Northern Graphite Corporation

Consolidated Financial Statements

For the Years Ended December 31, 2024 and 2023

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

Independent Auditor's Report

To the Shareholders of Northern Graphite Corporation:

Opinion

We have audited the consolidated financial statements of Northern Graphite Corporation and its subsidiaries (the "Company"), which comprise the consolidated statements of financial position as at December 31, 2024 and December 31, 2023, and the consolidated statements of loss and other comprehensive loss, changes in shareholders' equity, and cash flows for the years then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Company as at December 31, 2024 and December 31, 2023, 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 audits in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audits 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 in the consolidated financial statements, which indicates that the Company has incurred losses since its inception and has an accumulated deficit as at December 31, 2024. As stated in Note 1, these events or conditions, along with other matters as set forth in Note 1, indicate that a material uncertainty exists that may cast significant doubt on the Company’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 current period. These matters were 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 these matters.

In addition to the matter described in the Material Uncertainty Related to Going Concern section, we have determined the matters described below to be the key audit matters to be communicated in our report.

Valuation of Mineral Interests and Property, Plant and Equipment

Key Audit Matter Description

We draw attention to notes 3, 4, 11 and 12 to the consolidated financial statements.

As at December 31, 2024, the carrying amount of Mineral Interests amounted to $15.4 million and the carrying amount of Property, Plant and Equipment (“PP&E”) amounted to $24.8 million. At the end of each reporting period, management reviews Mineral Interests and PP&E to determine whether there are any indications that those assets may be impaired.

Management makes significant judgments in assessing whether changes to certain factors would be considered an indicator of impairment, which include both internal and external factors such as (i) interpretation of geological and geophysical data, (ii) the impact of current and expected future metal prices on potential reserves, and (iii) increases to forecasted operating costs. No impairment indicators were noted.

We consider this to be a key audit matter due to the significance of the balances of both Mineral Interests and PP&E and the subjectivity in performing procedures to assess the internal and external factors evaluated by management in its assessment of impairment indicators, which require significant management judgment.

Audit Response

Our audit work in relation to this included, but was not restricted to, the following:

- Evaluating the reasonableness of management's assessment of impairment indicators for Mineral Interests and PP&E.
- Assessing the completeness of external and internal factors that could be considered as indicators of impairment of the Company's Mineral Interests and PP&E, by considering evidence obtained in other areas of the audit.
- Assessing whether there was a reduction in quantity of the recoverable reserves, a reduction in metal prices, or an increase in forecasted operating costs by considering external market data and evidence obtained in other areas of the audit, as applicable.

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 audits of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audits or otherwise appears to be materially misstated. We obtained Management's Discussion and Analysis prior to the date of this auditor's 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. 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 Company'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 Company or to cease operations, or has no realistic alternative but to do so.

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

Auditor's 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 auditor's 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 Company'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 Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's 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 auditor's report. However, future events or conditions may cause the Company 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 Company as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit 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 audits and significant audit findings, including any significant deficiencies in internal control that we identify during our audits.

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 auditor's report is Kate Duholke.

Vancouver, British Columbia

MNP LLP

April 30, 2025

Chartered Professional Accountants

NORTHERN GRAPHITE CORPORATION

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

As at December 31, 2024 and December 31, 2023

(Stated in thousands of Canadian Dollars)

	Notes	**December 31, 2024**	December 31, 2023
ASSETS			
Current assets			
Cash and cash equivalents		**$ 373**	$ 3,115
Receivables	8	**1,535**	2,244
Prepaids		**613**	1,794
Deposits		**467**	147
Inventories	9	**8,858**	17,129
Marketable securities	10	**-**	490
Total current assets		**11,846**	24,919
Non-current assets			
Non-current inventory	9	**-**	1,863
Exploration and evaluation assets	10	**17,634**	15,693
Property, plant and equipment	11	**24,776**	23,956
Mineral interests	12	**15,412**	18,367
Other assets	13	**2,918**	1,841
Restricted cash and reclamation deposits	5	**1,942**	1,874
Goodwill	6	**2,713**	2,713
Total Assets		**$ 77,241**	$ 91,226
LIABILITIES			
Current liabilities			
Accounts payable and accrued liabilities	14, 28	**$ 8,966**	$ 6,897
Flow through shares liability	19	**-**	500
Current portion of senior secured loan	15	**25,087**	3,146
Current portion of royalty	16	**14,826**	3,769
Current portion of leases	18	**411**	506
Total current liabilities		**49,290**	14,818
Non-current liabilities			
Senior secured loan	15	**-**	16,163
Royalty	16	**-**	2,999
Deferred revenue	17	**39,615**	32,305
Leases	18	**778**	964
Reclamation provisions	30	**6,769**	6,402
Deferred tax liability	20	**2,191**	1,788
Total Liabilities		**98,643**	75,439
SHAREHOLDERS' EQUITY			
Share capital	19	**67,896**	57,421
Warrants	19	**223**	10,368
Contributed surplus	19	**5,287**	4,961
Foreign currency translation		**(1,612)**	(2,571)
Accumulated deficit		**(93,196)**	(54,392)
Total shareholders' (deficiency) equity		**(21,402)**	15,787
Total Liabilities and Shareholders' (Deficiency) Equity		**$ 77,241**	$ 91,226

Going concern (note 1)

Subsequent events (notes 11, 15, 16, 19, 28 and 32)

APPROVED ON BEHALF OF THE BOARD ON April 30, 2025:

(Signed) Gregory Bowes, Director

(Signed) Cam Birge, Director

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

NORTHERN GRAPHITE CORPORATION

CONSOLIDATED STATEMENTS OF LOSS AND OTHER COMPREHENSIVE LOSS

For the years ended December 31, 2024 and 2023

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

	Notes	**December 31, 2024**	December 31, 2023
Revenue		**$ 22,728**	$ 17,099
Cost of Sales			
Production costs	21	**18,107**	12,276
Depletion and depreciation		**4,931**	2,895
Total cost of sales		**23,038**	15,171
(Loss) income from mine operations		**(310)**	1,928
General and administrative	22	**8,736**	9,156
Share based payments	19, 28	**450**	1,264
Project evaluation, acquisition, and integration		-	324
Other income	24	**(1,497)**	-
Foreign exchange (gain) loss		**(515)**	670
Total expenses		**7,174**	11,414
Operating loss		**(7,484)**	(9,486)
Finance expense	23	**16,048**	6,568
Foreign exchange loss (gain) on financing arrangements	15, 16, 17	**6,019**	(1,432)
Impairment expense	9, 10, 11	**4,657**	2,683
Care and maintenance expense	11	**4,663**	6,478
Interest income		**(169)**	(75)
Loss on marketable securities		**90**	70
Okorusu moving costs		**22**	587
Loss before taxes		**(38,814)**	(24,365)
Current tax expense	20	**88**	275
Deferred tax recovery	20	**(98)**	(997)
Net loss		**(38,804)**	(23,643)
Other comprehensive loss			
Foreign currency translation gain (loss)		**959**	(2,117)
Other comprehensive loss		**(37,845)**	$ (25,760)
Loss per share – basic and diluted		**(0.30)**	(0.18)
Weighted average shares outstanding - basic and diluted		**130,775,110**	128,651,228

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

NORTHERN GRAPHITE CORPORATION

CONSOLIDATED STATEMENTS OF CASH FLOWS

For the years ended December 31, 2024 and 2023

(Stated in thousands of Canadian Dollars)

	Notes	December 31, 2024	December 31, 2023
Operating activities			
Net loss		**$ (38,804)**	$ (23,643)
Items not affecting cash			
Depletion and depreciation		**5,344**	3,242
Income taxes	20	**(10)**	(613)
Share based payments	19	**556**	1,306
Interest expense and accretion	23	**12,422**	6,406
Accretion of reclamation provision	23	**90**	186
Impairment expense	9, 10, 11	**4,657**	2,683
Foreign exchange loss		**5,074**	29
Loss on extinguishment of royalty	16, 23	**4,364**	-
Gain on modification of senior debt and royalty	15,16, 23	**(866)**	-
Loss on marketable securities		**90**	70
Changes in non-cash working capital items			
Receivables, prepaids and deposits		**531**	731
Inventories		**4,616**	3,820
Accounts payable and accrued liabilities		**758**	1,054
Net cash used in operating activities		**(1,178)**	(4,729)
Investing activities			
Increase in restricted cash and deposits	5	**(68)**	219
Exploration and evaluation costs		**(369)**	(1,935)
Cash received on sale of marketable securities and equipment		**400**	220
Additions to property, plant, and equipment		**(526)**	(2,982)
Net cash used in investing activities		**(563)**	(4,478)
Financing activities			
Private placement	19	-	2,250
Proceeds from exercise of warrants		-	2,093
Proceeds from exercise of options	19	**100**	378
Proceeds from senior secured debt, net of costs	15	-	1,299
Proceeds from royalty financing, net of costs	16	-	2,598
Royalty payments	16	**(658)**	(1,649)
Deposit and lease payments	18	**(448)**	(575)
Sale of Bissett Creek royalty	10	-	950
Net cash (used) provided by financing activities		**(1,006)**	7,344
Effect of exchange rate changes on cash		**5**	(98)
Net decrease in cash and cash equivalents		**(2,747)**	(1,863)
Cash and cash equivalents, beginning		**3,115**	5,076
Cash and cash equivalents, ending		**$ 373**	$ 3,115

Supplemental cash flow information (note 26)

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

NORTHERN GRAPHITE CORPORATION

CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

As at December 31, 2024 and 2023

(Stated in thousands of Canadian Dollars, except for number of shares)

	Number of shares	Share Capital	Warrants	Contributed Surplus	Foreign Currency Translation	Accumulated Deficit	Total
Balances at December 31, 2023	130,343,022	$ 57,421	$ 10,368	$ 4,961	$ (2,571)	$ (54,392)	$ 15,787
Exercise of options (note 19)	307,692	125	-	(25)	-	-	100
Exercise of RSU (note 19)	447,500	205	-	(205)	-	-	-
Expiry of warrants (note 19)	-	10,145	(10,145)	-	-	-	-
Share based payments (note 19)	-	-	-	556	-	-	556
Foreign currency translation	-	-	-	-	959	-	959
Loss for the year	-	-	-	-	-	(38,804)	(38,804)
Balances at December 31, 2024	131,098,214	$ 67,896	$ 223	$ 5,287	$ (1,612)	$ (93,196)	$ (21,402)
Balances at December 31, 2022	**121,315,522**	**$ 52,617**	**$ 10,760**	**$ 4,002**	**$ (454)**	**$ (30,749)**	**$ 36,176**
Exercise of warrants (note 19)	4,652,500	2,708	(615)	-	-	-	2,093
Exercise of options (note 19)	950,000	615	-	(237)	-	-	378
Exercise of RSU (note 19)	325,000	150	-	(150)	-	-	-
Share based payments (note 19)	-	-	-	1,346	-	-	1,346
Issuance of common shares (note 19)	100,000	50	-	-	-	-	50
Flow-through unit issuance (note 19)	3,000,000	1,305	199	-	-	-	1,504
Issuance of warrants (note 19)	-	(24)	24	-	-	-	-
Foreign currency translation	-	-	-	-	(2,117)	-	(2,117)
Loss for the year	-	-	-	-	-	(23,643)	(23,643)
Balances at December 31, 2023	130,343,022	$ 57,421	$ 10,368	$ 4,961	$ (2,571)	$ (54,392)	$ 15,787

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

1. NATURE OF OPERATIONS AND GOING CONCERN

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

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

These consolidated financial statements have been prepared on a going concern basis, which assumes that the Company will continue its operations for a reasonable period of time. The Company has incurred losses since its inception and had an accumulated deficit of $93,196 as at December 31, 2024 which has been primarily funded by the issuance of shares, a senior secured loan (note 15), royalty financing (note 16), a deferred revenue agreement (note 17) and sales of graphite concentrate. As at December 31, 2024, the Company had a negative working capital balance of $37,444. The Company's ability to continue as a going concern depends upon its ability to raise adequate financing and to generate profitable operations in the future. The Company has been successful in the past in raising funds for operations by issuing shares and entering into financing arrangements, but there is no assurance that it will be able to continue to do so in the future. There is a material uncertainty related to these conditions that casts significant doubt about the Company's ability to continue as a going concern and therefore it may be unable to realize its assets and discharge its liabilities in the normal course of business.

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

2. BASIS OF PRESENTATION

Statement of Compliance
These consolidated financial statements as at and for the years ended December 31, 2024 and 2023 (the "Consolidated Financial Statements") have been prepared in accordance with IFRS® Accounting Standards as issued by the International Accounting Standards Board.

The material accounting policies set out in note 4 were consistently applied to all the periods presented, unless otherwise noted.

These Consolidated Financial Statements were approved and authorized for issue by the Board of Directors on April 30, 2025.

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

Basis of measurement

These Consolidated Financial Statements have been prepared on a historical cost basis except those accounts as noted in the financial instruments section (note 27). In addition, these Consolidated Financial Statements have been prepared using the accrual basis of accounting.

Functional and presentation currency

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

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

3. USE OF ESTIMATES AND JUDGEMENTS

In preparing these Consolidated Financial Statements management has made judgements and estimates that affect the application of the Company's accounting policies and have a material impact on the Consolidated Financial Statements. Actual results may differ from these estimates. The estimates and assumptions are reviewed on an ongoing basis and revisions to estimates are recognized prospectively.

The key judgements and estimates made in preparing these Consolidated Financial Statements are as follows:

Going concern

Judgement is required related to the assessment of the Company's ability to continue as a going concern.

Functional currency

Judgement is required in determining the functional currency of each of the Company's subsidiaries which is the currency of the primary economic environment in which the entity operates.

Asset acquisition

The Company accounted for the acquisition of Okanjande (note 7) as an asset acquisition. Significant judgement was required to determine that the application of this accounting treatment was appropriate for the transaction. These included, among others, the determination that Okanjande was not considered a business under IFRS 3 Business Combinations as Okanjande did not have significant inputs, processes and outputs, that together constitute a business as the formerly producing operation was on care and maintenance.

Taxes

Significant management judgement is required to determine the amount of deferred tax assets that can be recognized, based upon the probable timing and the level of future taxable income realized, including the usage of tax planning strategies.

Exploration and evaluation assets

Judgement is required for the classification of expenditures as exploration and evaluation assets.

Deferred revenue

The upfront deposit received under a mineral purchase and sale agreement (note 17) was accounted for as deferred revenue in accordance with IFRS 15 Revenue from Contracts with Customers ("IFRS 15"). As the Company's obligation under the mineral purchase and sale agreement will be satisfied through deliveries of graphite, which is a non-financial item rather than cash or other financial assets, it was determined to be entered into and continued to be held for the purpose of the delivery of a non-financial item in accordance with the Company's expected sale or usage requirements and thus not within the scope of IFRS 9 Financial Instruments ("IFRS 9"). The determination of whether the obligation is within the scope if IFRS 15 or IFRS 9 requires management's judgement.

Revenue to be recognized from the upfront deposit received from the mineral purchase and sale agreement is considered variable and is subject to changes in the total graphite tonnes to be delivered. Changes in estimates of total graphite tonnes to be delivered are applied prospectively.

The key sources of estimation uncertainty that have a significant risk of causing material adjustment to the amounts recognized in the Consolidated Financial Statements are as follows:

Business combinations
The allocation of the final purchase price is based upon management's estimates and assumptions with respect to fair value associated with the assets to be acquired and the liabilities assumed. The determination of final fair values of assets acquired and liabilities assumed requires management to make significant estimates, assumptions and judgements.

Estimated mineral reserves and depletion rates for mineral interests
The carrying amounts of the Company's producing mining properties are depleted based on recoverable tonnes contained in mineral reserves which are estimated using reports which are prepared according to National Instrument 43-101 Technical Report standards. Changes to estimates of recoverable tonnes of reserves resulting from revisions to the Company's mine plans and changes in graphite price forecasts can result in a change to future depletion rates.

Depreciation rates for property, plant and equipment
Depreciation expenses are estimated based on estimated asset lives. Should the asset life or depreciation rates differ from the initial estimate, an adjustment would be made in the consolidated statement of loss and other comprehensive loss on a prospective basis.

Market interest rates
Both the senior secured loan (note 15) and the royalty (note 16) were initially recorded at fair value by discounting at a market interest rate, with residual funds received allocated to the warrants issued as part of these agreements. The determination of a fair market interest rate requires management to make significant estimates, assumptions and judgements.

Acquisition related costs
The Company has allocated costs to separate transactions which it has determined to be a business combination and an asset acquisition (notes 6 and 7). In certain circumstances where costs relating to both transactions could not be separately identified, the Company has allocated costs to both transactions based on the estimated fair value of each transaction.

Inventory valuation
Materials and supplies, ore stockpiles and finished goods, are valued at the lower of cost and net realizable value. Estimates in the carrying values of inventories arise due to the nature of the valuation of ore stockpiles and finished goods based on an appropriate allocation of direct mining costs, direct labour and material costs, mine site overhead, and depletion and depreciation.

Property, plant and equipment, mineral interests, goodwill and exploration and evaluation assets valuation
The Company is required to review the carrying value of its property plant and equipment, mineral interests, goodwill and exploration and evaluation properties at each reporting date for potential impairment. Impairment is indicated if the carrying value of the Company's assets is not recoverable. Goodwill is tested for impairment annually. If impairment is indicated, the amount by which the carrying value of the assets exceeds their estimated fair value is charged to the consolidated statements of loss and other comprehensive loss.

Evaluating for recoverability requires judgement in determining whether future economic benefits from future exploitation, sale or otherwise are likely. Evaluations may be more complex where activities have not reached a stage which permits a reasonable assessment of the existence of reserves or resources. Management must make certain estimates and assumptions about future events or circumstances including, but not limited to, the interpretation of geological and geophysical data, the Company's financial ability to continue exploration and evaluation activities, contractual issues with joint venture partners, the impact of government legislation and political stability in the region, and the impact of current and expected future metal prices on potential reserves.

Reclamation and site closure provision

The Company recognizes the liability for statutory, contractual, constructive or legal obligations, including those associated with the reclamation of mineral properties, when those obligations result from the exploration or development of its properties. The provision is calculated as the present value of the expenditures required to settle the obligation. The Company assesses its provision for site reclamation and site closure at each reporting date. When the liability is initially recorded, the cost is capitalized by increasing the carrying amount of the related long-lived asset. Over time, the liability is adjusted to reflect the passage of time (accretion expense) and for changes in estimated future cash outflows. The provision at the reporting date represents management's best estimate of the present value of the future restoration and site closure costs required.

Share-based compensation and warrants

The Company has a stock option plan (as amended and restated, the "Option Plan"), a deferred share unit and restricted share unit compensation plan (the "DSU/RSU Plan") and issues warrants as described in note 19. The Company measures the compensation cost of stock options issued under the Option Plan and warrants issued using the fair-value method as determined using the Black-Scholes option pricing model. Compensation costs for restricted share units ("RSU's") issued under the DSU/RSU Plan are measured using the Company's share price on the date of grant.

The Black-Scholes option pricing model incorporates highly subjective assumptions, including volatility, estimated forfeiture rates and expected time until exercise, which affect the calculated values.

4. MATERIAL ACCOUNTING POLICIES

Business Combinations

Acquisitions of businesses are accounted for using the acquisition method under IFRS 3. A business combination requires the assets acquired and liabilities assumed constitute a business. A business is an integrated set of activities and assets that is capable of being conducted and managed for the purpose of providing goods or services to customers, generating investment income (such as dividends or interest) or generating other income from ordinary activities.

Consideration is measured at the acquisition date which includes equity instruments issued. Acquisition related costs incurred for the business combination are expensed. The acquiree's identifiable assets and liabilities are recognized at their fair values at the acquisition date. Provisional fair values are finalized at the earlier of the following: the date as soon as the acquirer received the information it was seeking about facts and circumstances that existed as of the acquisition date, learns that more information is not available or twelve months from the acquisition date. Goodwill, which is the excess of the consideration paid over the fair value of the net identifiable assets and liabilities acquired, is recognized as an asset and initially measured at cost.

Cash and cash equivalents

Cash and cash equivalents include bank balances, funds held in trust with lawyers, and short-term investments that are readily convertible into cash with original maturities of three months or less.

Restricted cash and reclamation deposits

Restricted cash and reclamation deposits include an irrevocable letter of credit as part of the security required for reclamation obligations.

Inventories

Inventories include work in progress inventory in the form of stockpiled graphite ore, finished goods inventory and materials and supplies. Cost of materials and supplies inventory include acquisition, freight and other directly attributable costs. Cost of work in progress inventory and finished goods includes all direct costs incurred in production including direct labor and materials, freight, depletion and depreciation of plant and equipment used in the production process, amortization of acquisition costs and related overhead costs. Finished goods inventory costs are allocated using the co-product methodology based on relative sales prices in the period. All inventories are valued at the lower of weighted average cost or net realizable value, with net realizable value determined with reference to recent sales prices, less estimated future production costs to convert inventories into graphite concentrate. If the carrying value exceeds the net realizable value, an impairment is recognized. The impairment may be reversed in a subsequent period if the circumstances which caused the impairment no longer exist.

Mining properties and exploration and evaluation expenditures

Mining properties correspond to acquired interests in mining exploration leases/permits/claims which include the rights to explore, mine, extract and sell all minerals. All pre-exploration costs, comprised of costs incurred prior to obtaining the legal right to undertake exploration and evaluation activities on an area of interest, are expensed as incurred.

Once the legal right to explore has been acquired, exploration and evaluation expenditures are capitalized in respect of each identifiable area of interest until the technical feasibility and commercial viability of extracting a mineral resource have been demonstrated.

General and administration expenditures relating to exploration are capitalized where they can be directly attributed to the site undergoing exploration and evaluation.

Exploration and evaluation assets are carried at historical cost, less any impairment losses recognized.

When technical feasibility and commercial viability of extracting a mineral resource are demonstrated for an area of interest, the Company stops capitalizing exploration and evaluation costs for that area, tests recognized exploration and evaluation assets for impairment and reclassifies any unimpaired exploration and evaluation assets either as tangible or intangible mine development assets according to the nature of the assets.

Mineral interests

Mineral interests consist of the cost of acquiring and developing mineral interests. Once in production, mineral interests are depleted on a units-of-production basis over the component of the ore body to which they relate.

Property, plant and equipment

Upon initial acquisition, property, plant and equipment are valued at cost, being the purchase price and the directly attributable costs of acquisition or construction required to bring the asset to the location and condition necessary for the asset to be capable of operating in the manner intended by management.

In subsequent periods, property, plant and equipment are stated at cost less accumulated depreciation and any impairment in value. Land is stated at cost less any impairment in value and is not depreciated.

Each component or part of property and equipment with a cost that is significant in relation to total cost of the item will be depreciated separately unless there is no difference in depreciation on the respective components.

Depletion and depreciation of mineral interests, property, plant and equipment

The carrying amounts of mineral interests, property, plant and equipment are depleted or depreciated to their estimated residual value over the estimated economic life of the specific assets to which they relate. Estimates of residual values and useful lives are reassessed annually and any change in estimate is taken into account in the determination of the remaining depreciation or depletion rate. Changes in estimates which affect depreciation are accounted for prospectively. Depreciation or depletion commences on the date the asset is available for its use as intended by management. The expected useful lives are as follows:

- LDI mineral interest and property, plant and equipment – over the mineral reserves of the related graphite deposit
- Okanjande ROU assets included within mineral interests - over the lease contract periods

Construction in progress

Mineral interest development and plant and equipment construction commences after the technical feasibility and commercial viability of extracting a mineral resource is demonstrable, approval by management and the Board of Directors and the Company has obtained all regulatory permissions to proceed. Development and construction expenditures are capitalized and classified as construction in progress. Once completed, the costs associated with all applicable assets related to the development and construction are reclassified to the appropriate category within mineral interest or property, plant and equipment.

Care and maintenance

If a property is put on care and maintenance, related costs are expensed in the period incurred.

Impairment of long-lived assets

At each consolidated statement of financial position date, the Company assesses whether there is any indication that any long-lived assets or finite life tangible assets are impaired. The Company monitors the recoverability of long-lived assets based on factors such as current market value, future asset utilization, business climate and future undiscounted cash flows expected to result from the use of the assets. An impairment is recognized if the recoverable amount, determined as the higher of an asset's fair value less cost to sell and the discounted future cash flows generated from use and eventual disposal of an asset, is less than its carrying value. When the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

Mining properties and exploration and evaluation assets are also assessed for impairment upon the transfer of exploration and evaluation assets to development assets regardless of whether facts and circumstances indicate that the carrying amount of the exploration and evaluation assets is in excess of their recoverable amount.

Impairment of goodwill

The carrying amount of goodwill is tested annually for impairment or more frequently when there is an indication that the goodwill may be impaired. Any impairment is recognized as an expense immediately. Should there be a recovery in the value of a cash generating unit to which goodwill has been allocated, any impairment of goodwill previously recorded is not subsequently reversed.

Financial instruments

Financial instruments are measured on initial recognition at fair value, plus, in the case of financial instruments other than those classified as fair value through profit or loss ("FVTPL"), directly attributable transaction costs. Financial instruments are recognized when the Company becomes a party to the contracts that give rise to them and are classified as: amortized cost; FVTPL; or, fair value through other comprehensive income, as appropriate. The Company considers whether a contract contains an embedded derivative when it first becomes a party to the contract. The embedded derivatives are separated from the host contract if the host contract is not measured at FVTPL and when the economic characteristics and risks are not closely related to those of the host contract. Reassessment only occurs if there is a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required.

Financial assets at amortized cost
A financial asset is measured at amortized cost if it is held by a business whose objective is to hold assets to collect contractual cash flows and its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding and is not designated as FVTPL. Financial assets classified as amortized cost are measured subsequent to initial recognition at amortized cost using the effective interest method. Receivables and reclamation deposits are classified as and measured at amortized cost.

Financial assets at FVTPL
Financial assets at FVTPL include financial assets held for trading and financial assets not designated upon initial recognition as amortized cost or fair value through other comprehensive income ("FVTOCI"). A financial asset is classified in this category principally for the purpose of selling in the short term, or if so, designated by management. Transaction costs are expensed as incurred. On initial recognition, a financial asset that otherwise meets the requirements to be measured at amortized cost or FVTOCI may be irrevocably designated as FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise. The Company's cash and cash equivalents and marketable securities are measured at FVTPL with changes in fair value recognized in the consolidated statements of loss and other comprehensive loss.

Financial assets at FVTOCI
On initial recognition of an equity investment that is not held for trading, an irrevocable election is available to measure the investment at fair value upon initial recognition plus directly attributable transaction costs and at each period end, changes in fair value are recognized in other comprehensive income ("OCI") with no reclassification to the consolidated statements of loss and other comprehensive loss. The election is available on an investment-by-investment basis. The Company currently has no financial assets classified at FVOTC.

Financial liabilities
Financial liabilities are recognized initially at fair value, net of transaction costs. After initial recognition, other financial liabilities are subsequently measured at amortized cost using the effective interest method. Gains or losses are recognized in the consolidated statements of loss and other comprehensive loss when the liabilities are derecognized as well as through the amortization process. Financial liabilities are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the statement of financial position date. Accounts payable, accrued liabilities, senior secured loan and royalty are classified and measured at amortized cost.

Derecognition of financial assets and liabilities
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. Gains and losses on derecognition are generally recognized in the consolidated statements of loss and other comprehensive loss. The Company derecognizes financial liabilities only when its obligations under the financial liabilities are discharged, cancelled or expelled. The financial liability derecognized, and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognized in the consolidated statements of loss and other comprehensive loss.

Derivative instruments
Derivative instruments, including embedded derivatives, are measured at fair value on initial recognition and at each subsequent reporting period end. Any gains or losses arising from changes in fair value of derivatives are recorded in the consolidated statements of loss and other comprehensive loss.

Fair values
The fair value of quoted investments is determined by reference to market prices at the close of business on the statement of financial position date. Where there is no active market, fair value is determined using valuation techniques. These include using recent arm's length market transactions; reference to the current market value of another instrument which is substantially the same; discounted cash flow analysis; and, pricing models.
Financial instruments that are measured at fair value subsequent to initial recognition are grouped into a hierarchy based on the degree to which the fair value is observable as follows:

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

Impairment of financial assets

The Company recognizes a loss allowance for expected credit losses on financial assets that are measured at amortized cost or FVOCI. At each reporting date, the loss allowance for a financial asset measured at amortized cost is measured at an amount equal to the lifetime expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition. If, at the reporting date, the credit risk on a financial asset measured at amortized cost, other than a trade receivable, has not increased significantly since initial recognition, the loss allowance is measured for the financial asset at an amount equal to the 12-month expected credit losses.

For trade receivables, the Company measures the loss allowance at an amount equal to the lifetime expected credit losses and history of losses with individual customers.

Deferred revenue

Deferred revenue consists of upfront deposits received by the Company in consideration for future commitments to deliver graphite under a mineral purchase and sale agreement. As deliveries of graphite are made, the Company records a portion of the deferred revenue as sales, based on a proportionate share of graphite deliveries made compared with the total estimated contractual commitment.

Interest expense on deferred revenue is recognized in finance costs as the Company has identified a significant financing component related to its graphite streaming arrangement, resulting from a difference in the timing of the upfront deposit received and delivery of the graphite. The interest rate is determined based on the market rate in the streaming agreement at the date of inception.

Government grants

The Company recognizes government grants in accordance with IAS 20, Accounting for Government Grants and Disclosure of Government Assistance. Government grants are recognized when there is reasonable assurance that milestone criteria for their receipt will be met. Grants related to income are recognized as income over the periods necessary to match them with the related costs that they are intended to compensate. Grants related to assets are deducted in calculating the carrying amount of the asset. The grant is recognised in profit or loss over the life of a depreciable asset as a reduced depreciation expense.

Leases

The Company assesses whether a contract is or contains a lease, at inception of a contract. The Company recognizes a right-of-use asset ("ROU asset") and a corresponding lease liability with respect to all lease arrangements except for ROU assets and lease liabilities for leases of low-value assets and leases with lease terms that are less than 12 months. Lease payments associated with these leases are instead recognized as an expense over the lease term.

The lease liability is initially measured at the present value of the lease payments for the term of the lease, discounted using the lease interest rate or, if that rate cannot be readily determined, the Company's incremental borrowing rate. The incremental borrowing rate reflects the rate of interest that the lessee would have to pay to borrow the funds necessary to obtain an asset of similar value in a similar economic environment with similar terms and conditions.

The Company remeasures leases when there is a change in future lease payments or other factors which affect the terms of the lease. When the lease contains an extension or purchase option that the Company considers reasonably certain to be exercised, the cost of the option is included in the lease payments.

ROU assets are included in mineral interests, property, plant and equipment, and the lease liabilities are presented separately in the consolidated statement of financial position.

Asset retirement obligations

The present value of an asset retirement obligation is recorded in the period in which it is incurred. When the liability is initially recorded, the cost is capitalized by increasing the carrying amount of the related long-lived asset. Over time, the liability is adjusted to reflect the passage of time (accretion expense) and for changes in estimated future cash flows. Accretion expense is charged to the consolidated statements of loss and other comprehensive loss, while adjustments related to changes in estimated cash flows are recorded as increases or decreases in the carrying value of the asset. The capitalized cost is amortized over the useful life of the related asset. Upon settlement of the liability, a gain or loss is recorded if the actual costs incurred are different from the liability recorded.

Share capital and share purchase warrants

Financial instruments issued by the Company are classified as equity only to the extent that they do not meet the definition of a financial asset or liability. The Company's common shares, share purchase warrants, DSU's, RSU's and stock options are classified as equity instruments. Incremental costs directly attributable to the issuance of new equity instruments are shown in equity as a deduction from the proceeds of issuance. Amounts recorded relating to expired warrants are transferred to share capital.

The proceeds from the issue of shares and warrants issued together as units are allocated between common shares and share purchase warrants on a pro-rata basis based on relative fair values at the date of issuance. The fair value of common shares is based on the market closing price on the day preceding the date the units are issued and the fair value of share purchase warrants is determined using the Black-Scholes option pricing model as of the date of issuance.

Share based payments

The Company has the Option Plan, the DSU/RSU Plan and issues warrants as described in note 19. The Company measures the compensation cost of stock options issued under the Option Plan and warrants issued using the fair-value method as determined using the Black-Scholes option pricing model. Compensation costs are measured at the grant date based on the fair value of the award and are recognized over the vesting period as share-based payments with a corresponding increase to contributed surplus. Upon exercise, common shares are issued from treasury and the amount reflected in contributed surplus is credited to share capital, as adjusted for any consideration paid.

Revenue

Revenue is generated from the sale of graphite concentrate which is sorted into different graphite flake sizes and sold according to flake size specifications.

Graphite revenue is recognized when the risk and rewards associated with the graphite concentrate are transferred to the customer. This generally occurs when the graphite concentrate leaves the production site and physical and legal title transfers from the Company to the customer and when the sales price is agreed upon and collectability is reasonably assured. Graphite revenue is measured based on the graphite sales price agreed to between the Company and the customer at the time of sale and the amount the Company expects to receive.

Borrowing costs

Borrowing costs that are directly attributable to the acquisition and construction/development of a qualifying asset are capitalized during the period of time that is necessary to complete and prepare the asset for its intended use or sale. Other borrowing costs are expensed as finance costs in the period in which they are incurred. To the extent that the Company borrows funds specifically for the purpose of obtaining a specific qualifying asset, the amount of borrowing costs eligible for capitalization is the actual net borrowing costs incurred on that borrowing during the period.

Income taxes

Income tax expense comprises current and deferred tax. Income tax expense is recognized in the consolidated statements of loss and other comprehensive loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity. Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognized using the liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognized on the initial recognition of assets or liabilities in a transaction that is not a business combination and at the time of the transaction, affects neither accounting profit (loss) nor taxable profit (loss) and does not give rise to equal taxable and deductible temporary differences. In addition, deferred tax is not recognized for taxable temporary differences arising on the initial recognition of goodwill. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

A deferred tax asset is recognized to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Loss per share

Basic loss per share is calculated by dividing the net loss by the weighted average number of common shares outstanding during the year. Diluted loss per share is calculated using the treasury stock method which includes the dilutive effect of warrants, stock options and contingently issuable shares in the weighted average number of common shares outstanding for the year when applicable. For the years ended December 31, 2024 and 2023, all outstanding warrants and stock options were anti-dilutive.

Translation of foreign currencies

The functional currency and presentation currency of the Company is the Canadian dollar. The functional currency of each entity is determined after consideration of the primary economic environment of the entity. The functional currencies of the Company’s material subsidiaries are listed in note 2. Financial statements of subsidiaries are maintained in their functional currencies and converted to Canadian dollars for consolidation of the Company’s results.

Transactions denominated in foreign currencies, which are transactions in currencies other than the functional currency of an entity, are translated at the exchange rates on the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at reporting date exchange rates and any gain or loss on translation is recorded in the consolidated statement of loss and other comprehensive loss as a foreign exchange gain or loss.

On translation of entities with functional currencies other than the Canadian dollar into the presentation currency, consolidated statements of loss and other comprehensive loss items are translated at average rates of exchange where this is a reasonable approximation of the exchange rate at the dates of the transactions. Consolidated statement of financial position items are translated at closing exchange rates as at the reporting date. Exchange differences on the translation of the foreign currency entities are recorded in the foreign currency translation reserve in equity.

Recent and future accounting standards

Amendments to IAS 1 – Presentation of Financial Statements

In October, 2022, the IASB issued amendments to IAS 1, *Presentation of Financial Statements* titled *Non-current Liabilities with Covenants*. These amendments sought to improve the information that an entity provides when its right to defer settlement of a liability is subject to compliance with covenants within 12 months after the reporting period. These amendments to IAS 1 override and incorporate the previous amendments, *Classification of Liabilities as Current or Non-current*, issued in January 2020, which clarified that liabilities are classified as either current or non-current, depending on the rights that exist at the end of the reporting period. Liabilities should be classified as non-current if a company has a substantive right to defer settlement for at least 12 months at the end of the reporting period.

Amendments to IAS 21 - The Effects of Changes in Foreign Exchange Rates

On August 15, 2023, the IASB issued amendments to IAS 21 - The Effects of Changes in Foreign Exchange Rates. The amendments provide guidance to specify when a currency is exchangeable and how to determine the exchange rate when it is not. The amendments are effective for reporting periods beginning on or after January 1, 2025. These amendments are not expected to have a significant impact on the Company's financial statements.

IFRS 18 - Presentation and Disclosures in Financial Statements

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

Amendments to IFRS 9 and IFRS 7

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

5. RESTRICTED CASH AND RECLAMATION DEPOSITS

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

As at December 31, 2024, restricted cash consisted of $1,942 (December 31, 2023 - $1,817) as collateral for an irrevocable letter of credit for reclamation obligations relating to LDI.

6. ACQUISITION OF LAC-DES-ÎLES GRAPHITE MINE

On April 29, 2022, the Company acquired 100% ownership of the producing LDI graphite mine in Quebec. The acquisition of LDI was completed as a direct asset purchase with the assumption of certain liabilities and the business' employees through the Company's wholly-owned subsidiary Graphite Nordique Inc. from a subsidiary of Imerys S.A. ("Imerys").

On closing of the acquisition of LDI, the Company paid $22,734 (US$17,771) in cash, $1,561 in cash as a reimbursement for a reclamation deposit and issued 6,841,600 private placement units of the Company at a price of $0.75 which consisted of one common share and one-half share purchase warrant exercisable at $1.10 for a period of two years, for a combined fair value of $5,131. In addition, the purchase price was subject to post closing adjustments of $1,341, which were paid in November 2022.

The Company has determined the acquisition of LDI's assets should be treated as a business combination for accounting purposes under IFRS 3 - Business Combinations. The purchase price allocation resulting from a business combination requires management to estimate the fair value of identifiable assets acquired and liabilities assumed. The determination of fair value involves making estimates relating to the acquired assets and liabilities including inventory, mineral interests, property, plant and equipment and mine rehabilitation provisions.

The Company has completed a valuation of the fair value of the mineral interests and property, plant and equipment of LDI with the assistance of an independent third party.

An income approach (using a discounted cash flow approach ("DCF") was used to value the mineral interests of LDI. The DCF approach reflects the present value of the expected operating cash flows based on an appropriate discount rate (6.1%) to reflect the time value and risk of the invested capital. Property, plant and equipment were valued with the cost approach.

(Stated in thousands of Canadian Dollars)

The following table summarizes the fair value of the consideration paid to acquire LDI:

Cash	$	24,295
Private placement units (note 19)		5,131
Post closing adjustments		1,341
Total Consideration	$	30,767

The following table summarizes the finalized fair values of identified assets and liabilities recognized as a result of the acquisition:

Inventories	$	13,517
Right of use assets		276
Property, plant and equipment		5,758
Mineral interests		15,610
Reclamation deposits		1,561
Goodwill		2,713
Leases		(276)
Reclamation provision		(5,679)
Deferred tax liability		(2,713)
Net Assets Acquired	$	30,767

Business combination costs, including advisory, legal, regulatory and other professional fees, and success fees payable on completion of the transaction totaled $341 which were expensed in the Project evaluation, acquisition, and integration line of the Consolidated statement of loss and other comprehensive loss for the year ended December 31, 2022.

The acquired business contributed revenues of $11,993 and income from mine operations of $3,050 to the Company for the period from April 29, 2022 to December 31, 2022. If the acquisition had occurred on January 1, 2022, estimated pro-forma revenue and income for the year ended December 31, 2022 would have been $19,101 and $5,308 respectively.

Goodwill has been allocated to the LDI cash-generating unit (“CGU”). The goodwill balance results from the requirement to recognize a deferred tax liability, calculated as the difference between the tax effect of the fair value of the acquired assets and liabilities and their tax bases. For the purpose of testing this goodwill for impairment, the related deferred tax liability recognized on acquisition that remains at the balance sheet date is treated as part of the CGU. In accordance with IFRS standards, an annual impairment test was conducted on the acquired goodwill as it related to the LDI CGU resulting in no impairment at December 31, 2024 or 2023.

(Stated in thousands of Canadian Dollars)

7. ACQUISITION OF NAMIBIAN GRAPHITE DEPOSIT AND PROCESSING PLANT

On April 29, 2022, the Company acquired 100% of the Okanjande graphite deposit and processing equipment at the Okorusu plant in Namibia ("Okanjande").

The acquisition of Okanjande was completed through the acquisition of Imerys Gecko Holdings (Namibia) (Pty) Ltd. which was subsequently renamed Northern Graphite Processing (Namibia) (Pty) Ltd. As consideration for the acquisition, the Company paid Imerys and its joint venture partner $20,237 in cash.

The Company accounted for the acquisition of Okanjande as an asset acquisition.

The Company has completed a valuation of the fair value of the mineral interests and property, plant and equipment of Okanjande with the assistance of an independent third party.

An income approach (using a discounted cash flow approach) was used to value the mineral interests of Okanjande. The DCF approach reflects the present value of the expected operating cash flows based on an appropriate discount rate (27.2%) to reflect the time value and risk of the invested capital. Property, plant and equipment were valued with the cost approach. Consideration was allocated on assets and liabilities received on a pro-rata basis net of working capital items.

The following table summarizes the total consideration of the acquisition:

Cash	$	20,237
Transaction costs		694
Total Consideration	$	20,931

The following table summarizes the total consideration and the final allocation of assets and liabilities acquired based on their fair values:

Cash	$	209
Restricted cash		213
Receivables		3
Right of use assets		615
Property, plant and equipment		12,079
Mineral interests		9,357
Accounts payable and accrued liabilities		(165)
Withholding tax obligation		(619)
Leases		(761)
Total	$	20,931

8. RECEIVABLES

		December 31, 2024		December 31, 2023
Trade receivables	**$**	**846**	$	980
Value added tax		**686**		1,246
Other		**3**		18
	$	**1,535**	$	2,244

The Company's expected credit loss as at December 31, 2024 is a nominal amount (December 31, 2023 – nominal amount).

(Stated in thousands of Canadian Dollars)

9. INVENTORIES

		December 31, 2024		December 31, 2023
Materials and supplies	**$**	**1,155**	$	1,684
Graphite ore stockpiles		**1,664**		7,297
Finished goods		**6,039**		10,011
Total inventory		**8,858**		18,992
Non-current inventory		**-**		1,863
Total current inventory	**$**	**8,858**	$	17,129

The amount of inventories recognized as an expense in cost of sales during the year ended December 31, 2024 was $21,581 (December 31, 2023 – $14,520).

As at December 31, 2024 there was no non-current inventory (December 31, 2023 – $1,863; finished goods).

During the year ended December 31, 2024, as a result of lower realized prices on sales of concentrate and higher per tonne processing costs due to higher operating costs and lower production volumes on restart of the LDI plant, the Company recorded a net realizable value impairment of $768 (December 31, 2023 – $987) on its stockpile inventory and $3,197 on its finished good inventory (December 31, 2023 – $nil).

During the year ended December 31, 2024, following inventory surveys and counts of its LDI stockpile and finished goods inventories, the Company recorded impairments of $289 (December 31, 2023 – $234) and $403 (December 31, 2023 – $114) respectively.

Total inventory impairments recorded for the year ended December 31, 2024 were $4,657 (December 31, 2023 – $1,335).

(Stated in thousands of Canadian Dollars)

10. EXPLORATION AND EVALUATION

For the years ended December 31, 2024 and December 31, 2023 capitalized exploration and evaluation costs were as follows:

	Bissett Creek	Mousseau	South Okak	LDI	Total
Balance, December 31, 2023	$ 12,774	$ 1,237	$ -	$ 1,682	$ 15,693
Engineering and metallurgical	9	-	-	1,194	1,203
Geological and geophysical	-	-	-	438	438
Site costs and royalties	53	3	-	244	300
Balance, December 31, 2024	$ 12,836	$ 1,240	$ -	$ 3,558	$ 17,634

	Bissett Creek	Mousseau	South Okak	LDI	Total
Balance, December 31, 2022	$ 13,309	$ 959	$ 1,139	$ -	$ 15,407
Engineering and metallurgical	117	132	-	534	783
Geological and geophysical	20	4	-	-	24
Site costs and royalties	86	42	-	1,148	1,276
Sale of royalty interest	(758)	-	-	-	(758)
Acquisition cost	-	100	-	-	100
Impairment	-	-	(1,139)	-	(1,139)
Balance, December 31, 2023	$ 12,774	$ 1,237	$ -	$ 1,682	$ 15,693

Bissett Creek, Ontario, Canada

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

The Company is required to make royalty payments of $0.02 per ton of graphite concentrate produced to the previous owners and is subject to a 2.5% net smelter return payable on any other minerals derived and sold from Bissett Creek. An advance royalty of $27 per annum is payable in semi-annual installments and is recorded in exploration and evaluation assets ($27 paid during the years ended December 31, 2024 and 2023). The advance will be credited against any future royalty payments.

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

During the year ended December 31, 2023, Northern sold an additional 0.5% GRR to ERL for $950 in cash. In connection with this sale, the Company will make a separate fixed royalty payment to ERL in the total amount of $200, payable in equal quarterly payments of $25 for the next two years. The net present value of the remaining payments at December 31, 2024 is $70.

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

Mousseau, Quebec, Canada

During February 2022, the Company entered into an option agreement that provided it with an option to acquire a 100% interest in the Mousseau West property, subject to the owners retaining a 2% net smelter royalty. Pursuant to the agreement, the Company paid $50 for the six month exclusive right to conduct due diligence, which was expensed in 2022 and included in project evaluation, acquisition and integration costs, as the Company did not have title to any mineral rights. During October 2022, the Company acquired Mousseau West for $500 in cash and the issuance of 900,000 common shares of the Company with a fair value of $459. The Company has the right to acquire the 2% NSR from the owners at any time upon the payment of $1,000.

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

Lac-des-Îles

During the year ended December 31, 2023, the Company carried out a drill program designed to explore previously untested areas of the property with the objective of extending the life of the mine. The program consisted of 8,000 meters of drilling and was financed through the proceeds of a $2,250 charity flow-through private placement (note 19).

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

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

South Okak Project, Labrador, Canada

During 2021, the Company entered into an option agreement to earn up to an 80% interest in South Okak, located 80 kilometres southeast of Voisey's Bay, Labrador. The project comprises a total of 503 claims covering 12,575 hectares. Under the term of the option agreement, the Company had a first option to earn a 49% interest in the project by incurring exploration expenditures and making cash and/or share payments as follows: (i) payment of $50 in cash (paid) and the issuance of 500,000 common shares (issued) following the June 7, 2021 effective date of the option agreement; (ii) incurring cumulative exploration expenditures of $250 (completed) prior to March 1, 2022 and $500 in cumulative expenditures prior to March 1, 2023 (completed); (iii) payment of $75 in cash, plus $200 in cash or common shares, at the Company's option, by June 7, 2023. The Company did not meet these conditions and accordingly the option agreement lapsed. The Company engaged in discussions to amend the option agreement on the South Okak property but such discussions were unsuccessful and the Company impaired the carrying value of South Okak during the year ended December 31, 2023.

(Stated in thousands of Canadian Dollars)

11. PROPERTY, PLANT AND EQUIPMENT

Cost	Okanjande in process	LDI property, plant and equipment	Other	Total
Balance, December 31, 2023	$ 18,966	$ 8,305	$ 1,393	$ 28,664
Additions	186	243	82	511
Change in reclamation estimate	-	277	-	277
Sale of assets	(37)	-	-	(37)
Foreign currency translation gain	952	-	-	952
Balance, December 31, 2024	$ 20,067	$ 8,825	$ 1,475	$ 30,367
Accumulated depletion and depreciation				
Balance, December 31, 2023	(47)	(3,339)	(1,321)	(4,707)
Depletion and depreciation	(68)	(787)	(29)	(884)
Balance, December 31, 2024	(115)	(4,126)	(1,350)	(5,591)
Net book value	$ 19,952	$ 4,699	$ 125	$ 24,776

Cost	Okanjande in process	LDI property, plant and equipment	Other	Total
Balance, December 31, 2022	$ 18,039	$ 7,252	$ 1,330	$ 26,621
Additions	3,168	1,053	63	4,284
Asset impairment	(209)	-	-	(209)
Sale of assets	(319)	-	-	(319)
Foreign currency translation loss	(1,713)	-	-	(1,713)
Balance, December 31, 2023	18,966	8,305	1,393	28,664
Accumulated depletion and depreciation				
Balance, December 31, 2022	(34)	(2,194)	(1,283)	(3,511)
Depletion and depreciation	(13)	(1,145)	(38)	(1,196)
Balance, December 31, 2023	(47)	(3,339)	(1,321)	(4,707)
Net book value	$ 18,919	$ 4,965	$ 72	$ 23,956

As at December 31, 2024 the amount of depletion and depreciation from property, plant and equipment and mineral interests included in inventory was $1,080 (December 31, 2023 – $332), and the amount of depreciation included in general and administrative expenses was $91 (December 31, 2023 - $94).

As at December 31, 2024, LDI property, plant, and equipment cost includes $1,667 (December 31, 2023 - $1,667) for right of use assets with a net book value of $548 (December 31, 2023 - $913). The right of use assets consists of $466 (December 31, 2023 - $606) for a land use and building lease and $82 (December 31, 2023 - $308) for mobile assets.

The LDI mine and plant were temporarily placed in care and maintenance for the second, third and part of the fourth quarters of 2023 while the Company sold excess inventory acquired with LDI. The plant restarted on October 30, 2023, but the mine continued on care and maintenance and restarted mining operations April 2024. In order to preserve cash, the Company temporarily stopped its mining operations in July 2024 while continuing to operate the plant seven days a week, processing inventory from its existing stockpile, and then restarted mining operations in September 2024. During the fourth quarter of 2024 the Company placed the plant and mine under a temporary shutdown for maintenance and repairs and resumed mining and milling operations again in mid January 2025.

Costs incurred during the periods when mining or production operations ceased during the year ended December

(Stated in thousands of Canadian Dollars)

31, 2024 were $2,957 (December 31, 2023 - $5,548) and have been recorded in the consolidated statements of loss and other comprehensive loss as care and maintenance expense. Included in care and maintenance was $144 of depreciation for the year.

The Okanjande plant was temporarily placed in care and maintenance in the third quarter of 2023. Holding costs of $1,706 incurred during the year (December 31, 2023 - $930) were recorded in the consolidated statements of loss and other comprehensive loss as care and maintenance expense. Included in care and maintenance was $178 of depreciation for the year.

As at December 31, 2024, Okanjande in process additions includes $2,256 (December 31, 2023 - $2,256) for capitalized interest (rate of 12%) arising from accretion on deferred revenue (note 23).

In December 2022, the Company made the decision to move the location of its future processing plant facilities from Okorusu to Okanjande. During the year ended December 31, 2023, the Company reached a final settlement with the leaseholder. This confirmed the existence of the additional impairment of $209 which was recorded during the year ended December 31, 2023.

12. MINERAL INTERESTS

Cost	Okanjande	LDI	Total
Balance, December 31, 2023	$ 9,509	$ 15,809	$ 25,318
Foreign currency translation gain	473	-	473
Balance, December 31, 2024	9,982	15,809	25,791
Accumulated depletion and depreciation			
Balance, December 31, 2023	-	(6,951)	(6,951)
Depletion and depreciation	-	(3,428)	(3,428)
Balance, December 31, 2024	-	(10,379)	(10,379)
Net book value	$ 9,982	$ 5,430	$ 15,412

Cost	Okanjande	LDI	Total
Balance, December 31, 2022	$ 9,886	$ 15,726	$ 25,612
Additions	556	83	639
Foreign currency translation loss	(933)	-	(933)
Balance, December 31, 2023	9,509	15,809	25,318
Accumulated depletion and depreciation			
Balance, December 31, 2022	-	(5,175)	(5,175)
Depletion and depreciation	-	(1,776)	(1,776)
Balance, December 31, 2023	-	(6,951)	(6,951)
Net book value	$ 9,509	$ 8,858	$ 18,367

As at December 31, 2024, Okanjande mineral interests include $1,197 (December 31, 2023 - $1,197) for capitalized interest (rate of 12%) arising from accretion on deferred revenue (note 23).

(Stated in thousands of Canadian Dollars)

13. OTHER ASSETS

	December 31, 2024	December 31, 2023
Intangible assets	**$ 169**	$ 169
Intangible assets accumulated amortization	**(127)**	(70)
Deposits on equipment	**1,134**	-
Contract assets (note 17)	**1,742**	1,742
	$ 2,918	$ 1,841

14. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

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

	December 31, 2024	December 31, 2023
Trade payables	**$ 7,242**	$ 3,953
Trade related accruals	**1,043**	1,406
Income tax payable	**188**	962
Payroll and related benefits	**493**	576
	$ 8,966	$ 6,897

(Stated in thousands of Canadian Dollars)

15. SENIOR SECURED LOAN

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

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

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

As at December 31, 2024, the Company had not met some of the covenants relating to the amended and restated credit agreement dated November 29, 2023, including:

- The payment of accrued interest of $3,547 (US$2,465) on semi-annual cash interest payment dates as of December 31, 2024;
- Maintaining, at all times, on a consolidated basis, positive working capital, and
- Maintaining, at all times, on a consolidated basis, a minimum cash balance of US$750.

As of April 29, 2025, all defaults have been waived by the lender effective December 31, 2024. The Company is currently in discussions with the lender relating to the revision of existing agreements. Due to a change in the anticipated timing of the senior secured loan payments the Company has recognized a gain on modification of $346 during the year.

The Company has adjusted these consolidated financial statements to reflect the non-current portion of the senior secured loan as a current liability.

Balance, December 31, 2022	$	15,087
Funds received		1,359
Financing costs		(60)
Interest expense and accretion		3,380
Foreign exchange gain		(457)
Balance, December 31, 2023		19,309
Less: current portion of senior secured loan		3,146
Non-current portion of senior secured loan	$	16,163

Balance, December 31, 2023	$	19,309
Interest expense and accretion		4,216
Gain on modification		(346)
Foreign exchange loss		1,908
Balance, December 31, 2024		25,087
Less: current portion of senior secured loan		25,087
Non-current portion of senior secured loan	$	-

(Stated in thousands of Canadian Dollars)

16. ROYALTY FINANCING

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

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

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

As at December 31, 2024, the Company had not met one of the covenants relating to the amended and restated royalty agreement dated November 29, 2023, consisting of the payment of certain royalty amounts due during the year for a total of $2,076 (US$1,443). An additional royalty amount with respect to fourth quarter 2024 sales of $799 (US$555) was due on January 31, 2025 and is currently unpaid.

Due to a change in the anticipated timing of royalty payments the Company has recognized a gain on modification of $520 during the year. In addition, the Company updated its production plan at LDI and related revenue forecast during the year and as a result has recognized a loss on extinguishment of $4,364.

As of April 29, 2025, all defaults have been waived by the lender effective December 31, 2024. The Company is currently in discussions with the lender relating to the revision of existing agreements including the payment schedule of outstanding royalty amounts.

The Company has adjusted these consolidated financial statements to reflect the non-current portion of the senior secured loan as a current liability.

Balance, December 31, 2022	$	5,227
Funds received		2,719
Financing costs		(121)
Interest expense and accretion		803
Payments made		(1,649)
Foreign exchange gain		(211)
Balance, December 31, 2023		6,768
Less: current portion of royalty		3,769
Non-current portion of royalty	$	2,999

Balance, December 31, 2023	$	6,768
Interest expense and accretion		3,813
Payments made		(658)
Loss on extinguishment		4,364
Gain on modification		(520)
Foreign exchange loss		1,059
Balance, December 31, 2024		14,826
Less: current portion of royalty		14,826
Non-current portion of royalty	$	-

(Stated in thousands of Canadian Dollars)

17. DEFERRED REVENUE

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

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

The Company will have the option, subject to any consents or approvals required under the secured loan, to reduce the stream percentage by up to 50% upon payment of $25,181 (US$17,500) in 2025. This option will be exercisable in whole or in part on a pro rata basis and was assigned a nil value at inception.

The deposit does not contain cross-default provisions with the senior secured loan (note 15) or the royalty (note 16) but is subject to standard conditions and covenants. As at December 31, 2024, the Company was in compliance with all covenants.

Balance, December 31, 2022	$	29,358
Interest accretion		3,711
Foreign exchange gain		(764)
Balance, December 31, 2023	$	32,305
Balance, December 31, 2023	$	32,305
Interest accretion		4,258
Foreign exchange loss		3,052
Balance, December 31, 2024	$	39,615

18. LEASES

During the years ended December 31, 2024 and 2023, the Company acquired and entered into several lease agreements relating to mobile equipment and a land and building use with interest rates ranging from 4.5% to 10.0%.

		December 31, 2024		December 31, 2023
Balance, beginning of year	**$**	**1,470**	$	1,582
Additions		**-**		600
Derecognition		**-**		(216)
Principal payments		**(448)**		(564)
Interest expense and accretion		**135**		139
Foreign exchange loss (gain)		**32**		(71)
Balance, end of year		**1,189**		1,470
Less: current portion of leases		**411**		506
Non-current portion of leases	**$**	**778**	$	964

During the year ended December 31, 2023, the Company entered into a new office lease with the same party and derecognized the old office lease.

19. SHARE CAPITAL

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

Year Ended December 31, 2024
During the year ended December 31, 2024, 307,692 stock options with an exercise price of $0.325 per share were exercised for gross proceeds of $100 in exchange for 307,692 common shares of the Company and 447,500 vested RSUs were exercised for the issuance of 447,500 common shares of the Company.

Subsequent to December 31, 2024, the Company completed a non-brokered private placement of 2,631,579 common shares on a flow-through basis at a price of $0.19 per share for gross proceeds of $500. In connection with the private placement, the Company paid a cash finders' fee of $30 on closing.

Stock option and RSU issuances
The Company's Board of Directors has granted stock options and RSUs as part of its long-term incentive and retention plan for key executives and employees.

On January 11, 2024, the Company announced the appointment of Samantha Espley as a director of the Company. In connection with her appointment, the Company granted Ms. Espley a total of 400,000 stock options under the Company's Option Plan, which have an exercise price of $0.55 per share, an exercise period of five years and which vested immediately upon grant.

On February 27, 2024, the Board of Directors approved a grant of stock options to certain new officers and employees to purchase a total of 1,011,000 common shares of the Company at a price of $0.35 per share, vesting one third after each of years one, two, and year three, which are exercisable for a period of five years.

On August 28, 2024**,** the Board of Directors approved a grant of stock options to certain employees to purchase a total of 1,700,000 common shares of the Company at a price of $0.20 per share, vesting one quarter after each of years one and two and one half after year three, and which are exercisable for a period of five years. In addition, the Board of Directors approved a grant of 5,100,000 RSUs to certain officers and employees with a vesting period of one quarter after each of years one and two, and one half after year three.

Year Ended December 31, 2023

Private Placement
On April 27, 2023, the Company closed a non-brokered private placement financing of 3,000,000 units of Northern issued on a charity flow-through basis at a price of $0.75 per unit for gross proceeds of $2,250. Each unit consisted of one common share and one-half of one common share purchase warrant with each whole warrant entitling the holder to purchase one common share at an exercise price of $0.75 for a period of two years. This was accounted for by fair valuing the shares and warrants with the residual of $610 being allocated to flow through share liability as the value of tax deductions to be renounced by the Company. This liability is $nil at December 31, 2024 (December 31, 2023 - $500) and based on eligible expenditures made since April 27, 2023 and the ending of the renunciation period by the end of year.

In order to meet the terms of the flow through share agreement, the Company was required to spend an additional $2,250 on qualifying expenditures before December 31, 2024. Due to delays and scope of work issues, the Company only spent $2,019 of this amount by December 31, 2024. As a result, Northern has accrued $286 to cover penalties and interest due to the Canadian and Quebec governments and amounts anticipated to be due to the flow through shareholders for shortfalls in the qualifying expenditures.

In connection with the transaction, the Company issued 180,000 warrants to the agents exercisable at $0.75 per share for a period of two years valued at $24 and has recorded a finder's fee of $135.

(Stated in thousands of Canadian Dollars)

Warrants

Information with respect to the Company's warrants is as follows:

	Number of warrants	Weighted average exercise price $
Balance, December 31, 2022	**35,800,300**	0.97
Warrants issued	**1,680,000**	0.75
Warrants exercised	**(4,652,500)**	0.45
Balance, December 31, 2023	**32,827,800**	1.03
Warrants expired	**(31,147,800)**	1.05
Balance, December 31, 2024	**1,680,000**	0.75

The Company's warrants outstanding as at December 31, 2024 are as follows:

Exercise price	Number of Warrants Outstanding and Exercisable	Expiry Date
$0.75	1,680,000	April 27, 2025

As at December 31, 2024, the weighted average remaining contractual life of warrants outstanding is 0.32 years (December 31, 2023 – 0.37 years). On April 27, 2025, 1,680,000 warrants expired.

The value of warrants issued during the year ended December 31, 2023 was determined utilizing the Black-Scholes option pricing model. There were no warrants issued during the year ended December 31, 2024. For those whose value was determined utilizing the Black-Scholes method, the input factors and assumptions are as follows:

	Year Ended December 31, 2023
Warrants granted during the year	**1,680,000**
Weighted-average exercise price	**0.75**
Expected warrant life	**2 years**
Expected volatility	**71.63%**
Risk-free interest rate	**3.73%**
Dividend yield	**Nil**
Weighted-average fair value (Black-Scholes value)	**0.17**

Restricted share units

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

(Stated in thousands of Canadian Dollars)

A summary of the RSU activity is presented below:

	Number of Restricted stock units
Balance, December 31, 2022	1,300,000
Granted	490,000
Exercised	(325,000)
Balance, December 31, 2023	1,465,000
Granted	5,100,000
Exercised	(447,500)
Forfeited	(850,000)
Balance, December 31, 2024	**5,267,500**

A summary of the Company's outstanding RSU's at December 31, 2024 is as follows:

Issue price	RSU's outstanding	RSU's exercisable
$0.46	500,000	-
$0.45	367,500	-
$0.07	4,400,000	-
Balance, December 31, 2024	**5,267,500**	-

As at December 31, 2024 there was $334 of unrecognized share-based compensation costs related to unvested RSU awards granted under the Company's DSU/RSU Plan (December 31, 2023 - $344). During the year ended December 31, 2024 $295 of share-based compensation costs relating to RSU awards were recognized (December 31, 2023 - $460).

Subsequent to December 31, 2024, the Company issued 350,000 RSUs to officers and employees.

Stock options

The Company has adopted the Option Plan for directors, officers, employees and consultants of the Company. Under the Option Plan, the Company may grant non-transferable stock options to purchase common shares of the Company for a period of up to ten years from the date of the grant.

(Stated in thousands of Canadian Dollars)

A summary of the stock option activity is presented below:

	Number of options	Weighted average exercise price $
Balance, December 31, 2022	**9,656,000**	**0.54**
Granted	2,405,384	0.41
Exercised	(950,000)	0.40
Expired	(1,301,000)	0.64
Balance, December 31, 2023	**9,810,384**	**0.53**
Granted	3,111,000	0.29
Exercised	(307,692)	0.33
Forfeited	(1,121,692)	0.52
Expired	(100,000)	0.75
Balance, December 31, 2024	**11,392,000**	**0.47**

A summary of the Company's outstanding stock options at December 31, 2024 is as follows:

Exercise price	Stock options outstanding	Stock options exercisable	Expiry date
$0.20	1,300,000	1,300,000	July 23, 2025
$0.20	1,700,000	-	August 28, 2029
$0.35	1,011,000	-	February 27,2029
$0.50	2,700,000	2,700,000	April 15, 2026
$0.55	1,100,000	1,100,000	January 20, 2028
$0.55	390,000	121,667	May 4, 2028
$0.55	100,000	33,333	June 29, 2028
$0.55	400,000	400,000	January 10,2029
$0.60	616,000	616,000	October 4, 2025
$0.75	250,000	250,000	March 7, 2026
$0.75	500,000	500,000	December 31, 2026
$0.75	1,325,000	1,325,000	January 30, 2027
	11,392,000	**8,346,000**	

As at December 31, 2024, the weighted average remaining contractual life of stock options outstanding is 2.41 years (December 31, 2023 – 2.60 years).

(Stated in thousands of Canadian Dollars)

The value of stock options granted during the years ended December 31, 2024 and 2023 was determined utilizing the Black-Scholes option pricing model with input factors and assumptions as follows:

	Year Ended December 31, 2024	Year Ended December 31, 2023
Stock options granted during the period	**3,111,000**	**2,405,384**
Weighted-average exercise price	**0.29**	**$0.41**
Expected stock option life	**5 years**	**2 to 5 years**
Expected volatility	**101.65% to 103.96%**	**77.01% to 108.83%**
Risk free interest	**2.97% to 3.63%**	**2.88% to 4.58%**
Dividend yield	**Nil**	**Nil**
Forfeiture rate	**Nil**	**Nil**
Weighted average fair value (Black-Scholes value)	**0.08**	**$0.32**

As at December 31, 2024 there was $131 of unrecognized share-based compensation costs related to unvested stock option awards granted under the Company's Option Plan (December 31, 2023 - $167) and $261 of share-based of share-based compensation costs were recognized during the year ended December 31, 2024 (December 31, 2023 - $868).

20. INCOME TAXES

The following table reconciles the expected income taxes at the Canadian statutory income tax rates to the amounts recognized in the statements of comprehensive loss for the years ended December 31, 2024 and 2023:

		Year ended December 31, 2024		Year ended December 31, 2023
Loss before taxes	**$**	**(38,814)**	$	(24,365)
Canadian statutory income tax rate		**26.5%**		26.5%
Expected income tax recovery		**(10,285)**		(6,457)
Differences resulting from:				
Non-deductible loss		**212**		(46)
Non-deductible		**164**		587
Change in deferred tax assets not recognized		**9,724**		5,704
Quebec mining duty		**120**		(414)
Release of flow-through share premium liability		**(501)**		-
True-up		**265**		-
Flow through share renunciation		**428**		-
Other		**(137)**		(96)
Income tax expense (recovery)	**$**	**(10)**	$	(722)

(Stated in thousands of Canadian Dollars)

	Year ended December 31, 2024	Year ended December 31, 2023
Current tax expense		
Income tax	$ -	$ 14
Quebec mining duty	88	261
Deferred tax expense (recovery)		
Income tax	(501)	(380)
Quebec mining duty	403	(617)
Total income tax expense (recovery)	$ (10)	$ (722)

Deferred tax liability continuity is as follows:

	Year ended December 31, 2024	Year ended December 31, 2023
Opening deferred tax liability	$ (1,788)	$ (2,676)
Deferred income tax expense	-	271
Deferred Quebec mining duty tax (recovery) expense	(403)	617
Ending deferred tax liability	$ (2,191)	$ (1,788)

Deferred taxes reflect the tax effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and their tax values. Deferred tax assets (liabilities) at December 31, 2024 and 2023 are comprised of the following:

	December 31, 2024	December 31, 2023
Non-capital loss carry forwards	$ 2,710	$ 1,906
Benefit of Quebec mining duty deductions	579	474
Financial and reclamation liabilities	2,685	3,374
Mineral interests, property, plant and equipment and exploration and evaluation assets	(5,026)	(4,125)
Marketable securities	-	(7)
Quebec Mining Duty	(2,191)	(1,788)
Inventory	(763)	(1,472)
Other	(185)	(150)
	$ (2,191)	$ (1,788)

(Stated in thousands of Canadian Dollars)

The unrecognized deductible temporary differences as at December 31, 2024 and 2023 are comprised of the following:

		December 31, 2024		December 31, 2023
Non-capital loss carry forwards	$	**99,749**	$	68,429
Property and equipment		**868**		2,496
Reclamation and close down provision		**6,491**		398
Royalty financial liability		**4,199**		-
SR&ED expenditures		**1,486**		1,486
Financing costs		**1,216**		1,842
Investment tax credits – Federal		**440**		440
Investment tax credits – Ontario		**89**		89
Stream and senior secured loan		**14,921**		7,205
	$	**129,459**	$	82,385

As at December 31, 2024, the Company has non-capital loss carry forwards in Canada of approximately $57,162 which can be applied to reduce future Canadian taxable income and will expire between 2028 and 2044, of which $56,257 has not been recognized and will expire between 2029 and 2044. The Company has non-capital loss carry forwards in Italy of $nil which can be applied to reduce future Italian taxable income. The Company has non-capital loss carry forwards in Namibia of $50,547 which can be applied to reduce future Namibian taxable income. The Company has non-capital loss carry forwards in Germany of $653 which can be applied to reduce future Namibian taxable income.

The Company files income tax returns in Canada, Namibia, Italy, Germany and is subject to examination in these jurisdictions for all years since the Company's inception. As at December 31, 2024, all tax years are subject to examination by the tax authorities and no tax authority audits are currently underway. Fiscal years outside the normal statute of limitation remain open to audit by tax authorities due to tax attributes generated in those early years which have been carried forward and may be audited in subsequent years when utilized. The timing of the resolution, settlement and closure of any income tax audits is highly uncertain, and the Company is unable to estimate the full range of possible adjustments to the balance of gross unrecognized tax benefits. It is possible that the balance of gross unrecognized tax benefits could significantly change in the next twelve months. As at December 31, 2024, the 2024 tax year filings for the Company and its subsidiaries (where applicable) remain unfiled and have not been assessed by the relative tax authorities.

21. PRODUCTION COSTS

		December 31, 2024		December 31, 2023
Salaries and employee benefits	$	**5,862**	$	3,626
Contracted services		**3,525**		3,388
Raw materials and consumables		**2,878**		2,070
Electricity and energy		**2,188**		1,306
Insurance		**1,394**		818
Freight		**1,108**		490
Other		**1,152**		578
	$	**18,107**	$	12,276

(Stated in thousands of Canadian Dollars)

22. GENERAL AND ADMINISTRATIVE EXPENSES

	December 31, 2024	December 31, 2023
Office, management, and director fees	**$ 7,896**	$ 7,863
Legal and audit	**543**	783
Promotion and investor relations	**151**	305
Regulatory and transfer agent	**55**	111
Depreciation (note 11)	**91**	94
	$ 8,736	$ 9,156

23. FINANCE EXPENSE

	December 31, 2024	December 31, 2023
Interest expense and accretion (notes 15 to 18)	**$ 12,422**	$ 8,009
Loss on extinguishment (note 16)	**4,364**	-
Gain on modification (note 15 and 16)	**(866)**	-
Accretion of reclamation provision (note 30)	**90**	186
Other	**38**	-
Capitalization of deferred revenue interest (note 11 and 12)	**-**	(1,627)
	$ 16,048	$ 6,568

During the year ended December 31, 2024 the Company paid interest expense of $371 (year ended December 31, 2023 – $486).

24. OTHER INCOME

The Company's subsidiary NGC Battery Materials GmbH ("NGCBM") provides lab services to third parties on a cost recovery basis, of which, $1,270 relates to one customer for a fixed monthly fee.

25. CAPITAL MANAGEMENT

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

The Company's capital consists of items included in shareholders' equity, the senior secured loan and leases net of cash and cash equivalents and current restricted cash.

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

(Stated in thousands of Canadian Dollars)

26. SUPPLEMENTAL CASH FLOW INFORMATION

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

	December 31, 2024	December 31, 2023
Exploration and evaluation costs in accounts payable and accrued liabilities	$ 1,572	$ 198
Okanjande in process costs in accounts payable and accrued liabilities	$ 38	$ 277
Value of warrants issued for financing	$ -	$ 224
Fair value of common shares issued for claim payment (note 10)	$ -	$ 50

27. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

Fair value

Certain of the Company's accounting policies and disclosures require the determination of fair value. Fair value represents the amount at which a financial instrument could be exchanged between willing parties, based on current markets for instruments with the same risk, principal and remaining maturity. Fair value estimates are based on quoted market values and other valuation methods. Fair values have been determined for measurement and/or disclosure purposes based on the fair value hierarchy contained in the Company's financial instrument accounting policy. When applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

As at December 31, 2024 the levels in the fair value hierarchy into which the Company's financial assets and liabilities are measured and recognized on the consolidated statements of financial position at fair value are categorized as follows: cash and cash equivalents and marketable securities (Level 1) of $373 (December 31, 2023 - $3,605).

As at December 31, 2024 and December 31, 2023 there were no financial assets and liabilities measured and recognized at fair value on a non-recurring basis. The Company's policy for determining when a transfer occurs between levels in the fair value hierarchy is to assess the impact at the date of the event or the change in circumstances that could result in a transfer. There were no transfers between Level 1, Level 2 and Level 3 for the year ended December 31, 2024 and the year ended December 31, 2023. As at December 31, 2024 and December 31, 2023, there were no financial assets or liabilities measured and recognized in the consolidated statements of financial position at fair value that would be categorized as Level 3 in the fair value hierarchy.

The carrying value of receivables and accounts payable and accrued liabilities approximates fair value due to the short-term nature of these financial instruments. The carrying value of restricted cash and reclamation deposits materially approximates their fair values based on the expected life to maturity. The carrying value of the senior secured loan approximates its fair value as it bears a market rate of interest. The Company has performed a sensitivity analysis which indicates that the carrying value of the royalty obligation would approximate its fair value with a 3% increase in the market rate.

Currency risk

Foreign currency exchange rate risk is the risk that the fair values or future cash flows of the Company's financial instruments will fluctuate as a result of changes in foreign exchange rates. Some of the Company's operating and corporate administration expenditures are incurred in US dollars and the fluctuation of the US dollar in relation to the Canadian dollar will have an impact on the Company's profitability and the carrying amounts of the Company's financial assets and liabilities. In addition, some of the Company's operating expenditures are denominated in Euros but are not considered to have a material impact on the Company's profitability and the carrying amounts of the Company's financial assets and liabilities.

At December 31, 2024, the Company had the following financial assets and liabilities denominated in US dollars: cash and cash equivalents of $199 (December 31, 2023 - $2,066); trade receivables of $603 (December 31, 2023 - $745); accounts payable and accrued liabilities of $378 (December 31, 2023 - $201); senior secured loan of $17,435 (December 31, 2023 - $14,599); royalty of $10,303 (December 31, 2023 - $5,117) and deferred revenue of $27,532 (December 31, 2023 - $24,425). At December 31, 2024, with other variables unchanged, a 1% increase on the USD/CAD exchange rate would result in an unrealized foreign exchange loss of $789 (December 31, 2023: $574). The Company has not entered into any formal arrangements to hedge currency risk but does maintain cash balances within each currency.

Commodity price risk

The Company is subject to commodity price risk from fluctuations in the market prices for graphite. Commodity price risks are affected by many factors that are outside the Company's control including global or regional consumption patterns, the supply of and demand for graphite, inflation and political and economic conditions. Management closely monitors trends in commodity prices of graphite as part of its routine activities, as these trends could significantly impact future cash flows. A 10% increase or decrease in the price of graphite at December 31, 2024 would have resulted in a decrease or increase of $2,273 in the Company's (loss) income from mine operations for the year ended December 31, 2024 (December 31, 2023 - $1,710).

Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Company's receivables from customers. All trade receivables at December 31, 2024 have since been collected from these customers.

The Company invests cash and cash equivalents, restricted cash and reclamation deposits with financial institutions that are financially sound based on their credit rating. The Company's exposure to credit risk associated with receivables is influenced mainly by the individual characteristics of each customer. Given the Company's relatively short operating history at LDI, current customers have limited history of credit default with the Company. The Company had minimal credit losses during the year ended December 31, 2024.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet is financial obligations as they come due. The Company manages its liquidity risk through the management of its capital structure. Further discussion on liquidity and management's plans are outlined in note 1 and further analysis relating to the maturity of the Company's financial obligations are outlined in note 29.

Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. As at December 31, 2024, with other variables unchanged, a 1% increase on the Company's floating rate debt would increase annual interest expense by $255 (December 31, 2023 - $218). The Company closely monitors its exposure to interest rate risk and has not entered into any derivative contracts to manage this risk.

28. RELATED PARTY TRANSACTIONS AND COMPENSATION OF KEY MANAGEMENT

During the year ended December 31, 2024, the Company expensed salary and compensation to key management personnel of $2,303 (December 31, 2023 – $2,616) and management fees to a company owned and controlled by key management personnel of $47 (December 31, 2023 – $47). During the year ended December 31, 2024, the Company expensed directors' fees of $170 (December 31, 2023 – $239). During the year ended December 31, 2024, the Company expensed share-based payments for stock options granted including RSUs to key management personnel and directors of $432 (December 31, 2023 – $1,241).

As at December 31, 2024, $246 (December 31, 2023 – $651) was included in accounts payable and accrued liabilities owing to officers and directors relating to management and directors' fees and for reimbursement of expenses.

On January 11, 2024, the Company announced the appointment of Samantha Espley as a director of the Company. In connection with her appointment, the Company granted Ms. Espley a total of 400,000 stock options under the Company's amended and restated stock option plan, which have an exercise price of $0.55 per share, an exercise period of five years and which vested immediately upon grant.

On February 27, 2024, the Board of Directors approved a grant of stock options to certain new officers to purchase a total of 200,000 common shares of the Company at a price of $0.35 per share, vesting one third after each of years one, two, and year three, which are exercisable for a period of five years.

In the year ended December 31, 2024, 447,500 RSUs were exercised by certain officers of the Company in exchange for 447,500 common shares of the Company (December 31, 2023 – 325,000 RSUs and 325,000 common shares).

On August 28, 2024, the Board of Directors approved a grant of stock options to certain employees to purchase a total of 1,700,000 common shares of the Company at a price of $0.20 per share, vesting one quarter after each of years one and two and one half after year three, and which are exercisable for a period of five years. In addition, the Board of Directors approved a grant of 5,100,000 RSUs to certain officers and employees with a vesting period of one quarter after each of years one and two, and one half after year three. Related parties were granted 4,000,000 of these RSUs and none of the stock options.

Subsequent to December 31, 2024, the Company issued 250,000 RSUs to an officer.

(Stated in thousands of Canadian Dollars)

29. COMMITMENTS AND CONTINGENCIES

At December 31, 2024, the Company had the following contractual obligations outstanding:

	Within 1 year	2-3 years	4-5 years	5+ years	Total
Accounts payable and accrued liabilities	$ 8,966	$ -	$ -	$ -	$ 8,966
Senior secured loan	30,807	-	-	-	30,807
Royalty	7,446	10,640	8,770	17,596	44,452
Deferred revenue	-	5,673	15,222	57,146	78,041
Lease commitments	465	372	209	615	1,661
Reclamation provisions	-	-	-	9,765	9,765
Firm commitments	2,350	-	-	-	2,350
	$ 50,034	$ 16,685	$ 24,201	$ 85,122	$ 176,042

30. RECLAMATION AND OTHER PROVISIONS

The Company has an obligation to undertake decommissioning, reclamation and environmental work when environmental disturbance is caused by the development and ongoing production of a mining operation. Movements in the reclamation provisions during the year ended December 31, 2024 and December 31, 2023 are allocated as follows:

	Year ended December 31, 2024	Year ended December 31, 2023
Balance, beginning of year	**$ 6,402**	$ 6,503
Change in estimate	**277**	(287)
Accretion	**90**	186
Balance, end of year	**$ 6,769**	$ 6,402

Of the total balance of $6,769 at December 31, 2024, $416 was attributable to Bissett Creek and $6,353 was attributable to LDI. The reclamation provision for LDI was based on a report prepared by an independent third party.

The undiscounted liability as at December 31, 2024 was $2,329 (December 31, 2023 – $2,329) for Bissett Creek which represents the estimated amount that would be required to restore Bissett Creek to its original environmental state but only after a mine has been constructed and operations cease. The inflation adjusted undiscounted liability as of December 31, 2024 was $3,051 (December 31, 2023 - $2,991). Related to this matter, the Company has entered into a surety bond for $850.

The undiscounted liability as at December 31, 2024 was $6,784 (December 31, 2023 – $6,784) for LDI. The discount and inflation rates used for LDI are 2.93 % and 3.10%, respectively. The inflation adjusted undiscounted liability as of December 31, 2024 was $8,131 (December 31, 2023 - $8,294). Related to this matter, the Company has also entered into a surety bond for $8,231.

During March 2022 the Company entered into an irrevocable letter of credit for $1,817 as part of the security required for reclamation obligations relating to LDI. The irrevocable letter of credit is secured by a cash deposit of $1,817.

(Stated in thousands of Canadian Dollars)

31. SEGMENTED INFORMATION

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

The Company has determined it has three operating segments Canada and Namibia and Other. Canada includes the operating mine LDI, exploration assets and, by extension, corporate functions while Namibia includes development assets. Other includes Germany and Italy segments. The Company considers and reviews a number of factors when determining operating segments which includes economic characteristics, nature of operations and losses, regulatory environment, geographical location and management structure.

Since the acquisition of the LDI and Namibian assets in April 2022, CODM has viewed the operations as two separate geographical units, Canada and Namibia. The Company has only one revenue source, being the sale of graphite concentrate from its operations in LDI.

The following geographic and segment data includes assets based on their location as at December 31, 2024 and December 31, 2023.

				December 31, 2024
	Canada	Namibia	Other	Total
Non current assets	$ 34,203	$ 31,066	$ 126	$ 65,395
Net loss	$ (36,658)	$ (1,641)	(595)	$(38,804)

			December 31, 2023
	Canada	Namibia	Total
Non current assets	$ 37,878	$ 28,429	$ 66,307
Net loss	$ (20,759)	$ (2,884)	$ (23,643)

(Stated in thousands of Canadian Dollars)

The following table presents revenue from sales to major customers that exceeded 10% of the Company's revenue for the years ended December 31, 2024 and 2023:

	Year ended December 31, 2024	Year ended December 31, 2023
Customer 1	$ 5,126	$ 4,230
Customer 2	3,437	2,036
Customer 3	2,629	1,969
Customer 4	2,606	1,551
Customer 5	1,845	1,542
Total revenue from major customers	$ 15,643	$ 11,328
Total revenue from major customers as a percentage of total revenue	69%	66%

Revenue from major customers is entirely based in the Canadian segment.

32. SUBSEQUENT EVENTS

In addition to subsequent events disclosed in other parts of the financial statements the following occurred subsequent to December 31, 2024:

- On March 31, 2025, the Company announced that its proposal to upgrade graphite from its Okanjande project in Namibia into Battery Anode Material ("BAM") in France has been selected as one of 47 Strategic Projects under the European Union's Critical Raw Materials Act ("CRMA"). The designation by the European Commission, the EU's executive body, qualifies Northern's project for fast-tracked permitting and funding support in order to boost Europe's strategic raw material capacities and diversify its sources of supply. Northern's Frankfurt-based Battery Materials Division submitted the proposal last year to take battery grade graphite from its Okanjande project in Namibia and upgrade it into Battery Anode Material in a facility in France at a cost of some $244,000 (€159,000). Next steps include discussions with the financing sub-group of the Critical Raw Materials Board on how each Strategic Project can be financially supported, considering both private and public sources of funding.

- On April 2, 2025, Northern entered into an agreement with Frankfurter Volksbank Rhein/Main eG for a loan of $537 (€350) bearing interest of 5.1750 % per annum. The drawn loan amounts and related interest are all repayable between September 30, 2027 and June 30, 2032. The loan is limited to the activities of the Company's NGCBM subsidiary.