IBC ADVANCED ALLOYS CORP.

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

Expressed in United States Dollars

December 31, 2025

NOTICE OF NO AUDITOR REVIEW OF CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

The accompanying unaudited condensed consolidated interim financial statements of IBC Advanced Alloys Corp. for the six months ended December 31, 2025 have been prepared by the management of the Company and approved by the Company's board of directors.

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

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

IBC ADVANCED ALLOYS CORP.
Condensed Consolidated Interim Statements of Financial Position
(US dollars in thousands)

As at	Note	December 31, 2025 $	June 30, 2025 $
ASSETS			
Current assets			
Cash		199	619
Receivables	5	2,663	2,226
Inventories	6	6,493	6,585
Prepaid expenses and deposits		326	198
Total current assets		9,681	9,628
Non-current assets			
Deposits		249	249
Inventories	6	1,803	2,127
Property, plant, and equipment	7	8,457	8,667
Other assets		-	-
Total non-current assets		10,509	11,043
Total assets		20,190	20,671
LIABILITIES			
Current liabilities			
Line of credit	8	3,764	3,480
Accounts payable and accrued liabilities	9,11,13	3,485	2,635
Factoring facility	5	2,073	2,236
Leases payable	11	71	491
Loans payable	10	347	372
Related party loans	10,13	3,363	3,221
Unearned revenue		6	1
Arbitration award liability	14	1,733	1,701
Total current liabilities		14,842	14,137
Non-current liabilities			
Loans payable	10	4,306	4,347
Total non-current liabilities		4,306	4,347
Total liabilities		19,148	18,484
EQUITY			
Share capital	12	63,515	63,255
Reserves	12	9,748	9,798
Obligation to issue shares	12	-	148
Foreign currency translation reserve		353	378
Accumulated deficit		(72,574)	(71,392)
Total equity		1,042	2,187
Total liabilities and equity		20,190	20,671

Going concern of operations	1
Commitment and contingencies	15
Subsequent events	12(b) and 20

On behalf of the Board of Directors:

"Simon Anderson" Director — Simon Anderson

"Mark Smith" Director — Mark Smith

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

IBC ADVANCED ALLOYS CORP.

Condensed Consolidated Interim Statements of Loss and Comprehensive Loss

(US dollars in thousands, except for share and per share amounts)

	Note	Three months ended December 31, 2025	2024	Six months ended December 31, 2025	2024
		$	$	$	$
Revenue	15	4,863	3,561	9,034	8,460
Cost of revenue	6,7	3,926	2,999	7,306	7,040
Gross profit		937	562	1,728	1,420
Selling, general, and administrative expenses					
Consulting fees		14	22	34	97
Depreciation	7	31	31	61	63
Director fees, cash portion	13	15	12	28	25
Office and miscellaneous		196	259	484	524
Professional fees		106	104	202	167
Public company costs		42	88	47	106
Rent		-	-	-	-
Salaries, wages, and management fees	13	371	430	745	990
Share-based compensation and services	12,13	28	28	51	57
Travel, meals and entertainment		23	16	32	45
		826	990	1,684	2,074
Gain (loss) before other items		111	(428)	44	(654)
Other income (expense)					
Foreign exchange gain (loss)		54	(159)	(8)	(129)
Interest and accretion expense	5,8,10,11,14	(519)	(540)	(961)	(1,005)
Loss on revaluation of derivative	10	-	-	-	-
Other income		-	-	-	10
Loss before income taxes		(354)	(1,127)	(925)	(1,778)
Income tax expense:					
Current		-	-	(2)	(1)
Net loss from continuing operations		(354)	(1,127)	(927)	(1,779)
Net loss from discontinued operations	19	(126)	(265)	(255)	(828)
Total loss		(480)	(1,392)	(1,182)	(2,607)
Foreign currency translation from continuing operations		(153)	170	(25)	134
Total comprehensive loss from continuing operations		(507)	(957)	(952)	(1,645)
Total comprehensive loss from discontinued operations		(126)	(265)	(255)	(828)
Total comprehensive loss		(633)	(1,222)	(1,207)	(2,473)
Net loss per common share from continuing operations, basic and diluted	19	$(0.00)	$(0.01)	$(0.01)	$(0.02)
Net loss per common share from discontinued operations, basic and diluted	19	$(0.00)	$(0.00)	$(0.00)	$(0.01)
Total loss per common share - basic and diluted	19	$(0.00)	$(0.01)	$(0.01)	$(0.02)
Weighted average number of common shares outstanding from continuing operations:					
Basic and Diluted	19	114,668,516	113,452,596	114,292,214	113,041,405
Weighted average number of common shares outstanding from discontinued operations:					
Basic and Diluted	19	114,668,516	113,452,596	114,292,214	113,041,405

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

IBC ADVANCED ALLOYS CORP.
Condensed Consolidated Interim Statements of Cash Flows
(US dollars in thousands)

Six months ended December 31	2025 (Note 16) $	2024 (Note 16) $
Operating activities		
Loss from continuing operations, net of tax	(927)	(1,779)
Adjustments for:		
Share-based compensation and services	51	57
Depreciation	316	335
Interest and accretion expense	961	1,005
Changes in non-cash working capital items:		
Receivables	(437)	186
Inventories	416	587
Prepaid expenses and deposits	(126)	(82)
Accounts payable and accrued liabilities	152	(1,869)
Unearned revenue	5	1
Net cash provided by (used in) operating activities from continuing operations	411	(1,559)
Net cash provided by operating activities from discontinued operations	-	1,469
Cash provided by (used in) operating activities	**411**	**(90)**
Financing activities		
Net line of credit advances	(18)	550
Interest paid	(302)	(694)
Factoring facility (payment) proceeds	(158)	708
Loan repayments	(229)	(224)
Options exercised	11	38
Net cash (used in) provided by financing activities from continuing operations	(696)	378
Net cash used in financing activities from discontinued operations	-	(1,953)
Cash flows used in financing activities	**(696)**	**(1,575)**
Investing activities		
Purchase of property, plant, and equipment	(106)	(47)
Net cash used in investing activities from continuing operations	(106)	(47)
Net cash provided by investing activities from discontinued operations	-	484
Cash flows provided by (used in) investing activities	**(106)**	**437**
Foreign exchange effect on cash	(29)	119
Change in cash during the period	(420)	(1,109)
Cash, beginning of period	619	1,415
Cash, end of period	199	306
Supplemental Cash Flow Information:		
Interest payments	(302)	(694)
Income tax payments	-	-
Non-cash items:		
Common shares issued for services	-	136
Common shares issued for bonus	-	255
Lease payments reclassification to accounts payable and accrued liabilities	455	-

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

IBC ADVANCED ALLOYS CORP.
Condensed Consolidated Interim Statements of Changes in Equity
(US dollars in thousands)
For the Six Months Ended December 31, 2025

	Note	Number of common shares	Share Capital	Obligation to issue shares	Reserves	Foreign currency translation reserve	Accumulated Deficit	Total
			$	$	$	$	$	$
At June 30, 2024		106,734,573	62,911	1,756	8,194	405	(67,979)	5,287
Shares issued for services	12	1,714,284	89	-	(89)	-	-	-
Shares issued for bonus	12	4,982,000	255	-	(255)	-	-	-
Options exercised		250,000	63	-	(25)	-	-	38
Share-based compensation	12	-	-	-	53	-	-	53
Foreign currency translation		-	-	-	-	134	-	134
Loss for the period from continuing operations		-	-	-	-	-	(1,779)	(1,779)
Loss for the period from discontinued operations		-	-	-	-	-	(828)	(828)
At December 31, 2024		113,680,857	63,318	1,756	7,878	539	(70,586)	2,905
At June 30, 2025		113,430,857	63,255	148	9,798	378	(71,392)	2,187
Shares issued for services	12	705,880	94	-	(94)	-	-	-
Options exercised	12	1,100,000	166	(148)	(7)	-	-	11
Share-based compensation	12	-	-	-	51	-	-	51
Foreign currency translation		-	-	-	-	(25)	-	(25)
Loss for the period from continuing operations		-	-	-	-	-	(927)	(927)
Loss for the period from discontinued operations		-	-	-	-	-	(255)	(255)
At December 31, 2025		115,236,737	63,515	-	9,748	353	(72,574)	1,042

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

1. Nature and Continuance of Operations

IBC Advanced Alloys Corp. ("IBC") was incorporated under the laws of British Columbia on December 11, 2002. IBC and its subsidiaries are collectively referred to as the "Company". The Company is engaged in the production and development of specialty alloy products. The Company trades on the TSX Venture Exchange ("TSX-V") under the symbol "IB" and on the OTCQB International market under the symbol "IAALF".

IBC is the ultimate parent company of its subsidiary group. IBC's registered office is located at 595 Burrard Street, Suite 2600, Vancouver, BC V7X 0L3.

These condensed consolidated interim financial statements have been prepared on a going concern basis which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future.

For the six months ended December 31, 2025, the Company had not yet achieved consistently profitable operations, having incurred a loss from continuing operations of $927 during the six months ended December 31, 2025 (December 31, 2024 – $1,779). The Company had accumulated losses of $72,574 (June 30, 2025 – $71,392) since inception. At December 31, 2025, the Company has a working capital deficit of $5,161 (June 30, 2025 – $4,509).

The Company's ability to continue its operations and to realize assets at their carrying values is dependent upon its ability to raise adequate financing from external sources and generate profits and positive cash flows from operations in order to carry out its business objectives. The Company will require additional financing for continuing operations, to evaluate strategic opportunities, and for working capital purposes. However, there is no assurance that the Company will be able to secure such financing on favourable terms. These consolidated financial statements do not give effect to any adjustments 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 the Company's consolidated financial statements. Such adjustments could be material.

The Company's business may be affected by changes in political and market conditions, such as interest rates, tariffs, availability of credit, inflation rates, changes in laws, and national and international circumstances. We have given consideration as to the impact of these geopolitical events and global economic challenges on the Company's business, future operations and financial results. Our assessment and the related disclosures in the consolidated financial statements are appropriate in the circumstances and provide accurate and complete disclosure of the known or potential impact and related uncertainties.

2. Basis of Presentation

a) Statement of compliance

These condensed consolidated interim financial statements of the Company for the six months ended December 31, 2025 have been prepared in accordance with International Accounting Standard 34 – Interim Financial Reporting ("IAS 34") using accounting policies consistent with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC").

The Company's board of directors approved the release of these condensed consolidated interim financial statements on February 26, 2026.

2. Basis of Presentation (continued)

b) Basis of measurement

These condensed consolidated interim financial statements have been prepared on a historical cost basis, except for certain financial instruments, which are measured at fair value.

The preparation of these condensed consolidated interim financial statements is in compliance with IFRS and requires management to make certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the condensed consolidated interim financial statements are disclosed in note 4.

c) Discontinued Operations

During the year ended June 30, 2024, the Company discontinued operations at its IBC Engineered Materials Corp. ("EMC") business unit.

d) Basis of consolidation

The condensed consolidated interim financial statements comprise the financial statements of IBC and its subsidiaries on December 31, 2025. Subsidiaries consist of entities over which IBC is exposed to, or has rights to, variable returns as well as the ability to affect these returns through the power to direct the relevant activities of the entity. Subsidiaries are included in the financial results of the Company from the effective date of acquisition up to the effective date of disposition or loss of control. These condensed consolidated interim financial statements include all the assets, liabilities, revenues, expenses and cash flows of IBC and its subsidiaries after eliminating inter-entity balances and transactions.

The subsidiaries, which are all located in the United States, are:

Entity	Ownership Percentage (2025)	Ownership Percentage (2024)	Principal Activity
IBC US Holdings, Inc. ("IBC US")	100%	100%	Holding company
Nonferrous Products, Inc. ("Nonferrous")	100%	100%	Manufacturing
NF Industries, Inc.	100%	100%	Holding company
IBC Engineered Materials Corp. ("EMC")	100%	100%	Inactive

3. Material Accounting Policies

The accounting policies followed by the Company are set out in Note 3 to the audited consolidated financial statements for the year ended June 30, 2025, and have been consistently followed in the preparation of these condensed consolidated interim financial statements.

4. Critical Accounting Estimates and Judgments

In preparing these condensed consolidated interim financial statements, management has made judgments, estimates and assumptions that affect the Company's accounting policies and the reported amount of assets, liabilities, income, and expenses. Actual results may differ from these estimates. Management reviews these estimates and underlying assumptions on an ongoing basis, based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Revisions to estimates are adjusted prospectively in the period in which the estimates are revised.

The estimates and judgments applied in the condensed consolidated interim financial statements, including the key sources of uncertainty, were the same as those applied and set out in Note 4 to the Company's audited consolidated financial statements for the year ended June 30, 2025.

5. Receivables

	December 31, 2025 $	June 30, 2025 $
Trade accounts receivable subject to factoring	2,659	2,226
Net trade accounts receivable	2,659	2,226
Other receivables	4	-
	2,663	2,226

The Company previously maintained an account sale and purchase agreement ("ASPA"), or accounts receivable factoring facility, with Sallyport Commercial Finance LLC ("Sallyport"). Under this arrangement, which had been amended from time to time, Sallyport provided up to $7,000 in revolving financing through the factoring of 90% of the Company's accounts receivable.

During the six months ended December 31, 2025, the Company terminated its ASPA with Sallyport and entered into a new integrated line of credit and factoring agreement with Iron Horse Credit LLC ("Iron Horse") (Note 8). Under this combined facility, Iron Horse provides up to $6,000 in total revolving availability, which covers both the Company's line of credit and the factoring of up to 90% of eligible accounts receivable. Accordingly, the Company's prior separate line-of-credit and factoring arrangements have been consolidated into a single financing facility with Iron Horse.

The revised agreement with Iron Horse bears interest at the secured overnight financing rate plus 6% per annum. Additional fees include a 1% facility fee, and a service fee of 0.15%. This agreement is set to expire on September 30, 2026.

The revised financing arrangements with Iron Horse Credit, LLC also include updated financial covenants that replace the prior minimum debt service coverage and positive cash flow requirements. Under the new covenants, (i) the Company's Equity, calculated as total equity less prepaid expenses, must not be less than negative $500 and (ii) the ratio of Earnings Before Taxes, Depreciation, and Amortization ("EBTDA") to interest payable to Iron Horse must be no less than 1.30.

During the six months ended December 31, 2025, the Company was in compliance with the covenants.

5. Receivables

The Company has retained late payment and credit risk, and therefore, continues to recognize the transferred assets in their entirety in its Consolidated Statements of Financial Position. The related factoring facility liability is recognized for cash advances related to factored receivables.

As at December 31, 2025, the Company has $2,659 (June 30, 2025 - $2,226) of its accounts receivable factored as part of this factoring facility and during the three and six months ended December 31, 2025 incurred $170 and $301 (three and six months ended December 31, 2024 -$64 and $132) in interest expense as a result of factoring of accounts receivable.

As of December 31, 2025, the Company has $2,073 (June 30, 2025 - $2,236) owing related to cash advances on its factored receivables. This is recorded as a current liability.

6. Inventories

Current inventories	December 31, 2025 $	June 30, 2025 $
Raw materials	4,715	5,090
Work in process	1,082	587
Finished goods	696	908
	6,493	6,585
Non-current inventories		
Raw materials	1,803	2,127
	8,296	8,712

At December 31, 2025, inventories with a value of $8,296 (June 30, 2025 – $8,712) held by the Company were pledged as collateral for the Iron Horse and Sallyport facilities (Note 8).

During the three and six months ended December 31, 2025, cost of revenue in continuing operations included materials of $2,449 and $4,695 (December 31, 2024 – $1,982 and $4,835), respectively, and labor of $709 and $1,402 (December 31, 2024 – $666 and $1,324).

The Company recovers beryllium from production by-products and uses the recovered material in its manufacturing operations. The Company adjusts the value of recovered beryllium from time to time depending on its end use, resulting in changes to the carrying value.

The net realizable value of this inventory involves significant estimates related to future production and consumption, sales volumes, recovery and operating and capital costs. These estimates are subject to various risks and uncertainties and may have an effect on the net realizable value estimate and the carrying value of this inventory.

7. Property, Plant, and Equipment

	Land $	Right of Use Asset $	Machinery and Equipment $	Vehicles $	Buildings and Leasehold Improvements $	Furniture and Fixtures $	Construction in Progress $	Total $
Cost								
At June 30, 2024	420	4,456	12,027	35	8,325	776	206	26,245
Additions	-	-	6	-	-	-	169	175
Disposals	-	-	(3,714)	-	(16)	(74)	-	(3,804)
Construction in progress placed in service	-	-	200	-	-	-	(200)	-
At June 30, 2025	420	4,456	8,519	35	8,309	702	175	22,616
Additions	-	-	6	-	-	-	100	106
At December 31, 2025	420	4,456	8,525	35	8,309	702	275	22,722
Accumulated depreciation and impairment								
At June 30, 2024	-	4,456	8,341	35	3,401	349	-	16,582
Impairment	-	-	-	-	-	35	-	35
Depreciation expense	-	-	343	-	187	122	-	652
Disposals	-	-	(3,230)	-	(16)	(74)	-	(3,320)
At June 30, 2025	-	4,456	5,454	35	3,572	432	-	13,949
Depreciation expense	-	-	163	-	92	61	-	316
At December 31, 2025	-	4,456	5,617	35	3,664	493	-	14,265
Net book value								
At June 30, 2025	420	-	3,065	-	4,737	270	175	8,667
At December 31, 2025	420	-	2,908	-	4,645	209	275	8,457

As at December 31, 2025, the Company pledged property, plant, and equipment held by Nonferrous with a net book value of $3,826 (June 30, 2025 - $3,893).

Presentation of the Company's depreciation expense is included in the following line items:

	Three months ended December 31,		Six months ended December 31,	
	2025 $	2024 $	2025 $	2024 $
Cost of revenue	125	132	256	272
Selling, general and administrative expenses	31	31	60	63
Total depreciation expense	156	163	316	335

8. Line of Credit

As part of the Company's financing arrangements with Iron Horse (see Note 5), the Company maintains a line of credit agreement. Under the previous terms, the facility provided a maximum borrowing limit of $4,500, bore interest at 1.166% per month (14% effective annual interest rate). The agreement also included certain financial covenants, including a minimum debt service coverage ratio and the requirement to maintain positive cash flows from operations.

In September 2025, the Company revised its agreement with Iron Horse and terminated its separate factoring facility with Sallyport (see Note 5). Following this termination, Iron Horse became the Company's sole provider of both factoring and line-of-credit financing. As at December 31, 2025, the outstanding balance on the line of credit was $3,764 (June 30, 2025 – $3,480).

8. Line of Credit (continued)

During the three and six months ended December 31, 2025, the Company incurred interest expense of $170 and $301 (three and six months ended December 31, 2024 – $128 and $261) related to the line of credit.

9. Accounts Payable and Accrued Liabilities

	December 31, 2025 $	June 30, 2025 $
Trade accounts payable	1,474	1,240
Accrued liabilities	1,843	1,156
Sales returns and allowances	168	239
Accounts payable and accrued liabilities	3,485	2,635

10. Borrowings

(a) Loans payable

	Loeb loan $	Flatbay financing arrangement $	Total $
June 30, 2024	**1,506**	**3,513**	**5,019**
Accrued interest	255	702	957
Repayments paid in cash	(653)	(604)	(1,257)
June 30, 2025	**1,108**	**3,611**	**4,719**
Accrued interest	103	362	465
Repayments paid in cash	(229)	(302)	(531)
December 31, 2025	**982**	**3,671**	**4,653**
June 30, 2025			
Current	**254**	**118**	**372**
Non-current	**854**	**3,493**	**4,347**
December 31, 2025			
Current	**216**	**131**	**347**
Non-current	**766**	**3,540**	**4,306**

Loeb Loan

In October 2023, the Company entered into an agreement with Loeb Term Solutions LLC. To enter into an equipment term loan ("Loeb Loan") that provided the Company with total proceeds of $1,780 in exchange for a security interest in its machinery and equipment. The loan bears interest at prime plus 6.5% per annum with interest only payments for the first four weeks, then going forward principal and interest payment are due weekly, with a final baloon payment due at maturity. Nonferrous received proceeds of $1,550 from the Loeb Loan which has a 3-year term and incurred transaction costs of $138. EMC received proceeds of $230 from the Loeb Loan which had a 2-year term and incurred transaction costs of $20.

10. Borrowings (continued)

(a) Loans payable (continued)

On July 11, 2024, the Company repaid the balances owed by EMC in respect to the Loeb loan by a repayment of $209, inclusive of settlement costs of $7.

Flatbay Financing Arrangement

In May 2024, the Company entered into an agreement with Flatbay Fund I, LLC ("Flatbay") in which it sold its property consisting of land and buildings situated in Franklin, Indiana for $3,850 with the option to repurchase the property during the period the Company leases the property from Flatbay. The terms set forth the following prices of repurchase as follows:

- During the first year of the lease – $4,100;
- During the second year of the lease – $4,043;
- During the third year of the lease – $3,927; and
- Thereafter, until the end of the lease – $3,850.

From that day the Company began to lease the property from Flatbay and pays monthly amounts of $50 for the first nine months and variable monthly amounts of $45 to $50 being payable thereafter depending on the debt service coverage ratio of the Company. The Company incurred transaction costs of $349 surrounding the closing of the Flatbay financing agreement which will be amortized over the life of the liability. Based on the terms and conditions of the transaction, management concluded that it should be classified as a financing arrangement rather than a sale and leaseback under IFRS 16 since the transfer of the property did not qualify as a sale in terms of IFRS 15 – *Revenue from contracts with customers*.

Pursuant to the lease agreement, the Company has paid to Flatbay a security deposit equal to five months' base rent amounting to $250 for faithful performance and observance of the agreement by the Company. The security deposit would be applied against the repurchase price of the property, should the Company exercise its option to repurchase. This security deposit is recognized as a non-current deposit in the consolidated statements of financial position of the Company.

(b) Related party loans

	Related party loan 1	Related party loan 2	
	$	$	Total $
June 30, 2024	**1,138**	**1,356**	**2,494**
Accrued interest	143	181	324
Gross proceeds received	-	453	453
Repayments paid in cash	(50)	-	(50)
June 30, 2025	**1,231**	**1,990**	**3,221**
Accrued interest	54	88	142
December 31, 2025	**1,285**	**2,078**	**3,363**
June 30, 2025			
Current	**1,231**	**1,990**	**3,221**
Non-current	**-**	**-**	**-**
December 31, 2025			
Current	**1,285**	**2,078**	**3,363**
Non-current	**-**	**-**	**-**

10. Borrowings (continued)

(b) Related party loans (continued)

As of December 31, 2025, loans amounting to $3,363 (June 30, 2025 - $3,221) are owing to a director and officer of the Company. The loans are secured by IBC Holdings shares and accrue interest at the rate of 10% per annum based on the principal outstanding balance and had a maturity date of December 31, 2024. The maturity date was extended on December 31, 2024 to June 30, 2025, on May 1, 2025 to December 31, 2025, and again on December 23, 2025 to December 31, 2026.

11. Leases payable

The Company leases office and factory space and has one other lease which is considered a low value lease and as such is included in the statement of comprehensive income (loss) and not the statement of financial position. Interest expense on the lease liabilities amounted to $16 and $35 respectively, for the three and six months ended December 31, 2025 (December 31, 2025 - $21 and $46). The Company did not incur any variable lease payments and there were no leases with residual value guarantees or leases not yet commenced to which the Company has committed. During the six months ended December 31, 2025, $455 (2024 - $Nil) of unpaid lease payments were reclassified to accounts payable.

	$
As at June 30, 2024	**1,294**
Finance costs	68
Payments	(442)
Reclassification to accounts payable and accrued liabilities	(429)
As at June 30, 2025	491
Finance costs	35
Payments	-
Reclassification to accounts payable and accrued liabilities	(455)
As at December 31, 2025	71

Unpaid lease amounts were reclassified to accounts payable and accrued liabilities.

Allocated as:	December 31, 2025 $	June 30, 2025 $
Current	71	491
Non-current	-	-
	71	491

Minimum lease payments for each fiscal year:		
2026	**$**	76
Amount representing interest		(5)
	$	**71**

12. Share Capital

(a) Authorized capital

Authorized share capital of the Company consists of an unlimited number of common and preferred shares with no par value.

The Board of Directors may determine the designations, rights, preferences or other variation of each class or series within the preferred shares.

12. Share Capital (continued)

(b) Issued capital

As at December 31, 2025, there were 115,236,737 (June 30, 2025 – 113,430,857) common shares issued and outstanding.

There were no preferred shares outstanding.

Transactions during the six months ended December 31, 2025:

On December 2, 2025, the Company issued 705,880 common shares with a value of $94 to directors of the Company in settlement of amounts due for services.

During the six months ended December 31, 2025, the company issued 1,000,000 common shares relating to an option exercise from the prior year. As a result of this share issuance, $148 was transferred from obligation to issue shares to share capital. The Company also received a notice of exercise for a total of 100,000 common shares options with an exercise price of C$0.10. In connection with this exercise, the Company received gross proceeds of $11. In addition, $7 representing the fair value of the options was reclassified from reserves to share capital.

Transactions during the six months ended December 31, 2024:

On July 11, 2024, the Company issued 1,714,284 common shares with a value of $89 to directors of the Company in settlement of amounts due for services. The Company also issued 4,982,000 common shares with a value of $255 to the CEO as a bonus payment in consideration for certain guarantees made by the CEO for the Company's credit facilities.

On December 23, 2024, the Company issued 250,000 common shares upon the exercise of 125,000 options with an exercise price of C$0.20 and 125,000 options with an exercise price of C$0.24 by the CEO. The Company received $38 upon the exercise of these options, and $25 in fair value of the options was reclassified from reserves to share capital.

(c) Stock options

IBC's Board of Directors has adopted a rolling stock option plan, subsequently amended and approved by shareholders, under which the Company is authorized to grant options to directors, employees and consultants to acquire up to 10% of the issued and outstanding common shares. The exercise price of each option is based on the market price of the Company's stock for a period preceding the date of grant. The options can be granted for a maximum term of ten years and vest as determined by the Board of Directors. The Company's shares trade in Canadian dollars and options granted to date have been denominated in Canadian funds.

On April 21, 2025, the Board of Directors approved an amendment to the stock option plan which did not impact the terms or valuation of any existing awards. The Company's shareholders re- approved the stock option plan at the December 2025 shareholders' meeting.

12. Share Capital (continued)

(c) Stock options (continued)

Option Grants

A summary of stock option activity to December 31, 2025 is as follows:

	Stock Options Outstanding	Weighted Average Exercise Price C$
June 30, 2024	4,267,500	0.21
Granted	3,075,000	0.09
Exercised	(1,000,000)	0.12
Forfeited	(597,500)	0.20
Expired	(40,000)	0.16
June 30, 2025	5,705,000	0.16
Exercised	(100,000)	0.15
Expired	(1,065,000)	0.18
December 31, 2025	4,540,000	0.15

During the three and six months ended December 31, 2025 the Company recognized share-based compensation relating to stock options of $Nil and $Nil (December 31, 2024 - $1 and $6).

On December 31, 2025, the Company had outstanding, and exercisable stock options as follows:

				Outstanding Options			Exercisable Options		
Grant Date	Expiry Date	Fair Value per Option C$	Exercise Price CAD	Number	Weighted Average Remaining Life	Weighted Average Exercise Price CAD	Number	Weighted Average Remaining Life	Weighted Average Exercise Price CAD
1-Dec-21	1-Dec-26	0.13	$0.20	945,000	0.92 years	$0.20	945,000	0.92 years	$0.20
8-Jun-22	7-Jun-27	0.16	$0.24	1,270,000	1.43 years	$0.24	1,270,000	1.43 years	$0.24
27-Jan-25	27-Jan-30	0.07	$0.09	2,225,000	4.08 years	$0.09	2,225,000	4.08 years	$0.09
10-Feb-25	10-Feb-30	0.07	$0.09	100,000	4.12 years	$0.09	100,000	4.12 years	$0.09
				4,540,000	2.68 years	$0.16	4,540,000	2.68 years	$0.16

In the year ended June 30, 2025, 432,500 unvested stock options were forfeited by employees as a result of the termination of their employment relationship with the Company. A further 165,000 vested stock options were forfeited, pursuant to the terms of the stock option agreements with former employees, upon the lapse of the grace period ranging from 90 days to 12 months after the termination date of employment.

(d) Warrants

	Financing Warrants	
	Warrants Outstanding	Weighted Average Exercise Price C$
June 30, 2023	15,540,035	0.16
Expired	(4,270,591)	0.21
June 30, 2024	11,269,444	0.14
Expired	(11,269,444)	0.14
December 31 and June 30, 2025	-	-

The Company has not assigned any value to financing warrants issued as part of unit financings as, in most cases, the pricing of the units was determined by reference to the Company's share price and no premium was attributed to the attached warrant rights.

13. Related Parties Transactions

Key management personnel compensation was:

	Three months ended December 31,		Six months ended December 31,	
	2025	2024	2025	2024
	$	$	$	$
Salaries, wages, and management fees	272	409	523	870
Director fees	15	13	28	25
Share-based compensation and services	28	25	51	54
	315	447	602	949

The short-term employee benefits were paid or accrued directly to employees and directors of the Company.

The employment agreements of various officers of the Company contain change in control clauses, wherein should a change in control of the Company occur, the officers may terminate their employment without cause. In the event of termination, the officers would receive severance, which constitutes the officers' earned salary through to the date of termination, an amount equal to the salary which would have otherwise been payable to the officer for the 24-month period following the date of termination, and any remaining or outstanding stocks grants, options, or awards shall fully vest.

As of December 31, 2025, $51 (June 30, 2025 - $94) and $28 (June 30, 2025 - $34) in share-based compensation and cash, respectively, are owing to directors and officers for services, and $Nil (June 30, 2025 - $11) is owing to officers for expenses paid on the Company's behalf.

As of December 31, 2025, $Nil (June 30, 2025 - $Nil) in share-based compensation, and $131 (June 30, 2025 - $125) is owing to key management employees, for bonuses to be paid in shares and retention bonus, respectively.The amounts are unsecured.

As of December 31, 2025, $3,363 (June 30, 2025 - $3,221) is owing to a director and officer of the Company for notes payable principal and interest (Note 10(b)). During the three and six months ended December 31, 2025, the Company incurred interest expense of $74 and $145 (December 31, 2024 - $62 and $124) on amounts due to related parties.

14. Commitments and Contingencies

Legal Matters

As more fully discussed below, the Company is involved in a variety of claims, lawsuits, investigations and proceedings concerning securities law, intellectual property law, environmental law, employment law and the Employee Retirement Income Security Act ("ERISA"). We determine whether an estimated loss from a contingency should be accrued by assessing whether a loss is deemed probable and can be reasonably estimated. We assess our potential liability by analyzing our litigation and regulatory matters using available information. We develop our views on estimated losses in consultation with outside counsel handling our defense in these matters, which involves an analysis of potential results, assuming a combination of litigation and settlement strategies. Should developments in any of these matters cause a change in our determination as to an unfavorable outcome and result in the need to recognize a material accrual or should any of these matters result in a final adverse judgment or be settled for significant amounts, they could have a material adverse effect on our results of operations, cash flows and financial position in the period or periods in which such change in determination, judgment or settlement occurs.

On September 8, 2017, an Award was issued in favor of claimant Gerald Hoolahan against IBC Advanced Alloys Corp. The Award, in the amount of $1,240 plus attorney's fees, costs, and expenses in the amount of $155, was granted by the American Arbitration Association's International Centre for Dispute Resolution. The amount awarded plus costs has been accrued for in these consolidated financial statements. On March 27, 2019, the Company received notice from an arbitrator which was then confirmed by the United States District Court for the District of Massachusetts, affirming the September 8, 2017 arbitration award made in favor of

14. Commitments and Contingencies (continued)

Legal Matters (continued)

Gerald R. Hoolahan. As at December 31, 2025 the Company has also recorded accrued interest of $322 from the judgment date, September 8, 2017.

On January 21, 2014, Nonferrous received a "Special Notice Letter of Potential Liability" from the U.S. Environmental Protection Agency ("EPA"). The letter references the EPA's determination that a release of hazardous materials had occurred at the Chemetco Superfund Site located in Hartford, Illinois. Chemetco, Inc. operated a secondary smelting operation for recycling and after-market processing of copper-bearing scrap and manufacturing by-products. The EPA has identified Nonferrous as a potentially responsible party ("PRP") under the Comprehensive Environmental Response, Compensation, and Liability Act ("CERCLA"). Nonferrous was identified as a PRP due to the EPA's review of Chemetco's records indicating that Nonferrous shipped more than 849,000 pounds of material to the Superfund Site. Nonferrous has joined a defense group of other PRPs. To date, insurers of Nonferrous has paid legal fees and PRP Group assessments associated with the claim. These assessments will be used to fund further site investigation to determine the amount of materials sent to Chemetco by each party and the best clean-up method. The Company is evaluating its options regarding notifying its insurers of potentially increased liability should the EPA and/or Chemetco PRP Group contribution lawsuit attempt to name Nonferrous as a defendant due to purchase of certain assets of Specialloy. Specialloy was allocated over 5 million pounds of material shipped to the Chemetco site, or more than five times the amount allocated to Nonferrous. Should the EPA and/or PRP Group contribution lawsuit pursue alter ego theories and allege that Nonferrous is responsible for the potential liabilities of Specialloy, the Company potentially faces significantly more liability requiring further defensive action. The outcome of potential litigation and amounts cannot be determined at this time and has not been accrued for in these consolidated financial statements.

15. Segment Reporting

As of December 31, 2025, the Company had one reportable segment. Up until June 30, 2024, the Company operated a second manufacturing division, the Engineered Materials division, which ceased operations during that year and has been classified as a discontinued operation (Note 16).

The accounting policies of the segments are the same as described in Note 3 of these consolidated financial statements. IBC's management evaluates performance based on income before other items.

Three months ended December 31, 2025	Continuing operations $	Discontinued operations $	Total $
Revenue from external customers	4,863	-	4,863
Depreciation	157	-	157
Share-based compensation and share-based services	28	-	28
Gain (loss) before other items	111	(107)	4
Foreign exchange loss	54	-	54
Interest and accretion expense	(519)	(19)	(538)
Loss before income taxes	(354)	(126)	(480)
Income tax recovery	-	-	-
Capital expenditures	4	-	4

15. Segment Reporting (continued)

Six months ended December 31, 2025	Continuing operations $	Discontinued operations $	Total $
Revenue from external customers	9,034	-	9,034
Depreciation	317	-	317
Share-based compensation and share-based services	51	-	51
Loss before other items	44	(213)	(169)
Foreign exchange loss	(8)	-	(8)
Interest and accretion expense	(961)	(42)	(1,003)
Loss before income taxes	(925)	(255)	(1,180)
Income tax recovery	(2)	-	(2)
Capital expenditures	107	-	107

Three months ended December 31, 2024	Continuing operations $	Discontinued operations $	Total $
Revenue from external customers	3,561	-	3,561
Depreciation	162	-	162
Share-based compensation and share-based services	28	-	28
Loss before other items	(428)	(231)	(659)
Foreign exchange gain	(159)	-	(159)
Interest and accretion expense	(540)	(40)	(580)
Other income	-	-	-
Loss before income taxes	(1,127)	(265)	(1,392)
Income tax recovery	-	-	-
Capital expenditures	53	-	53

Six months ended December 31, 2024	Continuing operations $	Discontinued operations $	Total $
Revenue from external customers	8,460	-	8,460
Depreciation	335	-	335
Share-based compensation and share-based services	57	-	57
Loss before other items	(654)	(707)	(1,361)
Foreign exchange gain	(129)	-	(129)
Interest and accretion expense	(1,005)	(104)	(1,109)
Other income	10	18	28
Loss before income taxes	(1,778)	(828)	(2,606)
Income tax recovery	(1)	-	(1)
Capital expenditures	47	-	47

Capital expenditures include additions to property, plant and equipment but exclude right of use assets.

As at December 31, 2025, total assets employed by the continuing operations are $20,190 (June 30, 2025 - $20,671) while the discontinued operation has $Nil assets employed (June 30, 2025 - $Nil).

15. Segment Reporting (continued)

Total liabilities recognized by each segment are:

	December 31, 2025 $	June 30, 2025 $
Continuing operations	16,198	15,674
Discontinued operations	2,950	2,810
	19,148	18,484

The geographical division of the Company's revenues based on the customer's country of origin is as follows:

	Three months ended December 31,		Six months ended December 31,	
	2025	2024	2025	2024
United States	4,240	3,006	8,106	6,439
The Netherlands	10	316	144	1,048
Canada	505	153	621	288
China	-	-	45	180
Germany	-	-	-	194
Japan	-	-	-	189
Taiwan	-	35	-	35
All others	108	51	118	87
	4,863	3,561	9,034	8,460

The following customers represented more than 10% of sales:

	December 31, 2025		December 31, 2024	
	Amount $	%	Amount $	%
Customer A	1,010	12	-	-
Customer B	745	10	-	-
Customer C	-	-	1,048	12.5

All of the Company's property, plant and equipment are located in the United States.

16. Discontinued Operations

On June 24, 2024, the Company discontinued the operations of EMC. As a result, EMC was classified as a discontinued operation in accordance with *IFRS 5 – Non-Current Assets Held for Sales and Discontinued Operations* for the years ended June 30, 2025, and 2024. The loss and comprehensive loss from discontinued operations (EMC) for the three and six months ended December 31, 2025, and 2024 comprise the following:

16. Discontinued Operations (continued)

Three months ended December 31	Note	Three months ended December 31, 2025 $	Three months ended December 31, 2024 $	Six months ended December 31, 2025 $	Six months ended December 31, 2024 $
Selling, general, and administrative expenses					
Consulting fees		-	-	2	13
Office and miscellaneous		83	55	163	280
Professional fees		24	9	48	33
Salaries, wages, and management fees	13	-	166	-	374
Share-based copmensation and services		-	(4)	-	(4)
Travel, meals and entertainment		-	5	-	11
		107	231	213	707
Loss before other items		(107)	(231)	(213)	(707)
Other income (expense)					
Interest and accretion expense	5,10,11	(19)	(40)	(42)	(104)
Impairment loss	7	-	-	-	(35)
Other income		-	6	-	18
Net loss before income taxes		(126)	(265)	(255)	(828)
Total loss for the period, net of tax		(126)	(265)	(255)	(828)

Cash flows from EMC are as follows:

Six months ended December 31,	2025 $	2024 $
Cash flows provided by operating activities		
Net loss from discontinued operations, net of tax	(255)	(828)
Adjustments for:		
Share-based compensation and services		(4)
Impairment loss	-	35
Interest and accretion expense	42	102
Changes in non-cash working capital items:		
Receivables	-	1,201
Inventories	-	11
Prepaid expenses and deposits	-	58
Accounts payable and accrued liabilities	213	894
Net cash provided by operating activities	-	1,469
Cash flows used in financing activities		
Interest paid	-	(67)
Factoring facility repayments	-	(1,299)
Lease principal repayments	-	(396)
Loan repayments	-	(191)
Net cash used in financing activities	-	(1,953)
Cash flows provided by investing activities		
Proceeds from sale of property, plant, and equipment	-	484
Net cash provided by investing activities	-	484
Change in cash during the period	-	-
Supplemental Cash Flow Information:		
Interest payments	-	(67)

17. Capital Management

The Board of Directors has overall responsibility for the establishment and oversight of the Company's capital management framework. The Board of Directors has implemented and monitors compliance with risk management policies. The Company's risk management policies are established to identify and analyze the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are regularly reviewed and updated to reflect changes in market conditions and the Company's activities. There were no changes to the Company's approach to capital management during the period ended December 31, 2025 from the year ended June 30, 2025.

The Company's primary objectives, when managing its capital, are to maintain adequate levels of funding to support the manufacturing operations of the Company and to maintain corporate and administrative functions. The Company defines capital as bank loans, other short-term and long-term debt, and equity, consisting of the issued common shares, stock options and warrants. The capital structure of the Company is managed to provide sufficient funding for manufacturing and other operating activities. Funds are primarily secured through a combination of debt and equity capital raised by way of private placements. There can be no assurances that the Company will be able to continue raising equity capital and debt in this manner.

The Company intends to invest all capital that is surplus to its immediate needs in short-term, liquid and highly rated financial instruments, such as cash and other short-term deposits. The Company's line of credit facilities require that it maintain a minimum net worth and certain ratios indicating debt coverage and debt-to-tangible net worth. Iron Horse Credit, LLC with which the Company maintains a line of credit facility requires the Company to demonstrate positive operating cash flows.

18. Financial Risk Management

The Company's activities expose it to a variety of financial risks, including foreign exchange risk, interest rate risk, commodity price risk, credit risk and liquidity risk. From time to time, the Company may use foreign exchange contracts, commodity price contracts and interest rate swaps to manage exposure to fluctuations in foreign exchange, metal prices and interest rates. The Company does not have a practice of trading derivatives.

Fair Values

The Company does not hold any financial instruments at fair value subject to level 1, 2 or 3 fair value measurements. There were no changes in level 1, 2 or 3 financial instruments during the six months ended December 31, 2025.

Foreign Exchange Risk

Most of the Company's activities are in the United States, but the Company conducts business in other countries from time to time. The principal foreign exchange risk exposure arises from transactions denominated in Canadian dollars.

Below is the sensitivity analysis if holding all other variables constant, the following changes would have the following effects:

Profit or loss	December 31, 2025		December 31, 2024	
	Increase $	(Decrease) $	Increase $	(Decrease) $
10% movement in cash flows	336	(336)	24	(24)
1% movement in C$ per $	(34)	34	(2)	2

18. Financial Risk Management (continued)

Exposure to the Canadian dollar on financial instruments is as follows:

Balances at December 31, 2025	C$
Related party loans	4,610

Balances at June 30, 2025	C$
Related party loans	4,396

Interest Rate Risk

The Company's interest rate risk mainly arises from the variable interest rate impact on interest expense on the Iron Horse agreement, the Loeb Machinery and Equipment financing agreement and in the prior period the ASPA with Sallyport. All other debentures, loans, notes payable, related party notes payable and line of credit facilities bear interest at fixed interest rates.

Below is the sensitivity analysis if holding all other variables constant, the following changes would have the following effects:

Profit or loss	December 31, 2025		December 21, 2024	
	Increase $	(Decrease) $	Increase $	(Decrease) $
10% movement in cash flows	(31)	31	(32)	32
1% movement in interest rate index	(31)	31	(28)	28

Commodity Price Risk

The Company's profitability depends, in part, on the market prices of copper, aluminium and beryllium. The market prices for metals can be volatile and are affected by factors beyond the Company's control, including global or regional consumption patterns; the supply of, and demand for, these metals; speculative activities; the availability and costs of metal substitutes; expectations for inflation; and political and economic conditions, including interest rates and currency values. The Company cannot predict the effect of these factors on metal prices. The Company does not engage in hedging but, where possible, structures selling arrangements in a way that passes commodity price risk through to the customer.

Credit Risk

Credit risk arises from the non-performance by counterparties of contractual financial obligations. The Company's credit risk arises primarily with respect to its trade accounts receivable and cash.

The Company manages credit risk by trading with recognized creditworthy third parties and insuring trade receivables. In addition, receivable balances are monitored on an on-going basis with the result that the Company's exposure to impaired receivables is not significant.

The Company also manages its credit risk by investing its cash only in obligations of Canada or the United States or their respective agencies, obligations of enterprises sponsored by any of the above governments; bankers' acceptances purchased in the secondary market and having received the highest credit rating from a recognized rating agency in Canada or the United States, with a term of less than 180 days; and bank term

deposits and bearer deposit notes, with a term of less than 180 days.

18. Financial Risk Management (continued)

Liquidity Risk (continued)

The Company's maximum exposure to credit risk at the reporting date is the carrying value of cash, and receivables.

Liquidity Risk

The Company manages liquidity risk by maintaining adequate cash and cash equivalent balances. If necessary, it may raise funds through the issuance of debt, equity, or monetization of non-core assets. To ensure that there is sufficient capital to meet obligations, the Company continuously monitors and reviews actual and forecasted cash flows and matches the maturity profile of financial assets to development, capital and operating needs.

December 31, 2025	Less than three months $	Three to twelve months $	One to five years $	Total $
Accounts payables and accrued liabilities	3,433	52	-	3,485
Line of credit	3,764	-	-	3,764
Accounts receivable factoring facility	-	2,073	-	2,073
Notes payable, related parties	-	3,363	-	3,363
Leases payable (undiscounted)	71	-	-	71
Loan payable (undiscounted)	270	1,240	4,065	5,575
Arbitration award liability	1,733	-	-	1,733
	9,271	6,728	4,065	20,064

June 30, 2025	Less than three months $	Three to twelve months $	One to five years $	Total $
Accounts payables and accrued liabilities	2,556	79	-	2,635
Line of credit	3,480	-	-	3,480
Accounts receivable factoring facility	-	2,236	-	2,236
Notes payable, related parties	-	3,221	-	3,221
Leases payable (undiscounted)	228	303	-	531
Loan payable (undiscounted)	261	784	5,272	6,317
Arbitration award liability	1,701	-	-	1,701
	8,226	6,623	5,272	20,121

19. Loss per Share

From continuing operations:

Three months ended December 31	**2025**	**2024**
Net loss for the period ($000)	(354)	(1,127)
Weighted average number of common shares outstanding	114,668,516	113,452,596
Basic and diluted loss per common share	$ (0.00)	$ (0.01)
Six months ended December 31	**2025**	**2024**
Net loss for the period ($000)	(927)	(1,779)
Weighted average number of common shares outstanding	114,292,214	113,041,405
Basic and diluted loss per common share	$ (0.01)	$ (0.02)

19. Loss per Share (continued)

From discontinued operations:

Three months ended December 31	**2025**	**2024**
Net loss for the period ($000)	(126)	(265)
Weighted average number of common shares outstanding	114,668,516	113,452,596
Basic and diluted loss per common share	$ (0.00)	$ (0.00)

Six months ended December 31	**2025**	**2024**
Net loss for the period ($000)	(255)	(828)
Weighted average number of common shares outstanding	114,292,214	113,041,405
Basic and diluted loss per common share	$ (0.00)	$ (0.01)

Total:

Three months ended December 31	**2025**	**2024**
Loss for the year ($000)	(480)	(1,392)
Weighted average number of common shares outstanding	114,668,516	113,452,596
Basic and diluted loss per common share	$ (0.00)	$ (0.01)

Six months ended December 31	**2025**	**2024**
Loss for the year ($000)	(1,182)	(2,607)
Weighted average number of common shares outstanding	114,292,214	113,041,405
Basic and diluted loss per common share	$ (0.01)	$ (0.02)

For the three and six months ended December 31, 2025 and 2024, the Company's options and warrants were not included in the calculation of continuing or discontinued diluted earnings per share as their inclusion was anti-dilutive.

20. Subsequent Events

- On February 17, 2026, the Company entered into a convertible security agreement for US$1,250,000 principal (US$1,500,000 face value including US$250,000 prepaid interest) with a 24-month term. The principal, less a US$62,500 closing fee, is convertible at C$0.205 per common share.Subject to exchange approval and certain conditions, the investor may provide an additional US$1,250,000 on similar terms during the term of the agreement.
- In January 2026, the Company granted stock options to its directors, officers and employees to purchase up to an aggregate of 1,800,000 common shares in the capital of the Company, exercisable at a price of C$0.22 per share and expiring January 20, 2031 with the options vesting immediately.