

IBC ADVANCED ALLOYS CORP.

CONSOLIDATED FINANCIAL STATEMENTS

Expressed in United States Dollars

June 30, 2026

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Independent Auditors' Report

To the Shareholders of IBC Advanced Alloys Corp.

Opinion

We have audited the consolidated financial statements of IBC Advanced Alloys Corp. (the "Group"), which comprise the consolidated statements of financial position as at June 30, 2026 and June 30, 2025 and the consolidated statements of loss and comprehensive loss, changes in equity and cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of material accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at June 30, 2026 and June 30, 2025, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 1 to the consolidated financial statements which describes the material uncertainty that may cast significant doubt on the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the year ended June 30, 2026. In addition to the matter described in the Material uncertainty related to going concern section, we have determined the matter described below to be a key audit matter to be communicated in our report. The matter was addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on the matter.

Valuation of revert inventories

We draw attention to Notes 3 and 6 to the consolidated financial statements. As at June 30, 2026, the Group held revert inventory of $2 million, a portion of which is presented as non-current inventory.

Why the matter was determined to be a key audit matter

We identified the valuation of revert inventory as a key audit matter due to the magnitude of the revert inventory, and the related significant estimations and judgments required by management in assessing net realizable value, including expected recoveries, consumption rates, and certain cost assumptions.

How the matter was addressed in our audit
The primary procedures we performed to address this key audit matter included the following:

- Evaluated the reasonableness of the Group's estimate of future usage by comparing historical usage with usage forecasts;

- Performed independent test counts;

- Inspected a sample of the Group's third-party metallurgical lab results;

- Tested the net realizable value of the revert inventory by comparing its cost, including cost to complete, to the selling price of products that used this inventory; and

- Assessed the overall presentation and disclosure in the consolidated financial statements.

Other Information

Management is responsible for the other information. The other information comprises:

- Management's Discussion and Analysis

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

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

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

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

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

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

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

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group’s internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management’s use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the work performed for the purposes of the group audit. We remain solely responsible for our audit opinion.

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

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

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

The engagement partner on the audit resulting in this independent auditors' report is Pejman Mahlooji.

Crowe Mackay LLP

Chartered Professional Accountants
Vancouver, Canada
October 15, 2026

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

As at	Note	June 30, 2026 $	June 30, 2025 $
ASSETS			
Current assets			
Cash		431	619
Receivables	5	2,616	2,226
Inventories	6	8,633	6,585
Prepaid expenses and deposits		194	198
Total current assets		11,874	9,628
Non-current assets			
Deposits		249	249
Inventories	6	1,356	2,127
Property, plant, and equipment	7	8,431	8,667
Total non-current assets		10,036	11,043
Total assets		21,910	20,671
LIABILITIES			
Current liabilities			
Accounts payable and accrued liabilities	9,11,14	3,664	2,635
Line of credit	8	4,508	3,480
Factoring facility	5	2,040	2,236
Leases payable	11	-	491
Loans payable	10	215	372
Convertible debt	10	410	-
Related party loans	10,14	3,358	3,221
Unearned revenue		-	1
Arbitration award liability	15	1,765	1,701
Total current liabilities		15,960	14,137
Non-current liabilities			
Loans payable	10	4,746	4,347
Convertible debt	10	497	-
Embedded derivative	10	209	-
Total non-current liabilities		5,452	4,347
Total liabilities		21,412	18,484
EQUITY			
Share capital	13	63,597	63,255
Reserves	13	9,962	9,798
Obligation to issue shares	13	-	148
Foreign currency translation reserve		540	378
Accumulated deficit		(73,601)	(71,392)
Total equity		498	2,187
Total liabilities and equity		21,910	20,671

Going concern of operations	1
Commitments and contingencies	15

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 consolidated financial statements.

IBC ADVANCED ALLOYS CORP.

Consolidated Statements of Loss and Comprehensive Loss

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

Year ended June 30,	Note	2026 $	2025 $
Revenue	16	19,505	17,763
Cost of revenue	6,7	15,711	14,254
Gross profit		3,794	3,509
Selling, general, and administrative expenses			
Consulting fees		96	152
Depreciation	7	122	124
Director fees, cash portion	14	59	50
Office and miscellaneous		956	914
Professional fees		464	425
Public company costs		86	154
Salaries, wages, and management fees	14	1,632	1,866
Share-based compensation and services	13,14	302	254
Travel, meals and entertainment		76	55
		3,793	3,994
Income (loss) before other items		1	(485)
Other income (expense)			
Foreign exchange gain (loss)		(141)	19
Interest and accretion expense	5,8,10,11,15	(2,002)	(1,923)
Loss on disposal of assets	7	(3)	-
Gain on modification of loan	10	96	-
Gain on revaluation of derivative	10	115	-
Other income		15	166
		(1,920)	(1,738)
Loss before income taxes		(1,919)	(2,223)
Income tax (expense) recovery:			
Current	12	(5)	7
Net loss from continuing operations		(1,924)	(2,216)
Net loss from discontinued operations	17	(285)	(1,197)
Total loss		(2,209)	(3,413)
Foreign currency translation from continuing operations		162	(27)
Total comprehensive loss from continuing operations		(1,762)	(2,243)
Total comprehensive loss from discontinued operations		(285)	(1,197)
Total comprehensive loss		(2,047)	(3,440)
Net loss per common share from continuing operations, basic and diluted	20	$(0.02)	$(0.02)
Net loss per common share from discontinued operations, basic and diluted	20	$(0.00)	$(0.01)
Total loss per common share - basic and diluted	20	$(0.02)	$(0.03)
Weighted average number of common shares outstanding from continuing operations:			
Basic and Diluted	20	114,777,032	113,251,444
Weighted average number of common shares outstanding from discontinued operations:			
Basic and Diluted	20	114,777,032	113,251,444

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

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

Year ended June 30	2026 (Note 17) $	2025 (Note 17) $
Operating activities		
Loss from continuing operations, net of tax	(1,924)	(2,216)
Adjustments for:		
Share-based compensation and services	302	254
Gain on revaluation of derivative	(115)	-
Gain on loan modification	(96)	-
Depreciation	625	652
Interest and accretion expense	2,002	1,923
Inventory write down (write down reversal)	108	(589)
Loss on disposal of fixed assets	3	-
Transaction costs allocated to derivative liability	54	-
Changes in non-cash working capital items:		
Receivables	(390)	(101)
Inventories	(1,385)	1,077
Prepaid expenses and deposits	6	374
Accounts payable and accrued liabilities	279	(2,192)
Unearned revenue	(1)	(2)
Net cash used in operating activities from continuing operations	(532)	(820)
Net cash provided by (used in) operating activities from discontinued operations	-	1,470
Cash flows (used in) provided by operating activities	**(532)**	**650**
Financing activities		
Net line of credit advances	596	19
Interest paid	(748)	(1,276)
Factoring facility (repayment) proceeds	(348)	1,219
Loan repayments	(430)	(275)
Loan proceeds	452	453
Convertible debenture proceeds	1,250	-
Convertible debenture transaction costs	(167)	-
Convertible debenture principal repayments	(75)	-
Options exercised	56	86
Net cash provided by financing activities from continuing operations	586	226
Net cash used in financing activities from discontinued operations	-	(1,954)
Cash flows provided by (used in) financing activities	**586**	**(1,728)**
Investing activities		
Purchase of property, plant, and equipment	(392)	(175)
Net cash used in investing activities from continuing operations	(392)	(175)
Net cash provided by investing activities from discontinued operations	-	484
Cash flows provided by (used in) investing activities	**(392)**	**309**
Foreign exchange effect on cash	150	(27)
Change in cash during the year	(188)	(796)
Cash, beginning of year	619	1,415
Cash, end of year	431	619
Supplemental Cash Flow Information:		
Interest payments	(748)	(1,276)
Income tax payments	-	-
Non-cash items:		
Common shares issued for services	94	89
Common shares issued for bonus	-	255
Common shares issued for option exercise in prior year	148	-
Fair value transfer upon option exercise	44	62
Lease payments reclassification to accounts payable and accrued liabilities	501	429
Allocation of derivative liability	324	-

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

IBC ADVANCED ALLOYS CORP.
Consolidated Statements of Changes in Equity
(US dollars in thousands)
For the Year Ended June 30, 2026

	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	-	9,950	405	(67,979)	5,287
Shares issued for services	13	1,714,284	89	-	(89)	-	-	-
Shares issued for bonus	13	4,982,000	255	-	(255)	-	-	-
Options exercised	13	-	-	148	(62)	-	-	86
Share-based compensation	13	-	-	-	254	-	-	254
Foreign currency translation		-	-	-	-	(27)	-	(27)
Loss for the year from continuing operations		-	-	-	-	-	(2,216)	(2,216)
Loss for the year from discontinued operations		-	-	-	-	-	(1,197)	(1,197)
At June 30,2025		113,430,857	63,255	148	9,798	378	(71,392)	2,187
Shares issued for services	13	705,880	94	-	(94)	-	-	-
Options exercised	13	1,400,000	248	(148)	(44)	-	-	56
Share-based compensation	13	-	-	-	302	-	-	302
Foreign currency translation		-	-	-	-	162	-	162
Loss for the year from continuing operations		-	-	-	-	-	(1,924)	(1,924)
Loss for the year from discontinued operations		-	-	-	-	-	(285)	(285)
At June 30, 2026		115,536,737	63,597	-	9,962	540	(73,601)	498

The accompanying notes are an integral part of these consolidated 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 consolidated 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 year ended June 30, 2026, the Company had not yet achieved consistently profitable operations, having incurred a loss from continuing operations of $1,924 during the year ended June 30, 2026 (June 30, 2025 – $2,216). The Company had accumulated losses of $73,601 (June 30, 2025 – $71,392) since inception. At June 30, 2026, the Company has a working capital deficit of $4,086 (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. The outcome of these matters cannot be predicted at this time and these material uncertainties may cast significant doubt upon the Company's ability to continue as a going concern. 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 consolidated financial statements have been prepared in accordance with IFRS Accounting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB").

The Company's Board of Directors approved the release of these consolidated financial statements on October 15, 2026.

2. Basis of Presentation (continued)

b) Basis of measurement

These consolidated financial statements have been prepared on a historical cost basis, except for certain financial instruments, which are measured at fair value, as explained in the material accounting policies, set out in note 3.

The preparation of these consolidated 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 consolidated 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 consolidated financial statements comprise the financial statements of IBC and its subsidiaries on June 30, 2026. 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 consolidated 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 (2026)	Ownership Percentage (2025)	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 set out below have been applied consistently to all periods presented in these financial statements unless otherwise indicated.

a) Foreign currency transactions

Functional and presentation currency

The functional currency of the Company is determined based on the currency of the primary economic environment in which the Company operates. The functional currency of IBC is the Canadian dollar ("C$"). All other entities have a functional currency of the United States dollar ("$"). These consolidated financial statements are presented in United States dollars, and all financial amounts, other than per-share amounts, are rounded to the nearest thousand dollars.

Transactions and balances

At the transaction date, each asset, liability, revenue and expense denominated in a foreign currency is translated into the relevant functional currency using the exchange rate in effect at that date. At the reporting period end date, monetary assets and liabilities are translated into the relevant functional currency using the exchange rate in effect at that date and the related translation differences are recognized in profit or loss. Non-monetary assets and liabilities that are measured at historical cost are translated into the relevant functional currency by using the exchange rate in effect at the date of the initial transaction and are not subsequently restated.

Translation into the presentation currency

The operating results and consolidated statements of financial position of entities with functional currencies different from the presentation currency are translated into the presentation currency as follows:

- Assets and liabilities presented are translated at the year-end closing rate as at the date of the consolidated statements of financial position;
- Income and expenses for the statements of loss and comprehensive loss are translated at average exchange rates, unless the average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case, income and expenses are translated at the rate on the dates of the transactions; and
- All resulting exchange differences from translating foreign operations are recognized in a separate component of shareholders' equity as other comprehensive income (loss).

b) Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held at call with financial institutions and other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and subject to an insignificant risk of change in value. The Company has no cash equivalents.

c) Inventories

Inventories are valued at the lower of cost and net realizable value. All costs incurred in bringing each product to its present location and condition are recorded as inventory and accounted for as follows:

Raw materials:

- Purchase cost of raw materials is determined using the first-in, first-out method.

3. Material Accounting Policies (continued)

c) Inventories (continued)

Finished goods and work in progress

- Standard cost of direct materials, labor and a proportion of manufacturing overheads based on normal operating capacity but excluding borrowing costs.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

d) Revenue recognition

IFRS 15 – Revenue from contracts with customers requires companies to follow a five-step model to determine if revenue should be recognized. This core principle is delivered in a five-step model framework:

- Identify the contract(s) with a customer
- Identify the performance obligations in the contract
- Determine the transaction price
- Allocate the transaction price to the performance obligations in the contract
- Recognize revenue when (or as) the entity satisfies a performance obligation

Application of this guidance depends on facts and circumstances present in a contract with a customer and requires the exercise of judgment.

If it is expected that the unavoidable costs required to satisfy the remaining performance obligations of a revenue contract will exceed its expected economic benefits, the Company will recognize an onerous provision with a corresponding loss in cost of sales in the consolidated statement of comprehensive income (loss).

Sale of goods

Revenue associated with the sale of goods is recognized when control of the asset sold is transferred to the customer. Indicators of control transferring include an unconditional obligation to pay, legal title, physical possession, transfer of risk and rewards and customer acceptance. This generally occurs when the goods are delivered to a loading port, warehouse, vessel or metal account as contractually agreed with the buyer; at which point the buyer controls the goods. In cases where the Company is responsible for the cost of shipping and certain other services after the date on which control of the goods transfers to the customer, these other services are considered separate performance obligations and thus a portion of revenue earned under the contract is allocated and recognized as these performance obligations are satisfied.

Return allowance

The Company’s return policy allows for return of any unsatisfactory product. The return allowance is determined based on an analysis of the historical rate of returns, which is applied directly against sales.

3. Material Accounting Policies (continued)

e) Property, plant and equipment

Recognition and measurement

On initial recognition, property, plant and equipment is valued at cost, being the purchase price and directly attributable costs of acquisition or construction required to bring the asset to the location and condition necessary to be capable of operating in the manner intended by the Company. Such costs include appropriate borrowing costs and the estimated present value of any future unavoidable costs of dismantling and removing items. The corresponding liability is recognized within provisions.

Property, plant and equipment is subsequently measured at cost less accumulated depreciation, less any accumulated impairment losses.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Subsequent costs

The cost of replacing part of an item of property, plant and equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company and its cost can be measured reliably. The carrying amount of the replaced part is derecognized. The costs of the day-to-day servicing of property, plant and equipment are recognized in profit or loss as incurred.

Major maintenance and repairs

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance are charged to profit or loss during the financial period in which they are incurred.

Gains and losses

Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount and are recognized on a net basis in profit or loss.

Depreciation

Depreciation is recognized in profit or loss and is provided on a straight-line basis over the estimated useful life of the assets as follows:

	Years
Machinery and equipment	5-35
Vehicles	5-10
Building and leasehold improvements	10-40 (or over lease period)
Furniture and fixtures	5-15

Depreciation methods, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

3. Material Accounting Policies (continued)

f) Leases

Leases Definition

At inception of a contract, the Company assesses whether the contract is, or contains, a lease. A contract is, or contains, a lease if it conveys the right to control the use of an identified asset for a period of time in exchange for consideration. An identified asset may be implicitly or explicitly specified in a contract, but must be physically distinct, and must not have the ability for substitution by a lessor. The Company has the right to control an identified asset if it obtains substantially all of its economic benefits and either pre-determines or directs how and for what purpose the asset is used.

Measurement of Right of use assets ("ROU") and lease obligations

At lease commencement, the Company recognizes a ROU Asset and a lease obligation. The ROU Asset is initially measured at cost, which comprises the initial amount of the lease obligation adjusted for any lease payments made at, or before, the commencement date, plus any initial direct costs incurred, less any lease incentives received.

The ROU Asset is subsequently amortized on a straight-line basis over the shorter of the term of the lease, or the useful life of the asset determined on the same basis as the Company's property, plant and equipment. The ROU Asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease obligation.

The lease obligation is initially measured at the present value of lease payments remaining at the lease commencement date, discounted using the Company's incremental borrowing rate. Lease payments included in the measurement of the lease obligation, when applicable, may comprise fixed payments, variable payments that depend on an index or rate, amounts expected to be payable under a residual value guarantee and the exercise price under a purchase, extension or termination option that the Company is reasonably certain to exercise.

The lease obligation is subsequently measured at amortized cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, or if the Company changes its assessment of whether it will exercise a purchase, extension or termination option. When the lease obligation is remeasured, a corresponding adjustment is made to the carrying amount of the ROU Asset.

Recognition Exemptions

The Company has elected not to recognize ROU Assets and lease obligations for short-term leases that have a lease term of twelve months or less or for leases of low-value assets. Payments associated with these leases are recognized as an operating expense on a straight-line basis over the lease term within costs and expenses in profit or loss.

3. Material Accounting Policies (continued)

g) Impairment of non-financial assets

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's ("CGU") fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded subsidiaries or other available fair value indicators.

The Company bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Company's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year.

Impairment losses of continuing operations, including impairment on inventories, are recognized in profit or loss in expense categories consistent with the function of the impaired asset.

For assets excluding goodwill, an assessment is made at each reporting date whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the Company estimates the asset's or CGU's recoverable amount. A previously recognized impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognized. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years.

h) Financial instruments

Measurement – initial recognition

Financial assets and financial liabilities are recognized in the Company's statement of financial position when the Company becomes a party to the contractual provisions of the instrument. On initial recognition, all financial assets and financial liabilities are recorded at fair value, net of attributable transaction costs, except for financial assets and liabilities classified as at fair value through profit or loss ("FVTPL"). Transaction costs of financial assets and liabilities classified as at FVTPL are expensed in the period in which they are incurred.

Subsequent measurement of financial assets and liabilities depends on the classifications of such assets and liabilities.

Classification of financial assets

Amortized cost:

Financial assets that meet the following conditions are measured subsequently at amortized cost:

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

3. Material Accounting Policies (continued)

h) Financial instruments (continued)

The amortized cost of a financial asset is the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus the cumulative amortization using effective interest method of any difference between that initial amount and the maturity amount, adjusted for any loss allowance. Interest income is recognized using the effective interest method. Interest income is recognized in investment (loss) income in profit or loss.

The Company's financial assets carried at amortized cost primarily include cash and receivables in the Consolidated Statements of Financial Position.

Derecognition:

The Company derecognizes financial assets only when the contractual rights to cash flows from the financial assets expire, or when it transfers the financial assets and substantially all of the associated risks and rewards of ownership to another entity. Gains and losses on derecognition are generally recognized in profit or loss. However, gains and losses on derecognition of financial assets classified as fair value through other comprehensive income ("FVTOCI") remain within accumulated other comprehensive income.

Classification of financial liabilities

The Company classifies and measures its financial liabilities at amortized cost.

Amortized Cost:

Amortized cost liabilities are non-derivatives and are recognized initially at fair value, net of transaction costs incurred, and are subsequently stated at amortized cost. Any difference between the amounts originally received, net of transaction costs, and the redemption value is recognized in profit and loss over the period to maturity using the effective interest method. These financial liabilities are classified as current or non-current based on their maturity date. Amortized cost liabilities include accounts payable and accrued liabilities, line of credit, arbitration award liability, factoring facility, leases payable, and borrowings. The Company derecognizes financial liabilities when the Company's obligations are discharged, cancelled or they expire.

Convertible debt
The Company accounts for convertible debt in accordance with IFRS 9 Financial Instruments and IAS 32 Financial Instruments: Presentation.

Upon issuance, the Company assesses the terms of convertible debt to determine the appropriate classification of the instrument and its components as financial liabilities, equity instruments, or derivative financial liabilities.

The embedded conversion feature is assessed to determine whether it meets the criteria for equity classification under IAS 32. Where the conversion feature does not meet the fixed-for-fixed criterion, the conversion option is bifurcated from the host debt instrument and accounted for as a derivative financial liability.

Prepayment and other contingent settlement features are assessed to determine whether their economic characteristics and risks are closely related to those of the host debt instrument. Where such features are not considered closely related, they are bifurcated and accounted for separately as derivative financial liabilities at fair value through profit or loss.

The debt host component is initially recognized at fair value; net of directly attributable transaction costs allocated to the liability component and is subsequently measured at amortized cost using the effective interest method.

3. Material Accounting Policies (continued)

h) Financial instruments (continued)

Derivative financial liabilities are initially recognized at fair value and are subsequently remeasured to fair value at each reporting date, with changes in fair value recognized in profit or loss within finance expense (income). Fair value is determined using valuation techniques that maximize the use of observable market inputs where available. The Company uses option pricing models, including the Black-Scholes option pricing model, in determining the fair value of embedded derivative liabilities.

Warrants issued in connection with convertible debt are classified as equity instruments when the warrants meet the definition of equity under IAS 32. Equity-classified warrants are measured at fair value on the issuance date and recorded in contributed surplus. Equity-classified warrants are not subsequently remeasured.

The proceeds received from the issuance of convertible debt are allocated among the derivative liabilities, debt host liability, and equity components, in that order, upon initial recognition. Transaction costs directly attributable to the issuance are allocated to each component based on their relative fair values.
Subsequent to initial recognition:

- the derivative liabilities are remeasured at fair value at each reporting date;
- the debt host liability is accreted to the principal amount over the term of the instrument using the effective interest method; and
- the equity component is not remeasured.

Upon conversion, extinguishment, or maturity of the convertible debt, the carrying amounts of the related components are derecognized.

The following table summarizes the classification and measurement of the Company's financial assets and liabilities.

		June 30, 2026	June 30, 2025
		$	$
Financial assets, recorded at amortized cost	• Cash	431	619
	• Trade accounts receivables, net	2,616	2,226
Financial liabilities, recorded at amortized cost	• Line of credit	4,508	3,480
	• Accounts payable and accrued liabilities	3,664	2,635
	• Factoring facility	2,040	2,236
	• Leases payable	-	491
	• Borrowings (note 10)	9,226	7,940
	• Arbitration award liability	1,765	1,701
Financial liabilities, recorded at fair value through profit and loss	• Embedded derivative	209	-

3. Material Accounting Policies (continued)

i) Provisions

Other provisions

Provisions are recognized for liabilities of uncertain timing or amount that have arisen as a result of past transactions, including legal or constructive obligations. The provision is measured at the best estimate of the expenditure required to settle the obligation at the reporting date.

j) Income taxes

Income tax expense comprises current and deferred tax. Current tax and deferred tax are recognized in profit or loss except to the extent that they relate to a business combination or items recognized directly in equity or in other comprehensive income or loss.

Current income taxes are recognized for the estimated income taxes payable or receivable on taxable income or loss for the current year and any adjustment to income taxes payable in respect of previous years. Current income taxes are determined using tax rates and tax laws that have been enacted or substantively enacted by the year-end date.

Deferred tax assets and liabilities are recognized where the carrying amount of an asset or liability differs from its tax base, except for taxable temporary differences arising on the initial recognition of goodwill and temporary differences arising on the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction affects neither accounting nor taxable profit or loss.

Recognition of deferred tax assets for unused tax losses, tax credits and deductible temporary differences is restricted to those instances where it is probable that future taxable profit will be available against which the deferred tax asset can be utilized. At the end of each reporting period the Company reassesses unrecognized deferred tax assets. The Company recognizes a previously unrecognized deferred tax asset to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

k) Earnings / loss per share

Basic earnings/loss per share is computed by dividing the income or loss applicable to common shares of the Company by the weighted average number of common shares outstanding for the relevant period. Diluted earnings/loss per common share is computed by dividing the income or loss applicable to common shares by the sum of the weighted average number of common shares issued and outstanding and all additional common shares that would have been outstanding, if potentially dilutive instruments were converted.

l) Share-based payments

The Company operates a stock option plan. Share-based payments to employees are measured at the grant date fair value of the instruments and recognized in expense over the vesting periods. Share based payments to non-employees are measured at the fair value of goods or services received or the fair value of the equity instruments issued if it is determined that the fair value of the goods or services received cannot be reliably measured and are recorded at the date the goods or services are received. The corresponding amount is recorded to reserves. The fair value of the options is determined using a Black-Scholes Option Pricing Model. The number of options expected to vest is reviewed and adjusted at the end of each reporting period such that the amount recognized for services received as consideration for the equity instruments granted shall be based on the number of equity instruments that eventually vest. Upon the exercise of stock options, consideration received on the exercise is recorded as share capital and the related amount in reserves is transferred to share capital. Amounts recorded for forfeited unvested options are reversed in the period the forfeiture occurs. If a vested employee stock option expires unexercised, compensation cost previously recognized is not reversed.

3. Material Accounting Policies (continued)

m) Valuation of warrants in private placement units

The Company has adopted a residual value method with respect to the measurement of shares and warrants issued as private placement units. The residual value method first allocates value to the more easily measurable component based on fair value and then the residual value, if any, to the less easily measurable component. The fair value of the common shares issued in the private placements is determined to be the more easily measurable component and valued at their fair value, as determined by the closing quoted bid price on the date of issuance. The balance, if any, is allocated to the attached warrants. Any fair value attributed to the warrants is recorded to reserves.

n) Assets and liabilities for sale and discontinued operations

Non-current assets are classified as held for sale if their carrying amounts will be recovered through a sale transaction rather than through continuing use. This condition is met when the sale is highly probable, the asset is available for immediate sale in its present condition and the sale is expected to be completed within one year from the date of classification.

Non-current assets and disposal groups are classified and presented as discontinued operations if the assets or disposal groups are disposed of or classified as held for sale and:

- The assets or disposal groups are a major line of business or geographical area of operations;
- The assets or disposal groups are part of a single coordinated plan to dispose of a separate major line of business or geographical area of operations; or,
- The assets or disposal groups are a subsidiary acquired solely for the purpose of resale.

A component that is a separate major line of business or geographical area of operations and has been disposed of, closed, abandoned or terminated is also classified as a discontinued operation.

The assets or disposal groups that meet these criteria are measured at the lower of carrying amount and fair value less cost of disposal, with impairments recognized in the consolidated statement of comprehensive income (loss). An impairment loss is recognized for any initial or subsequent write-down of the asset or disposal group to fair value less cost to dispose. Non-current assets and liabilities held for sale are presented separately in current assets and liabilities within the consolidated statement of financial position. Assets held for sale are not depreciated, depleted or amortized. The comparative period consolidated statement of financial position is not restated.

The results of discontinued operations, net of tax, are shown separately in the consolidated statements of comprehensive income (loss) and cash flows and comparative figures are restated.

o) New standards, interpretations and amendments adopted in the year

The Company did not adopt any new standards, interpretations or amendments during the current fiscal year when preparing these consolidated financial statements.

3. Material Accounting Policies (continued)

p) New standards, interpretations and amendments not yet effective

IFRS 18 Presentation and Disclosure in financial statements

IFRS 18 introduces three defined categories for income and expenses—operating, investing and financing—to improve the structure of the income statement, and requires all companies to provide new defined subtotals, including operating profit. The improved structure and new subtotals will give investors a consistent starting point for analyzing companies' performance and make it easier to compare companies.

IFRS 18 requires companies to disclose explanations of those company-specific measures that are related to the income statement, referred to as management-defined performance measures. The new requirements will improve the discipline and transparency of management-defined performance measures, and make them subject to audit.

IFRS 18 sets out enhanced guidance on how to organize information and whether to provide it in the primary financial statements or in the notes.

The new standard is effective for the Company's annual reporting periods beginning on or after July 1, 2027. Early application is permitted, but the Company does not plan to early adopt.

The Company is still in the process of assessing the impact from the aforementioned new standard and amendments on its consolidated financial statements.

4. Critical Accounting Estimates and Judgments

In preparing these consolidated 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.

Judgments

Judgments made in applying accounting policies that have the most significant effects on the amounts recognized in the consolidated financial statements are outlined below.

Determining cash generating units

For assessing impairment of non-financial assets, the Company must determine its cash-generating units. Assets and liabilities are grouped into CGUs at the lowest level of separately identified cash flows. The determination of a CGU is based on management's judgment and is an assessment of the smallest group of assets that generate cash inflows independently of other assets.

Classification of Discontinued Operations

Management assessed and concluded that the operations of one of its subsidiaries, EMC qualify as a discontinued operation due to the decision to cease production during the prior year. The decision to cease production was as a result of insufficient long-term demand for cast beryllium-aluminum alloy products (note 17).

4. Critical Accounting Estimates and Judgments (continued)

Financing arrangement with Flatbay

Management evaluated the transaction in which the Company sold its property, consisting of land and buildings, to Flatbay and subsequently entered into a leaseback arrangement. Based on the terms and conditions of the transaction, management concluded that the arrangement should be classified as a financing arrangement rather than a sale and leaseback under IFRS 16.

On June 30, 2026, management exercised an extension option under the existing agreement and revised the expected buyback date from May 9, 2027 to May 9, 2029. Determining the expected buyback date requires management to exercise judgement based on the contractual terms and the Company's current expectations. Management determined that May 9, 2029 represents the expected buyback date as at June 30, 2026.

Impairment of non-financial assets

The determination of whether indicators of impairment exist is based on management's judgment of whether there are internal and external factors that would indicate that a non-financial asset is impaired. The recoverable amounts used for impairment calculations may require estimates of future net cash flows related to the assets or CGUs, probability of successful contract proposals and estimates of discount rates applied to these cash flows, or consideration of the Company's market capitalization as compared to the CGU's carrying amount in determination of fair value less cost of sales through appraisal. The Company also assesses whether there are circumstances that indicate that previously impaired assets are now recoverable and need to be increased to their original carrying values.

Functional currency

The functional currency for the Company and each of its subsidiaries is the currency of the primary economic environment in which the entity operates. Determination of the functional currency involves certain judgments to determine the primary economic environment and the Company reconsiders the functional currency of its entities if there is a change in events and conditions which determined the primary economic environment.

Segmented reporting

The Company must exercise judgment in defining its business segments (note 16) and allocating revenue, expenses and assets among the segments. The Company bases allocations on the groupings used to manage the business and report to senior management. From time to time, assets and personnel of one division may be used to benefit another division resulting in inaccuracies, but these are not material.

During the year, management reassessed the Company's reportable segments and concluded that the Copper Alloys and Corporate activities should be combined into a single reportable segment as substantially all corporate and administrative activities directly support the Company's copper alloys division. This conclusion was based on the integration of the activities, the manner in which resources are allocated, and how financial information is monitored and reported internally. As a result, the Company presents one reportable segment for the current year.

4. Critical Accounting Estimates and Judgments (continued)

Determining the lease term of contracts with renewal and termination options

The Company determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised. The Company has a lease contract for office and factory space that includes an extension option. The Company applied judgment in evaluating whether it is reasonably certain whether or not to exercise the option to renew the lease. That is, it considered all relevant factors that create an economic incentive for it to exercise the renewal. After the commencement date, the Company reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew. The Company did not include the renewal period as part of the lease term for this lease contract as the intention is to identify alternative office space at the end of the lease term.

Estimates

Estimates and assumptions where there is significant risk of material adjustments to assets and liabilities in future accounting periods are outlined below.

Useful lives of property, plant and equipment

Property, plant and equipment are amortized or depreciated over their useful lives. Useful lives are based on management's estimate of the period that the assets will generate revenue, which are periodically reviewed for continued appropriateness. Changes to estimates can result in significant variations in the carrying value and amounts charged to the consolidated statement of loss and comprehensive loss in specific periods. More details including carrying values are included in note 7.

Leases - Estimating the incremental borrowing rate

The Company cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate ("IBR") to measure lease liabilities. The IBR is the rate of interest that the Company would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Company 'would have to pay', which requires estimation when no observable rates are available or when they need to be adjusted to reflect the terms and conditions of the lease. The Company estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates.

Inventory

The Company reviews the net realizable value of, and demand for, its inventory on a quarterly basis to provide assurance that recorded inventory is stated at the lower of cost or net realizable value. Factors that could impact estimated demand and selling prices include the timing and success of future technological innovations, competitor actions, supplier prices and economic trends.

The Company's return policy allows for return of any unsatisfactory product. The inventory return accrual and reserve are determined based on an analysis of the historical rate of returns, which is applied directly against cost of sales.

The valuation of beryllium-rich metal recovered during operations (revert) is based on estimated yields and the costs of the alloy used in the production process during the period. Current portions and non-current portions of inventories are based upon estimated projections of processing or forecasted usage of the revert material. In the current year, the value of the revert inventory was estimated based on the lower of cost and net realizable value.

4. Critical Accounting Estimates and Judgments (continued)

Estimates (continued)

Inventory is initially recorded using standard costs, which are established based on expected material, labour and manufacturing overhead costs incurred in the production process. Standard costs are reviewed periodically and updated, as necessary, to reflect current operating conditions and expected costs. Differences between standard costs and actual costs are monitored and appropriately reflected in the carrying value of inventory and cost of sales, as applicable.

Share-based transactions

The Company must exercise judgment in defining its assumptions for evaluating share-based compensation (note 13), which includes the Black-Scholes option-pricing model and various weighted average assumptions. The Company bases estimates on historical data for volatility, forfeitures, expected option lives, dividend yield, interest rates and actual market price and grant price of the options.

Expected volatility is estimated using the historical volatility of the Company's share price over a period consistent with the expected term of the underlying award. The determination of expected volatility requires significant judgment and changes in this assumption could materially impact the fair value of share-based compensation awards and the related expense recognized.

Contingencies

Due to the complexity and nature of the Company’s operations, various legal matters arise and are outstanding from time to time. The final outcome with respect to actions outstanding or pending on June 30, 2026, or with respect to future claims, cannot be predicted with certainty and is an area of significant management judgment. In the event that management’s estimate of the future resolution of these matters changes, the Company will recognize the effects of the changes in its consolidated financial statements the date such changes occur (note 15).

Debentures issued with conversion features or derivative liability and/or warrants

Significant judgment is applied in determining the classification of the convertible debt components, including whether the conversion feature meets the criteria for equity classification under IAS 32 Financial Instruments: Presentation. Management determined that the conversion feature did not meet the fixed-for-fixed criterion and therefore accounted for it as an embedded derivative liability measured at fair value through profit or loss. The warrants issued in connection with the financing were determined to meet the criteria for equity classification.

The fair value of the embedded derivative liability is determined using the Black-Scholes option pricing model, which requires management to make estimates and assumptions regarding expected volatility, expected term, risk-free interest rates, dividend yield and the Company’s share price. Changes in these assumptions could materially impact the fair value of the derivative liability and the related gain or loss recognized in profit or loss.

5. Receivables

	June 30, 2026 $	June 30, 2025 $
Trade accounts receivable	561	-
Trade accounts receivable subject to factoring	2,040	2,226
Net trade accounts receivable	2,601	2,226
Other receivables	15	-
	2,616	2,226

The Company maintains an account sale and purchase agreement ("ASPA"), or accounts receivable factoring facility, with Sallyport Commercial Finance LLC ("Sallyport"). The facility provides up to $7,000 in aggregate financing under the combined factoring and revolving line of credit facilities (note 8), with the factoring component advancing up to 90% of eligible accounts receivable, subject to the overall facility limit.

The facility with Sallyport bears interest at the secured overnight financing rate plus 6% per annum. Additional fees include a facility fee of 1% of the maximum revolver amount, and a service fee of 0.15% of the average Daily Balance of the Advances during the immediately preceding month or as applicable month to date. This agreement is set to expire on September 30, 2028.

In addition, the Company has to comply with the following 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 ("EBITDA") to interest payable to Sallyport must be no less than 1.30.

During the year ended June 30, 2026, the Company was in compliance with the covenants.

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 June 30, 2026, the Company had a combined outstanding balance of $6,548 under its line of credit and factoring facility (June 30, 2025 – $5,716). During the year ended June 30, 2026, the Company received advances of $3,704 and made repayments of $3,456 under these facilities (June 30, 2025 – advances of $19,959, and repayments of $20,020).

During the year ended June 30, 2026, the Company incurred $584 (June 30, 2025 – $652) in interest expense on the line of credit and factoring facility.

6. Inventories

Current inventories	June 30, 2026 $	June 30, 2025 $
Raw materials	5,635	5,090
Work in process	2,470	587
Finished goods	528	908
	8,633	6,585
Non-current inventories		
Raw materials	1,356	2,127
	9,989	8,712

At June 30, 2026, inventories with a value of $9,989 (June 30, 2025 – $8,712) held by the Company were pledged as collateral for the Sallyport facilities (notes 5 and 8).

During the year ended June 30, 2026, cost of revenue in continuing operations included materials of $10,932 (June 30, 2025 – $9,674), respectively, and labor of $2,697 (June 30, 2025 – $2,565).

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.

7. Property, Plant, and Equipment

	Land $	Machinery and Equipment $	Buildings and Leasehold Improvements $	Furniture and Fixtures $	Construction in Progress $	Total $
Cost						
At June 30, 2024	420	12,027	8,325	776	206	21,754
Additions	-	6	-	-	169	175
Disposals	-	(3,714)	(16)	(74)	-	(3,804)
Construction in progress placed in service	-	200	-	-	(200)	-
At June 30, 2025	420	8,519	8,309	702	175	18,125
Additions	-	-	17	-	375	392
Disposals	-	(40)	-	-	-	(40)
Construction in progress placed in service	-	86	-	-	(86)	-
At June 30, 2026	420	8,565	8,326	702	464	18,477
Accumulated depreciation and impairment						
At June 30, 2024	-	8,341	3,401	349	-	12,091
Impairment	-	-	-	35	-	35
Depreciation expense	-	343	187	122	-	652
Disposals	-	(3,230)	(16)	(74)	-	(3,320)
At June 30, 2025	-	5,454	3,572	432	-	9,458
Depreciation expense	-	322	182	121	-	625
Disposals	-	(37)	-	-	-	(37)
At June 30, 2026	-	5,739	3,754	553	-	10,046
Net book value						
At June 30, 2025	420	3,065	4,737	270	175	8,667
At June 30, 2026	420	2,826	4,572	149	464	8,431

As at June 30, 2026, property, plant and equipment held by Nonferrous, with a net book value of $3,925 (June 30, 2025 – $3,893), was pledged as security for the Loeb Loan (Note 10(a)).

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

From continuing operations: Year ended	2026 $	2025 $
Cost of revenue	503	528
Selling, general and administrative expenses	122	124
Total depreciation expense	625	652

8. Line of Credit

As part of the Company's financing arrangements with Sallyport (note 5), the Company maintains a line of credit agreement. As at June 30, 2026, the outstanding balance on the line of credit was $4,508 (June 30, 2025 – $3,480).

During the year ended June 30, 2026, the Company incurred interest expense of $432 (June 30, 2025 – $496) related to the line of credit.

9. Accounts Payable and Accrued Liabilities

	June 30, 2026 $	June 30, 2025 $
Trade accounts payable	1,935	1,240
Employee wages and payroll withholdings	176	33
Accrued liabilities	1,355	1,123
Sales returns and allowances	198	239
Total	3,664	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	(653)	(604)	(1,257)
June 30, 2025	**1,108**	**3,611**	**4,719**
Net proceeds from loan	452	-	452
Gain on modification	(63)	(33)	(96)
Accrued interest	190	723	913
Repayments	(423)	(604)	(1,027)
June 30, 2026	**1,264**	**3,697**	**4,961**
June 30, 2025			
Current	**254**	**118**	**372**
Non-current	**854**	**3,493**	**4,347**
June 30, 2026			
Current	**170**	**45**	**215**
Non-current	**1,094**	**3,652**	**4,746**

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 balloon 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.

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.

10. Borrowings (continued)

(a) Loans payable (continued)

On May 28, 2026, the Company entered into an amendment (the "Amendment") to the Loeb Loan carried by Nonferrous. The Amendment was accounted for as a modification of the existing loan in accordance with IFRS 9. Immediately prior to the Amendment, approximately $872 remained outstanding. The Amendment resulted in the following changes to the existing loan:

- Additional loan proceeds of $484 were advanced, increasing the outstanding principal balance to approximately $1,370.
- The maturity date was extended from October 26, 2026 to May 29, 2029.
- The interest rate was reduced from Prime plus 6.5% to Prime plus 6.0%.

The refinancing resulted in additional net proceeds of approximately $452 after certain fees and expenses amounting to $32. As a result of the loan modification, the Company recognized a gain on modification of $63 in profit or loss. Other than the changes noted above, the Term Loan continues to be secured under the existing credit and security agreement.

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:

- Until May 9, 2025 – $4,100;
- Until May 9, 2026 – $4,043;
- Until May 9, 2027 – $3,927; and
- Until May 9, 2029 – $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 $249 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.

On June 30, 2026, management revised its estimate of the repurchase date under the existing agreement with Flatbay, resulting in the expected repurchase date of the property being deferred from May 9, 2027 to May 9, 2029. Accordingly, the carrying amount of the liability was recalculated based on the revised expected cash flows, discounted using the original effective interest rate, with the resulting adjustment of $33 recognized in profit or loss.

10. Borrowings (continued)

(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	(50)	-	(50)
June 30, 2025	**1,231**	**1,990**	**3,221**
Accrued interest	109	179	288
Repayments	(151)	-	(151)
June 30, 2026	**1,189**	**2,169**	**3,358**
June 30, 2025			
Current	**1,231**	**1,990**	**3,221**
Non-current	**-**	**-**	**-**
June 30, 2026			
Current	**1,189**	**2,169**	**3,358**
Non-current	**-**	**-**	**-**

As of June 30, 2026, loans amounting to $3,358 (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 31, 2025 to December 31, 2026.

(c) Convertible debt

On February 17, 2026, the Company entered into a convertible debt security funding agreement with a lender. The convertible debt security has a face value of $1,500, consisting of principal proceeds of $1,250 and prepaid interest of $250, and is convertible at a fixed price of C$0.205 per common share. The loan is unsecured, subordinated to the Company's existing senior lenders and is subject to a monthly repayment of $75. The Company may repurchase the outstanding principal balance and any prepaid interest at any time without penalty. If the Company exercises this repurchase right, the lender may elect to convert up to 33% of the outstanding principal into common shares at the agreed conversion price together with 100% of the accrued prepaid interest. In the event of a buy-back or change of control transaction, the lender is entitled to receive the full prepaid interest amount of $250, including both accrued and unaccrued portions. In addition, the lender may, once every 90 days, elect to convert accrued interest into common shares at 90% of the market closing price on the trading day immediately preceding conversion.

In connection with the financing, the Company issued 3,943,948 detached warrants to the lender on February 20, 2026. Each warrant is exercisable at C$0.2526 per common share and expires on February 20, 2028. The lender advanced gross proceeds of $1,250, less closing fees of $62. The Company is also obligated to reimburse the lenders for up to an additional $7 of actual legal and due diligence costs incurred in connection with this transaction.

10. Borrowings (continued)

Convertible debt (continued)

Management determined that the convertible debt contains embedded derivative features requiring separate accounting treatment under IFRS, including:

- the conversion feature associated with the principal amount of the debt, which does not meet the "fixed-for-fixed" criterion as the debt is denominated in U.S. dollars while the conversion price is fixed in Canadian dollars;
- the Company's option to buy-back the amount outstanding at any time for an amount equal to the buy-back amount for the convertible debt ("prepayment feature"). If elected to exercise this right, the lender will have the option to convert up to 33% of the C$ equivalent amount of the principal plus an amount equal to 100% of the outstanding amount of the accrued interest into shares at their discretion.

The embedded derivative features did not satisfy the "fixed-for-fixed" criterion and were therefore classified as derivative liabilities, measured at fair value through profit or loss. The fair value of the conversion and prepayment embedded derivative liabilities was estimated using the Black-Scholes option pricing model based on the following assumptions:

	As at	
	February 17, 2026	**June 30, 2026**
Number of conversion shares	8,320,610	8,668,902
Risk-free interest rate	2.45%	2.72%
Expected annual volatility	124.48%	111.27%
Expected life (in years)	2	1.63
Expected dividend yield	0%	0%
Exercise price-conversion option	$0.15	$0.14
Exercise price-prepayment option	$0.21	$0.20
Share price at valuation date	$0.15	$0.11

The valuation of the prepayment feature incorporates a 40% premium above the contractual conversion price to reflect the expected exercise of the Group's buy-back right. The valuation was applied to approximately 67% of the principal balance, as the lender retains the right to convert up to 33% of the outstanding principal upon exercise of the buy-back option.

A fair value of $763 was determined for the conversion feature and a fair value of $439 was determined for the prepayment feature, resulting in a net fair value of $324.

As at June 30, 2026 the conversion and prepayment embedded derivatives were revalued. The revaluation resulted in a net derivative liability of $209, a gain of $115 was recognized in profit or loss.

Upon initial recognition, the host debt component was determined as the residual amount after deducting the fair value of the embedded derivative features from the principal amount of the convertible debt. Based on a principal amount of $1,250 and a fair value of $324 for the embedded derivative features, the resulting carrying value of the host debt component was $926, prior to the allocation of transaction costs.

10. Borrowings (continued)

Convertible debt (continued)

Below is a continuity schedule for the host liability:

	$
As at June 30, 2025	-
Proceeds from issuance of convertible debt	1,250
Embedded derivative	(324)
Transaction costs allocated to host liability	(113)
Accretion	123
Interest expense	46
Repayment	(75)
As at June 30, 2026	907
Current	410
Non-current	497

The Company incurred total transaction costs of $167, of which $54 was allocated to the embedded derivative liabilities and $113 was allocated to the host liability based on their relative fair values. The warrants were allocated a $Nil fair value based on the residual method.

11. Leases payable

Through to January 31, 2026, the Company leased office and factory space; it 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 $10 respectively, for the year ended June 30, 2026 (June 30, 2025 - $68). 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 year ended June 30, 2026, $501 (2025 - $429) of unpaid lease payments were reclassified to accounts payable. The reclassification reflects lease payments that were due but remained unpaid at the reporting date.

	$
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	10
Reclassification to accounts payable and accrued liabilities	(501)
As at June 30, 2026	-

12. Income Taxes

The material components of the income tax expense for the years ended June 30, 2026 and 2025 are as follows:

Year ended June 30	2026	2025
	$	$
Current income tax (recovery)	5	(7)
Total income tax (recovery)	5	(7)

The difference between tax expense for the years ended June 30, 2026 and 2025 and the expected income taxes based on the statutory tax rate arises as follows:

Year ended June 30	2026	2025
	$	$
Loss before income taxes – continuing operations	(1,919)	(2,223)
Loss before income taxes – discontinued operations	(285)	(1,197)
Loss before income taxes	(2,204)	(3,420)
Statutory tax rate	27%	27%
Expected expense at statutory rate	(595)	(923)
Foreign exchange impact on deferred tax balance	198	(16)
Non-deductible temporary differences and other	45	33
Impact of foreign tax rates	72	157
State income taxes and other	6	(3)
Changes in unrecognized temporary differences	279	745
Total income tax expense (recovery)	5	(7)

For the year ended June 30, 2026, the Canadian federal corporate tax rate and the British Columbia provincial tax rate are 15% and 12% respectively. The US federal tax rate remained at 21%.

12. Income Taxes (continued)

Deferred Tax Assets and Liabilities

The nature and tax effect of the temporary differences giving rise to the deferred tax assets and liabilities on June 30, 2026 and 2025 are summarized as follows:

	June 30, 2026	June 30, 2025
	$	$
Losses carried forward	9,169	9,052
Inventories and other	937	812
Legal expenses and other	382	368
	10,488	10,232
Offset against deferred tax liabilities	(641)	(696)
Unrecognized deferred tax asset	(9,847)	(9,536)
Deferred tax assets	-	-
Property, plant and equipment	(614)	(696)
Convertible debentures	(27)	-
Offset against deferred tax assets	641	696
Deferred tax liabilities	-	-
Net deferred tax balance	-	-

Tax Losses

As at June 30, 2026, the Company has accumulated non-capital losses of approximately C$24,700 (June 30, 2025 - C$23,300) for Canadian income tax purposes that may be carried forward to reduce taxable income derived in future years, which expire in various amounts from 2027 to 2046. The Company also has United States net operating losses of approximately $17,843 (June 30, 2025 – approximately $17,456), of which $11,738 expire in various amounts from 2033 to 2037.

13. 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.

(b) Issued capital

As at June 30, 2026, there were 115,536,737 (June 30, 2025 – 113,430,857) common shares issued and outstanding.

There were no preferred shares outstanding.

13. Share Capital (continued)

(b) Issued Capital (continued)

Transactions during the year ended June 30, 2026:

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 year ended June 30, 2026, 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 issued a total of 400,000 common shares upon the exercise of stock options, comprising 300,000 common shares issued at an exercise price of C$0.22 per share and 100,000 common shares issued at an exercise price of C$0.15 per share. The market price of the Company's common shares on the respective exercise dates was C$0.17 and C$0.21 per share, respectively. In connection with this exercise, the Company received gross proceeds of $56. In addition, $44 representing the fair value of the options was reclassified from reserves to share capital.

Transactions during the year ended June 30, 2025:

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.

During the year ended June 30, 2025, the Company received notices of exercise for a total of 1,000,000 common share options from the CEO, consisting of 125,000 options with an exercise price of C$0.20, 125,000 options with an exercise price of C$0.24 and 750,000 options with an exercise price of C$0.09. In connection with these exercises, the Company received gross proceeds of $86. In addition, $62 representing the fair value of the options was reclassified from reserves to obligation to issue shares.

As of the June 30, 2025, the corresponding 1,000,000 common shares have not yet been issued. Accordingly, the Company has recognized a current obligation to issue these shares, and the transaction will be completed upon their formal issuance. These 1,000,000 shares to satisfy the exercise of the 125,000 options with an exercise price of C$0.20, 125,000 options with an exercise price of C$0.24 and 750,000 options with an exercise price of C$0.09 were issued subsequent to the period.

(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.

13. Share Capital (continued)

(c) Stock options

Option Grants

On January 20, 2026, the Company granted 1,800,000 stock options to employees. Each option is exercisable for one common share in the capital of the Company at an exercise price of C$0.22 per share. These options expire on January 20, 2031. The options vested immediately and the fair value of the options was estimated to be $218 based on the Black-Scholes Option Pricing Model using the following assumptions: expected dividend yield – 0%, expected volatility – 101%, risk-free interest rate – 2.94% and an expected remaining life – 5 years, share price – C$.22.

A summary of stock option activity to June 30, 2026 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
Granted	1,800,000	0.22
Exercised	(400,000)	0.20
Forfeited	(363,000)	0.22
Expired	(1,065,000)	0.18
June 30, 2026	5,677,000	0.17

During the year ended June 30, 2026 the Company recognized share-based compensation relating to stock options of $218 (June 30, 2025 - $160).

On June 30, 2026, 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 C$	Number	Weighted Average Remaining Life	Weighted Average Exercise Price C$	Number	Weighted Average Remaining Life	Weighted Average Exercise Price C$
1-Dec-21	1-Dec-26	0.13	0.20	770,000	0.42 years	0.20	770,000	0.42 years	0.20
8-Jun-22	7-Jun-27	0.16	0.24	1,120,000	0.94 years	0.24	1,120,000	0.94 years	0.24
27-Jan-25	27-Jan-30	0.07	0.09	2,225,000	3.58 years	0.09	2,225,000	3.58 years	0.09
10-Feb-25	10-Feb-30	0.07	0.09	100,000	3.62 years	0.09	100,000	3.62 years	0.09
20-Jan-26	20-Jan-31	0.17	0.22	1,462,000	4.56 years	0.22	1,462,000	4.56 years	0.22
				5,677,000	2.88 years	0.17	5,677,000	2.88 years	0.17

In the year ended June 30, 2026, 363,000 vested options were forfeited by employees as a result of the termination of their employment relationship with the Company.

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.

13. Share Capital (continued)

(d) Warrants

	Financing Warrants	
	Warrants Outstanding	Weighted Average Exercise Price C$
June 30, 2024	11,269,444	0.14
Expired	(11,269,444)	0.14
June 30, 2025	-	-
Granted	3,943,948	0.25
June 30, 2026	3,943,948	0.25

The outstanding warrants relate to the convertible debt (note 10) and the Company has not assigned any value to these warrants based on the residual value method. As at June 30, 2026 the warrants have a remaining life of 1.64 years.

14. Related Party Transactions

Key management personnel compensation was:

Year ended June 30,	2026 $	2025 $
Salaries, wages, and management fees	1,152	1,441
Director fees	59	50
Share-based compensation and services	232	209
	1,443	1,700

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 June 30, 2026, $84 (June 30, 2025 - $94) and $95 (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 June 30, 2026, $125 (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 June 30, 2026, $3,358 (June 30, 2025 - $3,221) is owing to a director and officer of the Company for related party loans (note 10). During the year ended June 30, 2026, the Company incurred interest expense of $288 (June 30, 2025 - $324) on related party loans.

During the year ended June 30, 2026 the Company charged an amount of $45 to a company controlled by the CEO in connection with the casting of a 0.2% aluminum-scandium (Al-Sc) alloy under an existing joint development agreement. The activity forms part of an ongoing initiative to develop a U.S.-based scandium alloy supply chain.

15. 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 ("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 Gerald R. Hoolahan. As at June 30, 2026 the Company has also recorded accrued interest of $370 (June 30, 2025- $306) 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 ("Chemetco PRP Group"). 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 Company is involved in litigation relating to a dispute over the removal of certain equipment from the EMC facility which has been discontinued (note 17). The plaintiff is seeking damages of approximately $80 plus legal fees. The Company disputes the claim and intends to defend against it.

The outcome of potential litigation and amounts related to the Chemetco PRP Group lawsuit and the outcome of the litigation related to the EMC facility equipment removal lawsuit cannot be determined at this time and have not been accrued for in the consolidated financial statements.

16. Segment Reporting

As of June 30, 2026, 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 17).

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.

Year ended June 30, 2026	Continuing operations $	Discontinued operations $	Total $
Revenue from external customers	19,505	-	19,505
Depreciation	625	-	625
Share-based compensation and share-based services	302	-	302
Income (loss) before other items	1	(211)	(210)
Foreign exchange loss	(141)	-	(141)
Interest and accretion expense	(2,002)	(74)	(2,076)
Other income	15	-	15
Loss before income taxes	(1,919)	(285)	(2,204)
Income tax (expense) recovery	(5)	-	(5)
Capital expenditures	392	-	392

Year ended June 30, 2025	Continuing operations $	Discontinued operations $	Total $
Revenue from external customers	17,763	-	17,763
Depreciation	652	-	652
Share-based compensation and share-based services	254	-	254
Income (loss) before other items	(485)	(1,034)	(1,519)
Foreign exchange gain	19	-	19
Interest and accretion expense	(1,923)	(159)	(2,082)
Other income	166	31	197
Loss before income taxes	(2,223)	(1,197)	(3,420)
Income tax recovery	7	-	7
Capital expenditures	175	-	175

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

As at June 30, 2026, total assets employed by the continuing operations are $21,910 (June 30, 2025 - $20,671) while the discontinued operation has $Nil assets employed (June 30, 2025 - $Nil). All of the Company's property, plant and equipment are located in the United States.

Total liabilities recognized by each segment are:

	June 30, 2026 $	June 30, 2025 $
Continuing operations	18,776	15,674
Discontinued operations	2,636	2,810
	21,412	18,484

16. Segment Reporting (continued)

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

	Year ended June 30,	
	2026	2025
	$	$
United States	17,925	13,513
Canada	824	1,023
Japan	244	341
The Netherlands	184	1,969
Mexico	160	-
China	155	180
Germany	-	448
South Korea	-	137
Italy	-	47
Taiwan	-	35
All others	13	70
	19,505	17,763

The following customers represented more than 10% of sales:

	June 30, 2026		June 30, 2025	
	Amount		Amount	
	$	%	$	%
Customer A – Copper Alloys Division	2,257	11.6	-	-
Customer B – Copper Alloys Division	-	-	1,969	11.1

17. 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 Sale and Discontinued Operations*. The loss and comprehensive loss from discontinued operations (EMC) comprise the following:

	Note	Year ended June 30, 2026 $	2025 $
Selling, general, and administrative expenses			
Consulting fees		2	20
Office and miscellaneous		115	554
Professional fees		94	62
Salaries, wages, and management fees	14	-	384
Travel, meals and entertainment		-	14
		211	1,034
Loss before other items		(211)	(1,034)
Other income (expense)			
Interest and accretion expense	10,11,15	(74)	(159)
Impairment loss	7	-	(35)
Other income		-	31
Net loss before income taxes		(285)	(1,197)
Total loss for the year, net of tax		(285)	(1,197)

17. Discontinued Operations (continued)

Cash flows from EMC are as follows:

Year ended June 30,	2026 $	2025 $
Cash flows provided by operating activities		
Net loss from discontinued operations, net of tax	(285)	(1,197)
Adjustments for:		
Impairment loss	-	35
Interest and accretion expense	74	159
Changes in non-cash working capital items:		
Receivables	-	1,217
Inventories	-	11
Prepaid expenses and deposits	-	86
Accounts payable and accrued liabilities	211	1,159
Net cash provided by operating activities	-	1,470
Cash flows used in financing activities		
Interest paid	-	(55)
Factoring facility repayments	-	(1,299)
Lease principal repayments	-	(396)
Loan repayments	-	(204)
Net cash used in financing activities	-	(1,954)
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 year	-	-
Supplemental Cash Flow Information:		
Interest payments	-	(55)
Non-cash items:		
Lease payment reclassification to accounts payable and accrued liabilities	501	429

18. 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 for the year ended June 30, 2026 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. Sallyport, as a provider of the Company's line of credit facility, requires that: (i) the Company's equity, calculated as total equity less prepaid expenses, be no less than negative $500; and (ii) the ratio of earnings before taxes, depreciation and amortization ("EBTDA") to interest expense to Sallyport be no less than 1.30.

19. 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's financial instruments measured at fair value consist of embedded derivative liabilities classified as level 3 within the fair value hierarchy. The fair value of these derivative liabilities is determined using valuation techniques incorporating significant unobservable inputs, as described in note 10.

There were no financial instruments classified as Level 1 or Level 2 during the year ended June 30, 2026. The changes in the Level 3 derivative liabilities during the year are disclosed in note 10.

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 currencies other than the functional currency of the respective entities.

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

Profit or loss	June 30, 2026		June 30, 2025	
	Increase $	(Decrease) $	Increase $	(Decrease) $
10% movement in cash flows	344	(344)	322	(322)
1% movement in C$ per $	(34)	34	(32)	32

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

	C$
Related party loans	4,774
Accounts payable and accrued liabilities	113
Balances at June 30, 2026	4,887

Interest Rate Risk

The Company's interest rate risk mainly arises from the variable interest rate impact on interest expense on the Sallyport agreement, the Loeb Machinery and Equipment financing agreement and in the prior period the ASPA with Sallyport. All other financial liabilities 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	June 30, 2026		June 30, 2025	
	Increase $	(Decrease) $	Increase $	(Decrease) $
10% movement in cash flows	(36)	36	(38)	38
1% movement in interest rate index	(33)	33	(34)	34

19. Financial Risk Management (continued)

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.

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.

June 30, 2026	Less than three months $	Three to twelve months $	One to five years $	Total $
Accounts payable and accrued liabilities	3,588	76	-	3,664
Line of credit	4,508	-	-	4,508
Accounts receivable factoring facility	-	2,040	-	2,040
Notes payable, related parties	-	3,358	-	3,358
Loan payable (undiscounted)	244	732	6,975	7,951
Convertible debentures (undiscounted)	150	675	600	1,425
Arbitration award liability	1,765	-	-	1,765
	10,255	6,881	7,575	24,711

19. Financial Risk Management (continued)

Commodity Price Risk

June 30, 2025	Less than three months $	Three to twelve months $	One to five years $	Total $
Accounts payable 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

20. Loss per Share

From continuing operations:

Year ended June 30,	**2026**	**2025**
Net loss for the year ($000)	(1,924)	(2,216)
Weighted average number of common shares outstanding	114,777,032	113,251,444
Basic and diluted loss per common share	$ (0.02)	$ (0.02)

From discontinued operations:

Year ended June 30	**2026**	**2025**
Net loss for the year ($000)	(285)	(1,197)
Weighted average number of common shares outstanding	114,777,032	113,251,444
Basic and diluted loss per common share	$ (0.00)	$ (0.01)

Total:

Year ended June 30	**2026**	**2025**
Net loss for the year ($000)	(2,209)	(3,413)
Weighted average number of common shares outstanding	114,777,032	113,251,444
Basic and diluted loss per common share	$ (0.02)	$ (0.03)

For the years ended June 30, 2026 and 2025, the Company's options and warrants were not included in the calculation of continuing or discontinued diluted income per share as their inclusion was anti-dilutive.