-	31,790
Royalty	9,541	10,503	9,131	11,277	40,452
Deferred revenue	-	11,203	15,818	50,049	77,070
Bank loan	29	276	252	117	674
Supplier financing	168	112	-	-	280
Repayable government contribution	-	-	461	4,376	4,837
Lease commitments	248	316	195	554	1,313
Reclamation provisions	-	-	-	10,063	10,063
Environmental bonding	1,374	458	-	-	1,832
Capital commitments	2,233	-	-	-	2,233
	$ 58,316	$ 22,868	$ 25,857	$ 76,436	$ 183,477

27. RECLAMATION PROVISIONS

The Company has an obligation to undertake decommissioning, reclamation and environmental work when environmental disturbance is caused by the development and ongoing production of a mining operation. Movements in the reclamation provisions during the six months ended June 30, 2026 and the year ended December 31, 2025 were allocated as follows:

	June 30, 2026	December 31, 2025
Balance, beginning of period	**$ 7,150**	$ 6,769
Change in estimate	**(18)**	325
Accretion	**35**	56
Balance, end of period	**$ 7,167**	$ 7,150

Of the total balance of $7,167 at June 30, 2026, $443 was attributable to Bissett Creek and $6,724 was attributable to LDI. The reclamation provision for LDI is based on an updated report prepared by an independent third party.

The undiscounted liability as at June 30, 2026 was $2,329 (December 31, 2025 - $2,329) for Bissett Creek (assuming operations go ahead as planned). This represents the estimated amount that would be required to restore Bissett Creek to its original environmental state but only after a mine has been constructed and operations cease. Related to this matter, the Company has entered into a surety bond for $850.

The undiscounted liability as at June 30, 2026 was $7,081 (December 31, 2025 - $7,081) for LDI. The discount and inflation rates used for LDI are 2.7% and 2.0%, respectively (December 31, 2025, 2.6% and 2.0%, respectively). The Company has entered into a surety bond for $8,231 to guarantee its reclamation obligations and the bond is secured by a cash deposit of $2,007 (December 31, 2025 - $1,987). On November 28, 2025, the Company received confirmation of approval, of the updated restoration plan prepared by an independent third party for LDI, from the Directorate of Mine Site Restoration and Environmental Liabilities in Quebec (the 'Ministry'). Under the plan, the total financial guarantee required is $10,063, an increase to the current surety requirement of $1,832. The Company was requested by the Ministry to pay 50% of the additional security requirement in the form of a $916 cash deposit by February 26, 2026, with a further 25% due in November 2026 and November 2027, respectively. On August 10, 2026, the Company received a notice from the Ministry advising of the suspension of the LDI mining lease in connection with the first $916 instalment that passed due. The Company intends to contest the decision within the applicable period and the suspension of the mining lease will be stayed until a final determination is made by the Quebec Court. Accordingly, the mining lease will remain in effect until a final judgment is rendered on the issue.

(Unaudited - Stated in thousands of Canadian dollars)

On July 7, 2025, the Company received a demand from its environmental bonding company for the full discharge of the bonding company from the surety bond guaranteeing the Company's reclamation obligations by August 7, 2025 in accordance with the bonding company's rights under the bond. The demand provided that if that was not possible, the Company would be required to deposit cash or collateral with the bonding company equal to the undischarged liability of the bond in accordance with the bonding company's rights under the bond. The bond is for $8,231 and the Company has a cash deposit against the bond of $2,007. The Company does not currently have the financial resources to procure the discharge of the bonding company from the bond nor to deposit cash or collateral with the bonding company equal to the undischarged liability of the bond. The Company is currently in discussions with the bonding company regarding the bonding company's demand in an effort to negotiate a resolution to the matter. In the event that parties are unable to resolve the matter, the bonding company could seek to enforce whatever rights it may have against the Company under the bond. During the fourth quarter of 2025 the Company made full payment on the annual fees for 2025/2026.

28. SEGMENTED INFORMATION

Operating segments are those operations from which the Company may earn revenues and incur expenses and whose operating results are reviewed by the chief operating decision makers ("CODM") to make decisions about resources to be allocated to the segments and assess their performance, provided those operations pass certain quantitative thresholds. The CODM for the Company are the Chief Executive Officer and the Chief Financial Officer.

The Company has determined it has three operating segments: Mining-LDI, Mining-Okanjande, Battery Materials, as well as corporate. Operating segments are determined based on the type of products and services from which each operating segment derives its revenues as well as the different development projects that the Company carries out. The Mining-LDI segment involves the exploration, development, production and sale of graphite concentrate in Quebec, Canada. The Mining-Okanjande segment involves the Okanjande mine and plant currently under care and maintenance. The Battery Materials segment involves the research, development, production and sale of battery anode materials as well as the transfer and licensing of carbon material processing technology. In 2025, the Company reclassified its operations in Battery Materials as a separate operating segment due to increasing activities and significance of revenue generated in NGCBM.

For the three months ended June 30, 2026:

	Mining-LDI	Mining-Okanjande	Battery Materials	Corporate	Total
Revenue	**$ -**	**$ -**	**$ 8,906**	**$ -**	**$ 8,906**
Cost of sales	**-**	**-**	**-**	**-**	**-**
Total expenses	**(229)**	**(306)**	**1,463**	**1,222**	**2,150**
Loss (income) before tax	**1,414**	**2,140**	**(7,497)**	**4,885**	**942**
Income tax expense	**32**	**-**	**2,024**	**-**	**2,056**
Net loss (income)	**$ 1,446**	**$ 2,140**	**$ (5,473)**	**$ 4,885**	**$ 2,998**

For the three months ended June 30, 2025:

	Mining-LDI	Mining-Okanjande	Battery Materials	Corporate	Total
Revenue	$ 7,006	$ -	$ 2,511	$ -	$ 9,517
Cost of sales	8,648	-	-	-	8,648
Total expenses	642	162	445	943	2,192
Loss (income) before tax	3,323	399	(2,066)	(436)	1,220
Income tax (recovery)	(580)	-	355	-	(225)
Net loss (income)	$ 2,743	$ 399	$ (1,711)	$ (436)	$ 995

(Unaudited - Stated in thousands of Canadian dollars)

For the six months ended June 30, 2026:

	Mining-LDI	Mining-Okanjande	Battery Materials	Corporate	Total
Revenue	**$ -**	**$ -**	**$ 9,494**	**$ -**	**$ 9,494**
Cost of sales	**-**	**-**	**-**	**-**	**-**
Total expenses	**(405)**	**(224)**	**2,460**	**3,604**	**5,435**
Loss (income) before tax	**3,130**	**2,526**	**(7,253)**	**12,385**	**10,788**
Income tax expense	**298**	**-**	**1,860**	**-**	**2,158**
Net loss (income)	**$ 3,428**	**$ 2,526**	**$ (5,393)**	**$ 12,385**	**$ 12,946**

For the six months ended June 30, 2025:

	Mining-LDI	Mining-Okanjande	Battery Materials	Corporate	Total
Revenue	$ 10,972	$ 75	$ 3,171	$ -	$ 14,218
Cost of sales	12,386	3	-	-	12,389
Total expenses	648	50	1,323	2,326	4,347
Loss (income) before tax	3,777	551	(1,849)	4,060	6,539
Income tax expense (recovery)	(550)	-	355	-	(195)
Net loss (income)	$ 3,227	$ 551	$ (1,494)	$ 4,060	$ 6,344

The following geographic data includes non-current assets based on the entity's location as at June 30, 2026 and December 31, 2025.

June 30, 2026				
	Canada	Namibia	Europe	Total
Non-current assets	**$ 30,452**	**$ 35,011**	**$ 2,535**	**$67,998**

December 31, 2025				
	Canada	Namibia	Europe	Total
Non-current assets	$ 31,418	$ 33,422	$ 1,175	$ 66,015

The following table presents revenue from sales to major customers that exceeded 10% of the Company's revenue for the three months ended June 30, 2026 and 2025:

	Six months ended June 30, 2026	Six months ended June 30, 2025
Customer 1	**$ -**	$ 3,816
Customer 2	**-**	1,292
Customer 3	**-**	1,205
Customer 4	**-**	-
Customer 5	**-**	-
Total revenue from major customers	**-**	6,313
Total revenue from major customers as a percentage of total revenue	**0%**	57%

Revenue from major customers is entirely attributable to the Mining-LDI segment. During the first six months of 2026, nil (June 30, 2025- $9,371 or 85%) of total revenue was from customers in the United States.

For the six months ended June 30, 2026 a sale to one customer represented 88% (June 30, 2025 – 64%) of other revenue and was fully attributable to the Battery Materials segment.

29. SUBSEQUENT EVENTS

On July 16, 2026, the Company received a grant of $156 from Natural Resources Canada (“NRCan”). The contribution is aimed at funding 100% of the Company’s eligible expenses for a research project in the area of battery anode materials development. The project involves the processing and characterization of battery anode materials that comes from the graphite mined at LDI and the shipment of BAM to a battery evaluation facility to evaluate BAM in cells and compare against benchmark performance. The project is expected to be completed by June 30, 2027. Subsequent to June 30, 2026, no eligible expenses have been incurred by the Company.