UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 40-F

☐ Registration statement pursuant to Section 12 of the Securities Exchange Act of 1934

or

☒ Annual report pursuant to Section 13(a) or 15(d) of the Securities Exchange Act of 1934

For the fiscal year ended March 31, 2025 Commission File Number 001-41310

Zentek Ltd.

(Exact name of Registrant as specified in its charter)

N/A

(Translation of Registrant's name into English (if applicable))

Ontario, Canada	**2890**	**N/A**
(Province or other jurisdiction of incorporation or organization)	(Primary Standard Industrial Classification Code Number)	(I.R.S. Employer Identification Number)

24 Corporate Ct
Guelph, Ontario N1G 5G5
1-844-730-9822
(Address and telephone number of Registrant's principal executive offices)

Cogency Global Inc.
122 East 42nd Street, 18th Floor
New York, NY 10168
1-800-221-0102
(Name, address (including zip code) and telephone number (including area code) of agent for service in the United States)

Securities registered or to be registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol	Name of each exchange on which registered
Common Shares, no par value	**ZTEK**	**The Nasdaq Stock Market LLC**

Securities registered pursuant to Section 12(g) of the Act: **None**

Securities for which there is a reporting obligation pursuant to Section 15(d) of the Act: **None**

For annual reports, indicate by check mark the information filed with this Form:

☒ Annual information form ☒ Audited annual financial statements

Indicate the number of outstanding shares of each of the registrant's classes of capital or common stock as of the close of the period covered by the annual report: 104,390,928 outstanding as of March 31, 2025.

Indicate by check mark whether the registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Exchange Act during the preceding 12 months (or for such shorter period that the registrant was required to file such reports); and (2) has been subject to such filing requirements for the past 90 days. ☒ Yes ☐ No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). ☒ Yes ☐ No

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 12b-2 of the Exchange Act.

☒ Emerging growth company

If an emerging growth company that prepares its financial statements in accordance with U.S. GAAP, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards† provided pursuant to Section 13(a) of the Exchange Act. ☐

† The term "new or revised financial accounting standard" refers to any update issued by the Financial Accounting Standards Board to its Accounting Standards Codification after April 5, 2012.

Indicate by check mark whether the registrant has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting

firm that prepared or issued its audit report. ☐

If securities are registered pursuant to Section 12(b) of the Act, indicate by check mark whether the financial statements of the registrant included in the filing reflect the correction of an error to previously issued financial statements. ☐

Indicate by check mark whether any of those error corrections are restatements that required a recovery analysis of incentive-based compensation received by any of the registrant's executive officers during the relevant recovery period pursuant to §240.10D-1(b). ☐

EXPLANATORY NOTE

Zentek Ltd. (the "Company" or "Zentek") is a "foreign private issuer" as defined in Rule 3b-4 under Securities Exchange Act of 1934, as amended (the "Exchange Act"), and is a Canadian issuer eligible to file its annual report ("Annual Report") pursuant to Section 13 of the Exchange Act on Form 40-F pursuant to the multi-jurisdictional disclosure system (the "MJDS") adopted by the United States Securities and Exchange Commission (the "SEC"). The Company's common shares are listed on the TSX Venture Exchange under the trading symbol "ZEN" and the Nasdaq Capital Market ("NASDAQ") under the trading symbol "ZTEK".

In this Annual Report, references to "we", "our", "us", the "Company", the "Registrant", or "Zentek", mean Zentek Ltd., unless the context suggests otherwise.

FORWARD LOOKING STATEMENTS

The documents incorporated into this Annual Report contain "forward-looking statements" and "forward-looking information" within the meaning of applicable securities laws (forward-looking information and forward-looking statements being collectively hereinafter referred to as "forward-looking statements"). Such forward-looking statements are based on expectations, estimates and projections as at the date of the documents incorporated by reference in this Annual Report or the dates of the documents incorporated herein, as applicable. Any statements that involve discussions with respect to predictions, expectations, beliefs, plans, projections, objectives, assumptions or future events or performance (often but not always using phrases such as "expects" or "does not expect", "is expected", "anticipates" or "does not anticipate", "plans", "budget", "scheduled", "forecasts", "estimates", "believes" or "intends", or variations of such words and phrases, or stating that certain actions, events or results "may" or "could", "would", "should", "might" or "will" be taken, occur or be achieved) are not statements of historical fact and may be forward-looking statements and are intended to identify forward-looking statements. These forward-looking statements include, but are not limited to, statements and information concerning: the intentions, plans and future actions of the Company; statements relating to the business and future activities of the Company after the date of this Annual Report; market position, ability to compete and future financial or operating performance of the Company after the date of this Annual Report; statements based on the audited and unaudited financial statements of the Company; anticipated developments in operations; the timing and amount of funding required to execute the Company's development and business plans; intellectual property expenditures; capital and exploration and development expenditures; the effect on the Company of any changes to existing legislation or policy; government regulation of patent law or mining operations; the length of time required to obtain permits, certifications and approvals; markets for the Company's graphene related products and the ability to supply those markets; the success of exploration, development and mining activities; the geology of mineral properties; environmental risks; the availability of labour; demand and market outlook for precious metals and the prices thereof; progress in development of mineral properties; estimated budgets; currency fluctuations; requirements for additional capital; government regulation; limitations on insurance coverage; the timing and possible outcome of litigation in future periods; the timing and possible outcome of regulatory and permitting matters; goals; strategies; future growth; planned business activities and planned future acquisitions; the adequacy of financial resources; and other events or conditions that may occur in the future.

Forward-looking statements are based on the beliefs of the Company's management, as well as on assumptions, which such management believes to be reasonable based on information currently available at the time such statements were made. However, by their nature, forward-looking statements are based on assumptions and involve known and unknown risks, uncertainties, and other factors that may cause the actual results, performance, or achievements to be materially different from any future results, performance, or achievements expressed or implied by the forward-looking statements. Forward-looking statements are subject to a variety of risks, uncertainties, and other factors that could cause actual events or results to differ from those expressed or implied by the forward-looking statements, including, without limitation those risks outlined under the heading "Risk Factors" on page 23 of the Annual Information Form for the year ended March 31, 2025, attached as Exhibit 99.1 to this Annual Report, and incorporated herein by reference, and under the heading "Risks and Uncertainties" on pages 33-43 of the Registrant's Management's Discussion & Analysis for the year ended March 31, 2025, attached as Exhibit 99.3 to this Annual Report, and incorporated herein by reference, and in other filings that the Registrant has made and may make with applicable securities authorities in the future.

The list of risk factors set out in the Annual Information Form for the year ended March 31, 2025, attached as Exhibit 99.1 to this Annual Report, and as set out in Management's Discussion & Analysis for the year ended March 31, 2025, attached as Exhibit 99.3 to this Annual Report, and both incorporated herein by reference, is not exhaustive of the factors that may affect any forward-looking statements of the Company. Forward-looking statements are statements about the future and are inherently uncertain. Actual results could differ materially from those projected in the forward-looking statements as a result of the matters set out or incorporated by reference in this Annual Report generally and certain economic and business factors, some of which may be beyond the control of the Company, including, among other things, potential direct or indirect operational impacts resulting from infectious diseases or pandemics, from international or domestic conflicts or political crises, and other factors not currently viewed as material that could cause actual results to differ materially from those described in the forward-looking statements. In addition, recent events in the world economy and global financial and credit markets have resulted in high market and commodity volatility and a contraction in debt and equity markets, which could have a particularly significant, detrimental, and unpredictable effect on forward-looking statements. The Company does not intend and does not assume any obligation, to update any forward-looking statements, other than as required by applicable law. For all these reasons, the Company's securityholders should not place undue reliance on forward-looking statements.

NOTICE TO UNITED STATES READERS - DIFFERENCES IN UNITED STATES AND CANADIAN REPORTING PRACTICES

The Registrant is permitted, under the MJDS, to prepare this Annual Report in accordance with Canadian disclosure requirements, which are different from those of the United States. The Registrant has historically prepared its consolidated financial statements, which are filed as Exhibit 99.2, and incorporated herein by reference, to this Annual Report on Form 40-F, in accordance with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board. Financial statements prepared in IFRS may differ from financial statements prepared in United States GAAP ("U.S. GAAP") and from practices prescribed by the SEC. Therefore, the Registrant's financial statements filed with this Annual Report may not be comparable to financial statements of United States companies prepared in accordance with U.S. GAAP.

Unless otherwise indicated, all dollar amounts in this annual report on Form 40-F are in Canadian dollars. The exchange rate of Canadian dollars into U.S. dollars, on June 25, 2025 based upon the closing rate published by the Bank of Canada, was U.S.$1.00=CDN$1.37. Bank of Canada exchange rates are nominal quotations and are not buying or selling rates. These rates are intended for statistical or analytical purposes. Rates available from financial institutions will differ. Rates are expressed in Canadian dollars, converted from U.S. dollars.

PRINCIPAL DOCUMENTS

The following documents have been filed as part of this annual report on Form 40-F:

A. Annual Information Form

The Registrant's Annual Information Form for the fiscal year ended March 31, 2025 is attached as Exhibit 99.1 to this Annual Report on Form 40-F, and is incorporated by reference herein.

B. Audited Annual Financial Statements

The Registrant's consolidated audited annual financial statements, including the report of the independent registered public accounting firm with respect thereto, are attached as Exhibit 99.2 to this Annual Report on Form 40-F, and is incorporated by reference herein.

C. Management's Discussion and Analysis

The Registrant's management's discussion and analysis of financial condition and results of operations for the year ended March 31, 2025 is attached as Exhibit 99.3 to this Annual Report on Form 40-F, and is incorporated by reference herein.

TAX MATTERS

Purchasing, holding or disposing of securities of the Registrant may have tax consequences under the laws of the United States and Canada that are not described in this Annual Report on Form 40-F.

DISCLOSURE CONTROLS AND PROCEDURES

The required disclosure is included under the heading "Disclosure Controls" in the Company's Management's Discussion and Analysis for the year ended March 31, 2025, filed as Exhibit 99.3 to this Annual Report on Form 40-F, and incorporated herein by reference.

MANAGEMENT'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING

The required disclosure is included under the heading "Internal Control Over Financial Reporting" in the Company's Management's Discussion and Analysis for the year ended March 31, 2025, filed as Exhibit 99.3 to this Annual Report on Form 40-F, and incorporated herein by reference.

ATTESTATION REPORT OF THE REGISTERED PUBLIC ACCOUNTING FIRM

This Annual Report does not include an attestation report of the Registrant's registered public accounting firm due to a transition period established by rules of the SEC for newly public companies. Under Section 3 of the Exchange Act, as a result of enactment of the Jumpstart Our Business Startups Act (the "JOBS Act"), "emerging growth companies" are exempt from Section 404(b) of the Sarbanes-Oxley Act of 2002, which generally requires that a public company's registered public accounting firm provide an attestation report relating to management's assessment of internal control over financial reporting. The Registrant qualifies as an "emerging growth company" and therefore has not included in, or incorporated by reference into, this Annual Report such an attestation report as of the end of the period covered by this Annual Report.

CHANGES IN INTERNAL CONTROL OVER FINANCIAL REPORTING

The required disclosure is included under the headings "Internal Controls over Financial Reporting" and "Changes to Internal Control over Financial Reporting" in the Company's Management's Discussion and Analysis for the year ended March 31, 2025, filed as Exhibit 99.3 to this Annual Report on Form 40-F, and incorporated herein by reference.

NOTICES PURSUANT TO REGULATION BTR

None.

CODE OF CONDUCT

The Registrant has adopted a written "code of ethics" (as defined by the rules and regulations of the SEC), entitled "Code of Business Conduct & Ethics" (the "Code") that applies to all members of the Board of Directors, officers, and employees of the Company and its affiliates and subsidiaries worldwide. Adherence to this code is a condition of employment with or providing services to the Company.

The Code may be obtained upon request from Zentek Ltd.'s head office at 24 Corporate Ct, Guelph, Ontario N1G 5G5, or by viewing the Registrant's web site at https://www.zentek.com/our-story/board-of-directors/governance/.

All amendments to the Code, and all waivers of the Code with respect to any director, executive officer or principal financial and accounting officers, will be posted on the Registrant's web site within five business days following the date of the amendment or waiver and any amendment will be provided in print to any shareholder upon request.

AUDIT COMMITTEE

Our Board of Directors has established the Audit Committee in accordance with section 3(a)(58)(A) of the Exchange Act and Rule 5605(c) of the NASDAQ Marketplace Rules for the purpose of overseeing our accounting and financial reporting processes and the audits of our annual financial statements.

The Audit Committee is comprised of Eric Wallman (Chair), Ilse Treurnicht, and John Snisarenko. Our Board of Directors has determined that the Audit Committee meets the composition requirements set forth by Section 5605(c)(2) of the NASDAQ Marketplace Rules and are independent members of the Audit Committee as determined under Rule 10A-3 of the Exchange Act and Rule 5605(a)(2) of the NASDAQ Marketplace Rules.

All three members of the Audit Committee are financially literate, meaning they are able to read and understand the Registrant's financial statements and to understand the breadth and level of complexity of the issues that can reasonably be expected to be raised by the Registrant's financial statements.

Our Board of Directors has determined that Eric Wallman qualifies as an "audit committee financial expert" (as defined in paragraph (8)(b) of General Instruction B to Form 40-F).

The SEC has indicated that the designation or identification of a person as an audit committee financial expert does not make such person an "expert" for any purpose, impose any duties, obligations or liability on such person that are greater than those imposed on members of the audit committee and the Board of Directors who do not carry this designation or identification, or affect the duties, obligations or liability of any other member of the audit committee or Board of Directors.

PRINCIPAL ACCOUNTANT FEES AND SERVICES

The required disclosure about fees and services billed by our principal accountant, BDO Canada LLP (PCAOB ID No. 1227) is included under the heading "Audit Committee Information" under the sub-heading "External Auditor Services Fees (By Category)" in the Company's Annual Information Form for the fiscal year ended March 31, 2025, filed as Exhibit 99.1 to this Annual Report on Form 40-F, and incorporated herein by reference.

PRE-APPROVAL OF AUDIT AND NON-AUDIT SERVICES PROVIDED BY INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

The Audit Committee Charter sets out responsibilities regarding the provision of non-audit services by the Registrant's external auditors and requires the Audit Committee to pre-approve all permitted non-audit services to be provided by the Registrant's external auditors, in accordance with applicable law.

OFF-BALANCE SHEET ARRANGEMENTS

The Registrant currently has no off-balance sheet arrangements.

TABULAR DISCLOSURE OF CONTRACTUAL OBLIGATIONS

The following table lists, as of March 31, 2025, information with respect to the Registrant's known contractual obligations (in thousands):

	Payments due by period				
Contractual Obligations	**Total**	**Less than 1 year**	**1-3 years**	**3-5 years**	**More than 5 years**
Long-Term Debt Obligations	$ 346	$ 346	$ Nil	$ Nil	$ Nil
Capital (Finance) Lease Obligations	$ Nil	$ Nil	$ Nil	$ Nil	$ Nil
Operating Lease Obligations	$ 334	$ 172	$ 162	$ Nil	$ Nil
Purchase Obligations	$ Nil	$ Nil	$ Nil	$ Nil	$ Nil
Other Long-Term Liabilities Reflected on Balance Sheet	$ Nil	$ Nil	$ Nil	$ Nil	$ Nil
Total	**$ 680**	**$ 518**	**$ 162**	$ **Nil**	$ **Nil**

NASDAQ CORPORATE GOVERNANCE

The Registrant is a foreign private issuer and its common shares are listed on the NASDAQ.

NASDAQ Rule 5615(a)(3) permits a foreign private issuer to follow its home country practice in lieu of the requirements of the Rule 5600 Series, the requirement to distribute annual and interim reports set forth in Rule 5250(d), and the Direct Registration Program requirement set forth in Rules 5210(c) and 5255; provided, however, that such a company shall comply with the Notification of Material Noncompliance requirement (Rule 5625), the Voting Rights requirement (Rule 5640), have an audit committee that satisfies Rule 5605(c)(3), and ensure that such audit committee's members meet the independence requirement in Rule 5605(c)(2)(A)(ii).

The Registrant has reviewed the NASDAQ corporate governance requirements and confirms that except as described below, the Registrant is in compliance with the NASDAQ corporate governance standards in all significant respects:

The Registrant does not follow Rule 5605(c)(1), which requires the Registrant to adopt a formal written Audit Committee charter specifying the items enumerated in Rule 5605(c)(1), with the Audit Committee reviewing and assessing the adequacy of the charter on an annual basis. In lieu of following Rule 5605(c)(1), the Registrant follows the rules of the TSX Venture Exchange, and the guidelines of Canadian Securities Administrators' National Instrument 52-110 - Audit Committees.

The Registrant does not follow Rule 5605(e)(1), which requires the Registrant to have independent director involvement in the selection of director nominees, by having a nominations committee comprised solely of independent directors. In lieu of following Rule 5605(e)(1), the Registrant follows the rules of the TSX Venture Exchange.

The Registrant does not follow Rule 5605(e)(2), which requires the Registrant to adopt a formal written charter or board resolution, as applicable, addressing the director nomination process and such related matters as may be required under the federal securities laws. In lieu of following Rule 5605(e)(2), the Registrant follows the rules of the TSX Venture Exchange.

The Registrant does not follow Rule 5605(d)(1), which requires the Registrant to adopt a formal written compensation committee charter specifying the items enumerated in Rule 5605(d)(1), with the compensation committee reviewing and reassessing the adequacy of the charter on an annual basis. In lieu of following Rule 5605(d)(1), the Registrant follows the rules of the TSX Venture Exchange, and guidelines of Canadian Securities Administrators' National Policy 58-201 - Corporate Governance Guidelines.

The Registrant does not follow Rule 5605(d)(2), which requires the Registrant to have, a compensation committee of at least two members, with each member being an "Independent Director", as defined under Rule 5605(a)(2). In lieu of following Rule 5605(d)(2), the Registrant follows the rules of the TSX Venture Exchange, and guidelines of Canadian Securities Administrators' National Policy 58-201 - Corporate Governance Guidelines.

The foregoing is consistent with the laws, customs, and practices in the Province of Ontario and Canada.

Further information about the Registrant's governance practices is included on the Registrant's website.

MINE SAFETY DISCLOSURE

Not applicable.

DISCLOSURE REGARDING FOREIGN JURISDICTIONS THAT PREVENT INSPECTIONS

None.

RECOVERY OF ERRONEOUSLY AWARDED COMPENSATION

None.

UNDERTAKING

The Registrant undertakes to make available, in person or by telephone, representatives to respond to inquiries made by the SEC staff, and to furnish promptly, when requested to do so by the SEC staff, information relating to: the securities registered pursuant to Form 40-F; the securities in relation to which the obligation to file an annual report on Form 40-F arises; or transactions in said securities.

CONSENT TO SERVICE OF PROCESS

The Registrant has previously filed with the SEC a written consent to service of process on Form F-X. Any change to the name or address of the Registrant's agent for service shall be communicated promptly to the SEC by amendment to the Form F-X referencing the file number of the Registrant.

ADDITIONAL INFORMATION

Additional information relating to the Registrant may be found on the System for Electronic Document Analysis and Retrieval (SEDAR) at www.sedar.com and on the SEC's Electronic Data Gathering, Analysis and Retrieval (EDGAR) system at www.sec.gov.

INCORPORATION BY REFERENCE

The Registrant's Annual Report is incorporated by reference into the Registrant's Registration Statement on Form F-3 (Reg. No. 333-278886), including the prospectus contained therein.

SIGNATURES

Pursuant to the requirements of the Exchange Act, the Registrant certifies that it meets all of the requirements for filing on Form 40-F and has duly caused this Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized.

ZENTEK LTD.

By: */s/ Wendy Ford*

Name: Wendy Ford

Title: Chief Financial Officer

Date: June 26, 2025

EXHIBIT INDEX

EXHIBIT	DESCRIPTION OF EXHIBIT
97	Clawback Policy
99.1	The Registrant's Annual Information Form for the fiscal year ended March 31, 2025
99.2	Audited Consolidated Financial Statements for the fiscal year ended March 31, 2025
99.3	Management's Discussion and Analysis for the year ended March 31, 2025
99.4	Certification by the Chief Executive Officer of the Registrant pursuant to Rule 13a-14(a) or 15d-14 of the Exchange Act, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
99.5	Certification by the Chief Financial Officer of the Registrant pursuant to Rule 13a-14(a) or 15d-14 of the Exchange Act, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
99.6	Certification by the Chief Executive Officer of the Registrant pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
99.7	Certification by the Chief Financial Officer of the Registrant pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
99.8	Consent of BDO Canada LLP
101	Inline XBRL Instance Document–the instance document does not appear in the Interactive Data File as its XBRL tags are embedded within the Inline XBRL document
101.SCH	Inline XBRL Taxonomy Extension Schema Document
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase Document
101.LAB	Inline XBRL Taxonomy Extension Label Linkbase Document
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document
104	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101).

ZENTEK LTD.

POLICY REGARDING RECOVERY OF ERRONEOUSLY AWARDED COMPENSATION

The following is the policy of Zentek Ltd. (the "Company") regarding the recovery of incentive compensation erroneously awarded (the "Policy") to Covered Persons as a result of erroneous financial measures that are restated. This policy is intended to comply with Rule 5608 of the Nasdaq Marketplace Rules ("Rule 5608") and Securities and Exchange Commission ("SEC") Rule 10D-1.

1. The Policy

It is the policy of the Company that if the Company is required to prepare an accounting restatement due to the material noncompliance of the Company with any financial reporting requirement under the securities laws, including any required accounting restatement to correct an error in previously issued financial statements that is material to the previously issued financial statements, or that would result in a material misstatement if the error were corrected in the current period or left uncorrected in the current period, the Company will recover reasonably promptly from each Covered Person all Erroneously Awarded Compensation the Covered Person received during the Applicable Recovery Period due to the error in calculating Financial Reporting Measures that resulted in the restatement.

This Policy will apply to all Incentive-based compensation received by a person (a) after the person begins service as an Executive Officer or otherwise is designated by the Committee as a Covered Person (b) who served as an Executive Officer, or otherwise was a Covered Person, during the performance period for that Incentive-Based Compensation, (c) while the Company has a class of securities listed on the Nasdaq Stock Market LLC ("Nasdaq") or any other national securities exchange or a national securities association, and (d) during the Applicable Recovery Period.

2. Defined Terms

When used in, or with regard to, this Policy, the following terms will have the meanings given to them in Rule 5608 (with all references to the issuer being to the Company):

Executive Officer	Incentive-Based Compensation
Financial Reporting Measures	Received

In addition, when used in, or with regard to, this Policy, the following terms will have the following meanings:

"Applicable Recovery Period" means, with respect to a Material Restatement, the three completed fiscal years immediately preceding the Restatement Date of that Material Restatement (including as a fiscal year any transition period between the last day of the Company's previous fiscal year end and the first day of its new fiscal year that comprises a period of between nine and twelve months due to the Company's changing its fiscal year within or immediately following the aforementioned three completed fiscal years). The Company's obligation to recover Erroneously Awarded Compensation will not be dependent on if or when the restated financial statements are filed.

"Committee" means the Compensation Committee of the Company's Board of Directors, or if there is no Compensation Committee, a majority of the independent members of the Board of Directors.

"Covered Person" means an executive officer of the Company and any other person designated by the Committee to be a Covered Person during a specified period.

"Erroneously Awarded Compensation" means, with respect to a Material Restatement, the amount of Incentive-Based Compensation Received by a Covered Person during the Applicable Recovery Period in excess of the amount that would have been received by that Covered Person if the Incentive-Based Compensation had been determined based on the restated amounts determined following the Material Restatement, computed without respect to any taxes paid (i.e. without consideration of any withholding or other taxes paid when the Incentive-Based Compensation was awarded or issued). If the Incentive-Based Compensation is based on stock price or total shareholder return and the Erroneously Awarded Compensation is not subject to mathematical recalculation directly from the information in an accounting restatement, it will be based on a reasonable estimate of the effect of the Material Restatement on the stock price or total shareholder return on which the Incentive-Based Compensation was received.

"*Material Restatement"* means an accounting restatement of previously issued financial statements of the Company due to the Company's material noncompliance with a financial requirement under the securities laws.

"*Restatement Date"* means, with respect to a Material Restatement, the earlier of (i) the date the Company's Board, a Committee of the Company's Board, or the officer or officers of the Company authorized to take such action if Board action is not required, concludes, or reasonably should have concluded, that the Company is required to prepare the Material Restatement, or (ii) the date a court, regulator or other legally authorized body, directs the Company to prepare the Material Restatement.

3. Exception to Policy

The Company may elect not to seek to recover Erroneously Awarded Compensation from a Covered Person if the Committee determines that recovery would be impractical and one or more of the following conditions is met: (i) the direct expense paid to a third party for assistance in enforcing this Policy would exceed the amount to be recovered, and the Company has made a reasonable attempt to recover the Erroneously Awarded Compensation, documented such reasonable attempt to recover, and provided that documentation to Nasdaq (ii) recovery would cause the Company to violate a law of Canada or a province of Canada that was adopted prior to November 28, 2022, and the Company obtains, and provides to Nasdaq, an opinion of Canadian counsel acceptable to Nasdaq that recovery would result in a violation of a law of Canada or a province of Canada, or (iii) recovery would likely cause an otherwise tax-qualified retirement plan, under which benefits are broadly available to employees of the Company, to fail to meet the requirements of 26 U.S.C. 401(a)(13) or 26 U.S.C. 411(a) and regulations thereunder.

4. No Indemnification

The Company is prohibited from indemnifying any Covered Person or former Covered Person against the loss of Erroneously Awarded Compensation. No Covered Person will be entitled to indemnification from the Company or any of its subsidiaries for any costs of defending against a claim by the Company for Erroneously Received Compensation.

5. Enforcement of Policy

The Committee will determine the steps the Company should take to recover Erroneously Awarded Compensation, provided that the Committee will not determine not to proceed against a Covered Person who received Erroneously Paid Compensation, unless it has received written advice from counsel to the effect that it is more likely than not that if the Company attempts to recover Erroneously Awarded Compensation, the effort will not result in a material net recovery by the Company (whether because of doubts regarding the Company's right to recover the Erroneously Awarded Compensation or because of doubts about the Covered Person's financial ability to return the Erroneously Awarded Compensation).

No Covered Person will be entitled to indemnification from the Company or any of its subsidiaries for any costs of defending against a claim by the Company for Erroneously Received Compensation.

6. Rights against Covered Persons

Every employee of the Company or any of its subsidiaries who is, or becomes, a Covered Person, will be deemed by accepting Incentive-Based Compensation to agree that that Incentive-Based Compensation is received, and will be held by the Covered Person, subject to this Policy, and that this Policy may be enforced to recover Erroneously Awarded Compensation from the Covered Person.

7. Administration and Interpretation

The Committee will be responsible for all decisions regarding the application and interpretation of this Policy. However, in interpreting this Policy, the Committee will do so in a manner that is, to the fullest extent practicable, consistent with SEC Rule 10D-1 and Rule 5608 of the Nasdaq Marketplace Rules.

8. Maintaining Records

The Company will be responsible for maintaining documentation of the determination of the reasonable estimate as detailed under the definition of "Erroneously Awarded Compensation" and provide such documentation to Nasdaq.

The Company will also be responsible for filing all disclosures with respect to such recovery policy in accordance with the requirements of the Federal securities laws, including the disclosure required by the applicable SEC filings.

9. Review

The Compensation Committee shall be responsible for administering this Policy. The Compensation Committee shall review this Policy periodically and recommend appropriate changes to the Board of Directors of the Company.

Approved by the Board of Directors on November 30, 2023



Annual Information Form

ZENTEK LTD.

For the year ended March 31, 2025

Dated as of June 26, 2025

TABLE OF CONTENTS

PRELIMINARY NOTES	**1**
FORWARD-LOOKING INFORMATION	**1**
CORPORATE STRUCTURE	**2**
Name, Address, and Incorporation	2
Inter-corporate Relationships	2
GENERAL DEVELOPMENT OF THE BUSINESS	**3**
Three Year History	3
Subsequent Events	19
Significant Acquisitions	20
DESCRIPTION OF THE BUSINESS	**20**
General	20
Other	23
RISK FACTORS	**23**
Negative Operating Cash Flow	24
Uncertainties Relating to the Company's Business Plans	24
Economic and Political Conditions	25
Revenue from Graphene-related Products Sales; Long and Complex Sales Cycle	25
Intellectual Property	25
Product Development and Technological Change	26
Market Development and Growth	26
Unpredictable Sales Cycles	26
Government Regulation and Import/Export Controls	27
Industry Competition	28
Lack of Trading Market for Graphene	28
Shortages	28
Liquidity Concerns and Future Financing	29
Reliance on Key Personnel	29
Qualified Employees	29
Cybersecurity Threats	29
Share Price Fluctuations	30
Cost Absorption and Purchase Orders	30
Acquisitions	31
Launch and Operational Costs	31
Material and Commodity Prices	31
Uninsured Risks	32
Litigation	32
Credit Risk	32
Interest Rate Risk	32
Price Risk	32
Financial Capability and Additional Financing	32
Permits and Government Regulation	33
Fluctuating Prices	33
Environmental Regulation	33
Economic Dependence on Supply Agreements	34
DIVIDENDS AND DISTRIBUTIONS	**34**
DESCRIPTION OF CAPITAL STRUCTURE	**34**
Common Shares	34
Stock Options	34
Prior Sales	35

MARKET FOR SECURITIES 35
Trading Price and Volume 35
ESCROWED SECURITIES 35
DIRECTORS AND OFFICERS 35
Name, Occupation, and Security Holdings 36
Cease Trade Orders, Bankruptcies, Penalties or Sanctions 37
PROMOTERS 38
CONFLICTS OF INTEREST 38
LEGAL PROCEEDINGS AND REGULATORY ACTIONS 38
INTERESTS OF MANAGEMENT IN MATERIAL TRANSACTIONS 39
TRANSFER AGENT AND REGISTRAR 39
MATERIAL CONTRACTS 40
EXPERTS AND INTERESTS OF EXPERTS 40
AUDIT COMMITTEE INFORMATION 40
The Audit Committee's Charter 40
Composition of the Audit Committee 40
Relevant Education and Experience 41
Reliance on Certain Exemptions 41
Audit Committee Oversight 41
External Auditor Services Fees (By Category) 42
ADDITIONAL INFORMATION 42
APPENDIX A AUDIT COMMITTEE CHARTER 43

PRELIMINARY NOTES

This Annual Information Form ("**AIF**") of Zentek Ltd. (the "Company") is prepared in the form prescribed by National Instrument 51-102 - *Continuous Disclosure Obligations* of the Canadian Securities Administrators. All dollar amounts in this AIF are expressed in Canadian dollars unless otherwise indicated. All information in this AIF is as of March 31, 2025, unless otherwise indicated.

FORWARD-LOOKING INFORMATION

This AIF and the documents incorporated into this AIF contain "forward-looking statements" and "forward-looking information" within the meaning of applicable securities laws (forward-looking information and forward-looking statements being collectively hereinafter referred to as "**forward-looking statements**"). Such forward-looking statements are based on expectations, estimates and projections as at the date of this AIF or the dates of the documents incorporated herein, as applicable. Any statements that involve discussions with respect to predictions, expectations, beliefs, plans, projections, objectives, assumptions or future events or performance (often but not always using phrases such as "expects" or "does not expect", "is expected", "anticipates" or "does not anticipate", "plans", "budget", "scheduled", "forecasts", "estimates", "believes" or "intends", or variations of such words and phrases, or stating that certain actions, events or results "may" or "could", "would", "should", "might" or "will" be taken, occur or be achieved) are not statements of historical fact and may be forward-looking statements and are intended to identify forward-looking statements. These forward-looking statements include, but are not limited to, statements and information concerning: the intentions, plans and future actions of the **Company**; statements relating to the business and future activities of the Company after the date of this AIF; market position, ability to compete and future financial or operating performance of the Company after the date of this AIF; statements based on the audited and unaudited financial statements of the Company; anticipated developments in operations; the timing and amount of funding required to execute the Company's development and business plans; intellectual property expenditures; capital and exploration and development expenditures; the effect on the Company of any changes to existing legislation or policy; government regulation of patent law or mining operations; the length of time required to obtain permits, certifications and approvals; markets for the Company's graphene related products and the ability to supply those markets; the success of exploration, development and mining activities; the geology of mineral properties; environmental risks; the availability of labour; demand and market outlook for precious metals and the prices thereof; progress in development of mineral properties; estimated budgets; currency fluctuations; requirements for additional capital; government regulation; limitations on insurance coverage; the timing and possible outcome of litigation in future periods; the timing and possible outcome of regulatory and permitting matters; goals; strategies; future growth; planned business activities and planned future acquisitions; the adequacy of financial resources; and other events or conditions that may occur in the future.

Forward-looking statements are based on the beliefs of the Company's management, as well as on assumptions, which such management believes to be reasonable based on information currently available at the time such statements were made. However, by their nature, forward-looking statements are based on assumptions and involve known and unknown risks, uncertainties, and other factors that may cause the actual results, performance, or achievements to be materially different from any future results, performance, or achievements expressed or implied by the forward-looking statements. Forward-looking statements are subject to a variety of risks, uncertainties, and other factors that could cause actual events or results to differ from those expressed or implied by the forward-looking statements, including, without limitation, those risks outlined under the heading *Risk Factors* in this AIF.

The list of risk factors set out in this AIF is not exhaustive of the factors that may affect any forward- looking statements of the Company. Forward-looking statements are statements about the future and are inherently uncertain. Actual results could differ materially from those projected in the forward-looking statements as a result of the matters set out or incorporated by reference in this AIF generally and certain economic and business factors, some of which may be beyond the control of the Company, including, among other things, potential direct or indirect operational impacts resulting from infectious diseases or pandemics, from international or domestic conflicts or political crises, and other factors not currently viewed as material that could cause actual results to differ materially from those described in the forward-looking statements. In addition, recent events in the world economy and global financial and credit markets as a consequence of the above-noted conflicts and tariffs imposed by the United States and other nations have resulted in high market and commodity volatility and a contraction in debt and equity markets, which could have a particularly significant, detrimental, and unpredictable effect on forward-looking statements. The Company does not intend and does not assume any obligation, to update any forward-looking statements, other than as required by applicable law. For all of these reasons, the Company's securityholders should not place undue reliance on forward-looking statements.

CORPORATE STRUCTURE

Name, Address, and Incorporation

The Company was incorporated under the *Business Corporations Act* (Ontario) as 1774119 Ontario Limited on July 29, 2008. Pursuant to Articles of Amendment dated November 24, 2009, the Company changed its name to Zenyatta Ventures Ltd. Pursuant to Articles of Amendment dated January 1, 2019, the Company changed its name to ZEN Graphene Solutions Ltd. On October 27, 2021 (effective October 28, 2021), the Company filed Articles of Amendment changing its name from "Zen Graphene Solutions Ltd" to "Zentek Ltd.".

The Company's registered and head office is located at 24 Corporate Court, Guelph, Ontario N1G 5G5.

The Company is a reporting issuer in the Provinces of British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, New Brunswick, Nova Scotia, Prince Edward Island, and Newfoundland and Labrador.

The common shares of the Company are listed for trading on the TSX Venture Exchange (" **TSXV**") under the symbol "ZEN" (listed in December 2010) and in the United States on the Nasdaq Capital Market ("**Nasdaq**") under the symbol "ZTEK" (listed in March 2022).

Inter-corporate Relationships

The Company has two material wholly-owned subsidiaries:

(i) Albany Graphite Corp. ("**AGC**"), incorporated under the laws of the Province of British Columbia; and

(ii) Triera Biosciences Ltd. ("**Triera**"), incorporated under the laws of the Province of Ontario.

GENERAL DEVELOPMENT OF THE BUSINESS

Originally, the Company commenced operations as a junior mineral exploration company focused primarily on mineral deposits in Northern Ontario, Canada. The Company was actively engaged in exploring mining projects and still holds a 100% undivided interest in 521 mining claims (461 single- cell claims and 60 boundary-cell claims) located north of Lake Superior and west of James Bay in Northern Ontario which host an igneous-hosted, fluid-derived graphite deposit (the "**Albany Graphite Project**"). The Company did extensive work to determine potential uses for the graphite materials to be extracted from the Albany Graphite Project, including engaging in testing the properties of the graphite material and studies on graphene materials.

In May 2018, the Company began to focus resources on the research and development of graphene and related applications, which was supported by shareholders of the Company who voted in favour of a new Board of Directors (the "**Board**") with an interdisciplinary team to augment key management personnel with expertise in business, science, marketing, and government relations.

On October 18, 2021, the TSXV changed the Company's classification from a "mining issuer" to an "industrial, technology, or life sciences issuer", which was approved by the shareholders of the Company on September 27, 2021, in accordance with the rules and policies of the TSXV.

Through 2020 and 2021 the Company developed and tested its ZenGUARD ^{TM} coating, which can be applied to, among other things, personal protective equipment ("**PPE**") and heating, ventilation, and air conditioning (" **HVAC**"), and which has shown to significantly increase bacterial and viral filtration efficiency. On November 29, 2021, the Company announced that it had been issued a Medical Device Establishment License ("**MDEL**") from Health Canada (license number 18823) for the manufacture and distribution of any Class I medical devices, including any such devices with or without the ZenGUARD™ coating.

On May 23, 2023, the Company completed the transfer of the ownership over the Albany Graphite Project to AGC pursuant to a property purchase agreement dated April 24, 2023, as described in more detail under the heading "*Albany Graphite Project*" below. The Company does not require materials extracted from the Albany Graphite Project for its current business plans, although such materials could hold significant value to the Company in the future.

On June 12, 2023, the Company incorporated Triera which now owns the exclusive, global licensing rights for all aptamer-based technology from the collaboration with McMaster University. The Company and McMaster University entered into a standard license agreement dated June 11, 2021, pursuant to which McMaster agreed to license certain intellectual property. All rights and obligations under this licensing agreement were assigned to Triera subsequent to incorporation.

The Company is currently an intellectual property development and commercialization company focused primarily on commercializing ZenGUARD^{TM}, as well as on the development of certain aptamer technologies and other nanomaterials-based technologies.

Three Year History

Current Business

ZenGUARD™ Compound - Personal Protective Equipment

At the Company's financial year-end, the Company focused primarily on the commercialization of ZenGUARD ^{TM} coated PPE and for use in HVAC filters. Based on reports from GAP EnviroMicrobial Services Ltd. ("**GAP Labs**") dated May 3, 2021, the addition of ZenGUARD™ coating to surgical masks has been shown to increase the bacterial and viral filtration efficiency of masks and acts as an antimicrobial agent providing increased protection when compared to similar uncoated masks.

On September 7, 2022, the Company announced that it had entered into a Manufacturing and Supply Agreement (the " **VMedCare Agreement**") with Viva Healthcare Packaging (Canada) Ltd. ("**VMedCare**") to manufacture and sell surgical masks enhanced with ZenGUARD™ coating, pursuant to which the Company would provide ZenGUARD™-coated spunbond material to VMedCare, which will be responsible for manufacturing and packaging ZenGUARD™ branded surgical masks. 340,000 masks were manufactured in February 2025 and as at March 31, 2025, approximately 220,000 masks are in storage at VMedCare.

On January 19, 2023, the Company announced that it had signed a Distribution Agreement (the " **Southmedic Agreement**") with Southmedic Inc. ("**Southmedic**") for the distribution of the Company's patented ZenGUARD™ surgical masks. Pursuant to the Southmedic Agreement, the parties agreed that Southmedic will be the distributor of ZenGUARD™-enhanced surgical masks to the Canadian hospital, general practitioners, private surgery, long-term care and nursing home markets.

On August 24, 2023, the Company announced that it had signed a supply agreement with Henry Schein, Inc., for a three-year term in respect of distribution by Henry Schein, Inc. ("**Henry Schein**") of ZenGUARD™-coated masks to dental practices in Canada and, subject to regulatory approval, potentially in the United States. In September 2023, Henry Schein placed their first order of masks. On July 24, 2024, the Company announced that it would embark on a Canada-wide sampling program for dental professionals facilitated by Henry Schein that would see ZenGUARD™ Antimicrobial Surgical Masks included in product shipments to Henry Schein customers.

On April 3, 2024, the Company announced that it had entered into a definitive distribution agreement with Dallas, Texas-based Medwell Solutions LLC for its ZenGUARD™ enhanced surgical masks in the United States. The agreement was signed on March 18th, 2024, and is for a period of two years from the date of facility establishment registration and issuance of market clearance from the United States Food and Drug Administration, at which point sales of ZenGUARD™ enhanced surgical masks can commence.

As at March 31, 2025, the Company had an inventory of approximately 220,000 masks. The Company continues to market its ZenGUARD ™ product to be applied to various materials and has targeted manufacturers including PPE manufacturers and HVAC filter material companies.

On May 27, 2024, the company announced that it had received a second patent by the Canadian intellectual property office titled: Graphene Oxide-Cationic Silver (GO-Ag+) Nanocomposites and Their Use as a Broad-Spectrum Antimicrobial Agent and includes a total of 78 successful claims. In addition, the Company also applied for this patent with the United States Patent and Trademark Office. The patent claims use of the novel GO-Ag+ compound, that is the active ingredient for ZenGUARD™ as an effective agent against both regular and resistant bacteria, fungi, and viruses. The patent claims use of the GO-Ag+ as the active ingredient in liquid, powder and ointments. The Company continues to market its ZenGUARD™ product to be applied to various materials, and has targeted manufacturers, including PPE manufacturers and HVAC filter material companies. In the Canadian dental market, the Company has attended and exhibited at national and provincial association events to create awareness with dentists, dental hygienists, orthodontists, and others who work in higher risk settings and regularly use surgical masks for protection. Similarly, the company has showcased ZenGUARD™ Surgical Masks at retirement community events to create awareness with employees who also work in higher risk environments and regularly use surgical masks. Additionally in April 2024, the Company filed a 510(k) application with the United States Food and Drug Administration for ZenGUARD™ Surgical Masks. The Company was required to complete additional safety and performance testing for the application to the Food and Drug Administration

ZenGUARDTM Compound - HVAC Filtration

The Company focused heavily in the financial year on commercializing ZenGUARD™ coated HVAC filters. On September 20, 2020, the Company first announced testing on ZenGUARD™ used for HVAC systems. On January 13, 2021, the Company announced that testing by a major Canadian certification company had confirmed that there was very little effect on air flow and pressure drop with a ZenGUARD™ treated filter compared to an untreated filter.

Further to the press release dated November 30, 2021, the Company announced that it has been awarded a research and development test contract through the ISC Testing Stream Call for Proposals to test ZenGUARD™ coated HVAC filters with interest from three different units within the NRC. The goal of the testing, conducted by CremCo Laboratories with assistance from the Aerospace Research Centre, a department of the NRC was to demonstrate: (i) a net reduction in the airborne viral and bacterial load with ZenGUARD™ coating applied to standard filters; (ii) no modifications required to existing HVAC systems to achieve (i) above: (iii) no reduction in air flow rates, which means air exchange rates in the space will be unchanged; and (iv) no reduction in the air quality as the ZenGUARD™ coating was tested to ensure it does not contribute particles into the air stream.

Phase 1 testing commenced in December 2021 after an extensive design process, calibration and assessment of the testing rig, and involved the test rig being installed inside an aerobiology chamber to push air through HVAC filter material with test organisms to study how these live airborne organisms were reduced by the ZenGUARD™ coating. Testing used multiple samples with repeated tests so that each filter's performance could be compared. It was determined that all Phase 1 targets were met including sufficient reduction in live airborne test organisms, no significant shedding of the ZenGUARD™ coating, and air flow rates that were not impacted by the coating. On April 11, 2022, the Company announced that, after successful completion of Phase 1 testing, it will proceed to Phase 2 testing.

On December 15, 2022, the Company announced the successful completion of Phase 2 HVAC filter testing and that the preliminary report from Phase 2 testing had been received. The final report was received in January 2023 and announced on February 6, 2023. The report notes a significant reduction in live airborne test organisms with ZenGUARD™ coating applied to standard HVAC filters without modification to existing HVAC systems, with no reduction in air flow rates or increasing energy use. The testing demonstrated a reduction in live airborne bacteriophage surrogate contamination within a modular classroom environment, simulating a real-world environment. The testing was performed at the NRC's purpose-built bioaerosol testing facility, designed and built specifically for testing wet aerosolized droplets, which is the primary mechanism for the spread of disease in an indoor setting.

The Company has also consulted and tested with LMS Technologies (" **LMS**"), a United States- based air media and filter testing company providing testing services and product certification for filter manufacturers. LMS' independent testing of ZenGUARD™ coated MERV 8 filters demonstrated a significant increase in both bacterial and viral filtration efficiency in line with or better than the results from the NRC. The Company currently intends to continue to work to optimize configurations of HVAC filter materials coated with ZenGUARD™ technology at LMS to optimize its product and complete all testing and documentation required for regulatory submissions in Canada and the United States. The Company has engaged Intertek Group plc to conduct a review of regulatory requirements in other geographies of interest.

On September 6, 2023, the Company announced the results of a study comparing the viral filtration efficiency (" **VFE**") of ZenGUARD™ enhanced MERV 9 filters with an uncoated MERV 9 filter. The testing was performed by LMS, which specializes in the testing and certification of filter manufacturers across the world, referring to the new American Society of Heating, Refrigerating and Air-Conditioning Engineers ("**ASHRAE**") standards for aerosolized particles and determining the impact of dust loading on VFE and particle filtration efficiency ("**PFE**") as per ASHRAE 52.2 testing standards. Key findings of the study included: (i) the VFE of ZenGUARD™ Enhanced Air Filters started with a significant advantage over equivalent non-coated filters, from 23.7% to 37.7%, a 59% enhancement or a 14% net gain overall, and, the VFE performance consistently increased faster for the ZenGUARD™ Enhanced Air Filters compared to the uncoated filters (at six months equivalent dust loading, the VFE of the ZenGUARD™ Enhanced Air Filter was 85.6% compared to 55.2% for the uncoated filter, a 28.4% net gain); (ii) the pressure drop remained consistent between ZenGUARD™ Enhanced Air Filter and uncoated filters as dust loading increased, indicating that ZenGUARD ™ does not adversely affect airflow or energy efficiency of the HVAC system; and (iii) ZenGUARD™ Enhanced Air Filters operated similarly to regular MERV 9 filters when tested for PFE, effectively removing particles across all size ranges.

On September 11, 2023, the Company announced the results of a study conducted by ParticleOne Inc., an RWDI Ventures company. The study evaluated the performance of ZenGUARD™ Enhanced Air Filter technology in comparison to a standard MERV 9 filter. The study was conducted to assess the effectiveness of filters in removing infectious particles from the air and to determine the potential return on investment ("**ROI**") of enhanced viral filtration from using ZenGUARD™ technology. The ParticleOne model ROI analysis indicated that the ZenGUARD ™ enhanced MERV 9 filter resulted in a substantial reduction in annual absenteeism costs ($15,016.95) compared to a regular MERV 9 filter in an office space of 10,000 square feet with 75 occupants.

On December 8, 2023, the Company announced a distribution agreement entered into with 1Click Heating and Cooling Inc. ("1Click"), a private HVAC company focused on the heat pump market, for ZenGUARD™ MERV 9 filters in various sizes and is expected to include other ZenGUARD™ enhanced MERV-rated filters in the future. This agreement will see 1Click utilize ZenGUARD ™ filters for its regular customer service maintenance programs, along with making ZenGUARD™ filters available to customers from inventory held in various provinces. The Company's agreement with 1Click has an initial term of 2 years from the date of approval from the Pesticide Management Regulatory Agency and may be extended by mutual agreement of the parties.

On January 22, 2024, the Company announced the completion of a new study highlighting the potential energy, emission and cost savings for commercial buildings adopting ZenGUARD™ Enhanced Air Filters. By using ZenGUARD™ Enhanced Air Filters to control infectious aerosols instead of increasing the percentage of outside air to achieve a similar risk reduction, the Company estimates that a typical office space of 10,000 square feet with 75 occupants can reduce HVAC energy consumption by approximately 62%.

On May 7, 2024, the Company announced that it completed a case study based on the City of Toronto highlighting the economic and environmental benefits related to using MERV 9A filters compared to using MERV 13 filters. The study quantifies cost savings and reductions in carbon emission and waste assuming the City of Toronto is currently using MERV 13 filters in all its buildings and switches to MERV 9A filters. The study found potential savings of over $40 million stemming from significantly reduced labour costs due to filters being changed every six months rather than every three months, reduced energy requirements and costs due to improved air flow and lower waste disposal costs from fewer filters being used.

On May 23, 2024, the Company announced that it had entered into a distribution agreement, effective March 19, 2024, with DCL Supply Ltd., a private HVAC master product distributor. The initial term of the agreement is for one year, and it automatically renews for subsequent one-year terms unless 90 days' notice is given by either party prior to renewal. The initial product to be distributed will be ZenGUARD™ Enhanced Air Filters for the HVAC market, subject to the assessment by the Health Canada Pesticide Management Regulatory Agency for registration under the Pest Control Products Act, which remains ongoing. Subject to receipt of such registration, this agreement would allow DCL Supply Ltd. to distribute ZenGUARD™ Enhanced Air Filters through its distributor network serving numerous industrial, commercial and institutional clients within and across Canada.

ZenGUARD™ Enhanced Air Filters were being assessed by the Health Canada Pest Management Regulatory Agency ("PMRA") for registration under the *Pest Control Products Act*. On October 31, 2024, the Company announced that it had withdrawn its submission to PMRA for its ZenGUARD™ Enhanced Air Filters. On November 27, 2024, the Company announced its intention to add ZenGUARD ™ Enhanced Air Filters as a Class 1 medical device under its existing MDEL, similar to surgical masks. However, the Company has received a letter from Health Canada noting that Health Canada is considering the classification of ZenGUARD™ Enhanced Air Filters and inviting the Company to submit additional information regarding appropriate regulatory classification. The Company had previously completed its Innovative Solutions Canada Testing Stream contract to validate ZenGUARD™ Enhanced Air Filters as a safe and effective device to mitigate the transmission of disease. As a result, the product is eligible for purchase by the Government of Canada through the Pathway to Commercialization opportunity.

On March 12, 2025, the Company announced that shelf-life efficacy testing has been completed on aged ZenGUARD ™ Enhanced Air Filters, which is required for medical device compliance. ZenGUARD™ Enhanced Air Filters were aged for 20 months prior to testing to establish the product's shelf life. Viral filtration efficiency ("**VFE**") was unchanged after aging demonstrating that the ZenGUARD ™ coating has a consistent performance over a duration of 20 months.

On April 14, 2025, the Company announced the signing of a collaboration agreement effective April 11, 2025, with Filtration Solutions Industrial Co. ("**FSCO**"), a leading Saudi-based manufacturer and distributor of air filtration products, to manufacture and distribute ZenGUARD ™ Enhanced Air Filters across the Gulf Cooperation Council ("**GCC**") region. Under the terms of the agreement, the Company will supply FSCO with HVAC filter media coated with ZenGUARD™. FSCO would then produce ZenGUARD™ Enhanced Air Filters that will be marketed and distributed under the Company's branding throughout the GCC, including Saudi Arabia, the United Arab Emirates, Kuwait, Qatar, Bahrain, and Oman, with the net revenue generated from sales of the products split between the parties. The term of the agreement is for three years, with additional renewal options.

On April 29, 2025, the Company announced that the Forensic Services and Coroner's Complex in Toronto, Ontario, where Dexterra Group Inc. provides integrated facility management services, has issued a purchase order for the procurement of ZenGUARD™ Enhanced Air Filters to be used across its facility.

On May 7, 2025, the Company executed an agency agreement with RSK Environment Ltd. (" **RSK**"), a global environmental consulting, engineering and technical services business, headquartered in the United Kingdom, authorizing RSK to act as the Company's authorized facilitator for marketing and promoting ZenGUARD™ Enhanced Air Filters in more than 20 countries. Under the agreement, RSK will identify and develop sales opportunities for ZenGUARD™ Enhanced Air Filters internationally, including the GCC region.

On May 27, 2025, the Company announced the execution of an agency agreement with RSK Environment Ltd. ("RSK"), a global environmental consulting, engineering and technical services business, headquartered in the UK on May 7, 2025. This agreement enables RSK to act as the Company's authorized facilitator for marketing and promoting its *Z*enGUARD™ Enhanced Air Filters in more than 20 countries. Under the agreement, RSK will support the Company's international growth by identifying and developing sales opportunities for *Z*enGUARD™ Enhanced Air Filters in key global markets, including the Gulf GCC region. The Company will retain full responsibility for manufacturing and fulfillment while compensating RSK with a fixed commission on sales generated within the designated territories. The term of the agreement is for three years, with additional renewal options.

On June 12, 2025, the Company announced new independent test results comparing the viral filtration efficiency ("VFE") of *Z*enGUARD™ Enhanced Air Filters against the bacteriophage MS2 compared to equivalent Minimum Efficiency Reporting Value ("MERV")-rated filters without *Z*enGUARD™. The testing was performed by the third-party ISO 17025:2017 certified lab LMS Technologies Inc. ("LMS"), which specializes in the testing and certification of filter Manufacturers across the world in line with American Society of Heating, Refrigerating and Air-Conditioning Engineers ("ASHRAE") standards. The test results showed that the *Z*enGUARD™ Enhanced Air Filters achieved an average infectious aerosol removal efficiency of MS2 bacteriophage of 42% compared to an untreated filter, which achieved an average of 16%. These strong results align with previous tests performed with bacteriophage Phi6, which is often used as a surrogate for SARS-VoV-2 and other enveloped viruses. This milestone adds to a growing body of third-party validation demonstrating *Z*enGUARD™ Enhanced Air Filter's unique combination of effectiveness and simplicity. Based on these new test results using MS2 bacteriophage, the Company now has science-based, directly comparable data demonstrating that *Z*enGUARD™ is highly effective at controlling infectious aerosols and is fully aligned with ASHRAE Standard 241 testing methodology.

The Company is also currently working with consultants to file an application for *Z*enGUARD™ Enhanced Air Filters with the United States Environmental Protection Agency.

The Company has spent approximately $576,000 on this project during the period January 1, 2022, to March 31, 2025.

ZenGUARD™ Industrial Scale Production and Coating Facility

The Company has installed industrial-scale production equipment to produce the ZenGUARD™ coating formulation at its York Rd., Guelph, Ontario location, which location is permitted for industrial use. The Company has also purchased coating equipment so the process of applying the ZenGUARD™ coating formulation to spunbond polypropylene for use in surgical masks, HVAC filter materials, other PPE equipment, and potentially other uses, can be completed by the Company on-site. The Company spent cumulatively approximately $2.8 million on the construction of the facility with no further additional expenditures required.

The effective construction completion date for the coating line was November 30, 2022. Following completion of installation, a period of training and certification began. The coating line became commercially operational in August 2023.

On May 18, 2023, the Company announced that it had been granted the ISO 13485:2016 Quality Management System certification standard by the British Standards Institution. The Company also received Medical Device Single Audit Program ("**MDSAP**") certificate No. 777967. The ISO and MDSAP are for the Company's Quality Management System and do not include the production facility.

Proposed Construction of Graphene Oxide Production Facility

In addition to the construction of the ZenGUARD™ industrial scale production and coating equipment, as discussed above, the Company intends to construct a plant to produce graphene oxide ("GO"), which is the precursor for the ZenGUARD™ compound, rather than relying on third-party suppliers of graphene oxide (“GO”), will be economically favourable to the Company over the long term, as well as reducing supply and shipping risk. The Company believes that there are three primary reasons it would benefit from an ability to produce graphene oxide (“GO”) internally: (i) it should eliminate or significantly reduce supply chain risk; (ii) graphene oxide (“GO”) is not a homogeneous substance and by producing its own graphene oxide (“GO”) the Company could ensure product consistency; and (iii) the Company believes that the demand for graphene oxide (“GO”) is increasing and that a domestic production facility could have the potential to generate product for third-party users of the material.

The Company engaged Bantrel Co. to begin engineering work on the proposed GO production plant in January 2021. Potential sites have been investigated. A site has not yet been selected, and the permitting process has not yet begun. As of March 31, 2025, the Company has spent $35,000 in preliminary investigations relating to this project and expects that approximately $7,500,000 will be required to complete construction of a GO production facility.

The Company estimates that fifteen to eighteen months will be required to complete the construction of a GO production plant from the time of commencement, which is a management estimate based on the expectation of securing an agreement for the purchase of technology from an existing GO producer.

Risks include, but are not limited to, the inability to reach an acceptable agreement for the purchase of such technology, the inability to adapt existing technology to Canadian regulatory requirements, scaling-up from known existing production capacities could become a requirement, and delays as a result of ongoing material and equipment supply shortages.

Business in Development

ZenGUARD™ and Other Research and Development

The Company continues to seek the most effective, cost-efficient, and scalable process to produce high-quality GO. The production of GO requires a consistent source (or precursor) material for conversion to graphene, which is then applied to various products for enhancement. The Company believes that it has a potential competitive advantage with its interest in AGC and the large and high-quality supply of source material from the Albany Graphite Project, if and when the Company determines it cost-effective to use such material.

Advanced testing on potential new processes for commercial GO production is underway. The Company also continues to work with universities on different processes that could potentially lead to a more efficient and/or lower-cost process for GO production.

On October 6, 2021, the Company announced the filing of an international patent application under the PCT for ZenGUARD™, which patent application was published on March 24, 2022. The Company also saw the transfer from the University of Guelph of the rights, under its PCT application, for the electrochemical exfoliation ("**ECE**") process to produce GO. Pursuant to a License Agreement dated September 22, 2020, between the Company and the University of Guelph, the Company holds the exclusive global rights to this technology.

On April 5, 2023, the Company filed patent applications for *Z*enGUARD™ in 47 countries including the United States, Europe and India.

On December 22, 2020, the Company filed a patent application for Graphene Oxide-Cationic Silver (GO-Ag+) Nanocomposites and Their Use as a Broad-Spectrum Antimicrobial Agent in Canada and the United States. The patent was issued by the Canadian Intellectual Property Office on May 21, 2024.

On May 27, 2024, the Company announced that it had received a second patent by the Canaian Intellectual Property Office titled: *Graphene Oxide-Cationic Silver (GO-Ag+) Nanocomposites and their Use as a Broad-Spectrum Antimicrobial Agent* and includes a total of 78 successful claims. In addition, the Company also applied for this patent with the United States Patent and Trademark office. The patent claims use of the novel GO-Ag+ compound, that is the active ingredient for ZenGUARD™ , as an effective agent against both regular and resistant bacteria, fungi, and viruses. The patent claims use of the GO-Ag+ as the active ingredient in liquid, powder and ointments.

Aptamer-Based Rapid Detection Technology

Pursuant to a license agreement dated June 11, 2021, as amended June 23, 2023, McMaster University has granted to the Company, for a twenty-year term, a worldwide exclusive royalty- bearing license to use and practice all aptamer and DNAzyme uses, including, but not limited to, diagnostics, therapeutics, and as neutralization agents, including, but not limited to SARS-CoV-2. On October 5, 2023, the Company announced that it had transferred to a wholly owned subsidiary the exclusive, global licensing rights for all aptamer-based technology from the collaboration with McMaster University. The technology was developed by a team of researchers under the guidance of Drs. Yingfu Li, John Brennan and Leyla Soleymani, who have expertise in biosensing technologies and applications as point of care diagnostics. This patent-pending technology was validated with clinical samples from patients recruited under the supervision of two clinicians, Drs. Deborah Yamamura and Bruno Salena, who also work at McMaster University. The project was funded by the Canadian Institutes of Health Research. This technology has shown to be accurate (similar to current PCR tests), is saliva-based, affordable and scalable, and provides results in under 10 minutes. A license fee of $100,000, comprised of $50,000 cash and $50,000 in common shares of the Company (19,157 common shares at $2.61 per share) was paid to McMaster University as consideration. Although this technology was initially being developed specifically for COVID-19, this technology platform is designed to be able to detect other diseases by changing the aptamer to match new diseases.

On May 19, 2022, the Company announced that McMaster received two Natural Sciences and Engineering Research Council (" **NSERC**") grants related to the aptamer-based rapid detection technology; the Alliance Missions Grant in the amount of $1,000,000, and an Idea to Innovation (I2I) Grant in the amount of $350,000, of which the Company will make a $140,000 contribution. The Company intends to continue working with Dr. Yingfu Li and the research team at McMaster through in-kind contributions, using these grants towards commercializing the rapid diagnostic platform. The grants will be used to advance commercialization efforts by improving the performance of aptamers, optimizing chip synthesis, and initiating tests for additional pathogens that can be incorporated into its pathogen detection platform. The Company currently expects the cost to reach commercialization to be approximately $2,500,000, which includes enhancements and further development of the technology. StarFish Product Engineering Inc. is to conduct product strategy alignment, usability analysis, device and architecture development, proof of concept and prototyping, and program development.

To bring the product to market, the Company will be required to obtain authorization from Health Canada under an interim order, or to obtain a Class IV Medical Device Active License ("**MDAL**"). The process for obtaining an MDAL involves completing certain testing requirements and demonstrating that the product is (i) safe, (ii) effective, and (iii) fit for purpose. Assuming that process is completed, the Company would then start preparing a product technical file, and then seek to complete a Health Canada Class IV application.

On July 20, 2023, the Company announced that the aptamer technology platform was successfully tested as a potential prophylactic or therapeutic for SARS-CoV-2 in pre-clinical animal models. In repeat trials, the aptamers developed by Dr. Yingfu Li demonstrated similar efficacy against SARS- CoV-2 when benchmarked against a commercial monoclonal antibody. The Company further announced the amendment of its license agreement with McMaster University dated June 11, 2021, to broaden the scope of the worldwide exclusive license to apply to all aptamer and DNAzyme uses, including, but not limited to, diagnostics, therapeutics, and as neutralization agents, and not limited to SARS-CoV-2.

On July 27, 2023, the Company announced a new aptamer technology platform with McMaster University that significantly increases the binding affinity of aptamers. The increased binding affinity enhances the limits of detection for aptamer-based diagnostics and could lead to the successful adaptation of these same aptamers for new therapeutic and prophylactic treatments. Provisional patent applications were filed with the United States Patent and Trademark Office which have since resulted in the filing of three international patent applications filed with the World Intellectual Property Office as of March 31, 2025.

On October 10, 2023, the Company announced further pre-clinical testing results of the aptamer- based platform technology by the Dr. Matthew Miller Lab. Further preclinical testing was completed supporting the aptamer as a lead therapeutic target. An in vivo preclinical longevity of protection study was conducted to assess the safety and efficacy of the aptamer-based treatment over a period of 24 hours and demonstrated that the aptamer provided 24 hours of neutralizing protection against SARS-CoV-2. A subsequent study was conducted to determine the minimal effective dose of the aptamer required to protect against a lethal challenge of SARS-CoV-2.

On November 15, 2023, the Company announced the development of a significant upgrade to its aptamer platform improving the binding affinity of the universal COVID-19 aptamer from 300 to over 500 times, compared to the base aptamer. The improved platform also solved key challenges for manufacturing and these High-Binding Affinity ("HBA") aptamers are now produced with approximately a 95% yield.

On November 29, 2023, the Company announced the successful testing of its COVID-19 HBA aptamer against the Omicron XBB 1.5 variant (Omicron) by the Miller Lab at McMaster University in the latest pre-clinical study. The performance of the COVID-19 HBA aptamer was comparable to the performance of monoclonal antibodies, according to the Miller Lab, as it provided clinical protection against infection with the Omicron XBB 1.5 variant. The Company will now begin to explore partnership opportunities in the pharmaceutical space as its aptamer platform may offer a fast, economical, and novel approach to the development of new therapeutics for clinically relevant biological markers.

On December 13, 2023, the Company announced the launch of Triera as a wholly owned subsidiary for its aptamer platform technology. Triera now owns the exclusive, global licensing rights for all aptamer-based technologies from the collaboration with McMaster University.

On January 30, 2024, the Company announced the positive therapeutic results achieved by Triera for C19HBA aptamer as a potential therapeutic. In the most recent trial completed in January 2024 by the Miller lab at McMaster University, C19HBA was tested for its therapeutic potential. The treatment that featured C19HBA demonstrated improved therapeutic benefit over no treatment of the LMA therapeutic. The full results of this preclinical investigation are pending publication in a peer reviewed journal.

On March 25, 2024, the Company announced that Triera completed testing demonstrating that its C19HBA SARS-CoV-2 universal aptamer built on the proprietary high-binding affinity aptamer platform has shown a promising safety and toxicity profile in preclinical testing.

On May 6, 2024, the Company announced that Triera has prioritized the development of a prophylaxis and therapeutic for highly pathogenic avian influenza. The mechanism of neutralizing the H5N1 virus is comparable to the mechanism used by C19HBA against the SARS-CoV-2 virus. More specifically, the aptamer is believed to bind to and neutralize multiple subtypes of the HA surface protein (e.g., H1, H2, H5, etc.), preventing the virus from entering healthy cells and spreading infection.

On November 6, 2024, the Company announced that Triera had been awarded a $1,100,000 Government of Canada contract to test multivalent aptamer technology for the rapid drug discovery of therapeutics or prophylactics of highly pathogenic avian influenza ("**HPAI**") A(H5N1). On April 23, 2025, the Company announced that it has completed the first phase of the contract by delivering a lead candidate countermeasure for A(H5N1) and has now moved to the testing phase of the project. The contract began in November 2024 to develop both a prophylactic and therapeutic for A(H5N1) using a multivalent aptamer. Most activities for the lead countermeasure candidate development were performed through collaboration with the Li Lab at McMaster University.

Diesel Fuel Additive

The Company is working to develop a stable graphene-based diesel fuel additive to improve combustion, increase burn rate, reduce greenhouse gas emissions and to improve fuel economy of diesel fuels. Initial testing has shown an increase in the performance of diesel fuel. The Company is working to improve on these early results through optimization work. The Company has filed a provisional patent application for its graphene-based fuel additive technology.

Primarily overseen by Dr. van der Kuur, the Company's Chief Scientific Officer, the Company is developing a process to functionalize GO to produce a stable dispersion in diesel fuel. The fuel additive was tested by Conestoga College in a Gunt 159 single-cylinder test engine, which yielded an improvement in fuel economy of over 10% under certain rpm.

The Company continues to work with Dr. Sina Kheirkah at the University of British Columbia- Okanagan Campus (" **UBCO**") to test GO-doped fuel as part of an NSERC alliance project for $110,500 cash contribution and a total budget of $311,500 over two years to continue doped fuel research. The project will focus on measuring the combustion of doped fuel in both droplet and spray combustion. The Company has spent approximately $98,900 on this research and development project.

The Company intends to continue spray combustion testing at UBCO to optimize the concentration of the additive and to assess the performance of the burn rate, fuel economy and emission of doped Jet-A and diesel fuels.

Icephobic Coating

The Company is also working to develop a new, patent-pending, carbon-based, nanotechnology- enhanced coating designed to prevent or reduce ice accretion for aviation (including drone) and wind energy applications.

Dr. van der Kuur, the Company's Chief Scientific Officer is the primary overseer of the project, which has involved the use of dispersion technology to homogeneously mix graphene-based materials in an elastomer. The Company has also conducted testing at the National Research Council of Canada's ("**NRC**") Altitude Icing Wind Tunnel in Ottawa and prepared graphene- enhanced elastomer material and coated coupons for testing.

The Company disclosed on February 28, 2022, that the icephobic coatings were undergoing full flight trials on a specially equipped research aircraft under real-world ice-forming weather conditions. On March 14, 2022, the Company announced the results of three rounds of testing of its icephobic coating, including laboratory tests, real-world flights and applications related to drone operations in adverse weather. In real-world testing, the Company reported that video footage of its icephobic coating on test pieces attached to a research aircraft undergoing flight trials targeting adverse weather environments has shown positive results and demonstrated that, under significant icing conditions, the coatings provide an effective de-icing and anti-icing solution. Drone testing showed that propellers coated with the icephobic material can maintain higher thrust, when compared to a non-coated propeller, due to the shedding of ice that forms on the blades that would otherwise degrade the drone's ability to maintain stable flight. Accelerated ageing testing has been completed by exposing samples coated with icephobic elastomer to UV weathering for 1,000 hours, which approximates two years' worth of sun damage in typical Canadian weather. These samples were then tested in an icing wind tunnel under dynamic conditions and demonstrated significant retention of their icephobicity.

On August 2, 2022, the Company filed a full patent application with the World Intellectual Property Office, for Nanomaterial-Enhanced Elastomer for Passive Ice Accretion Prevention. The Company disclosed this on September 19, 2022. The patent application has since been filed by the Company in Canada and Europe.

On September 19, 2022, the Company announced the successful completion of sand erosion testing at the NRC and rain erosion testing at the Anti-icing Materials International Laboratory in Quebec which demonstrated the icephobic material's durability in adverse conditions for both wind turbine and drone industries.

On May 4, 2023, the Company announced successful drone testing, where thrust was maintained under calibrated icing conditions of freezing drizzle and freezing rain in an outdoor, real-world environment. The drone with the Company's icephobic coating applied to the propeller blades hovered under the outdoor icing rig and, on all tests conducted, maintained flight until the end of the battery life of the drone. The same drone with uncoated propeller blades rapidly lost the ability to maintain flight. These tests are expected to satisfy the Transport Canada requirement for anti-icing equipment. The current regulations for civilian drone operations in Canada as per Transport Canada regulations state that no pilot shall operate a remotely piloted aircraft system when icing conditions are observed, are reported to exist or are likely to be encountered along the route of flight unless the aircraft is equipped with de-icing or anti-icing equipment and equipment designed to detect icing.

The Company is currently consulting with Transport Canada to propose the Company's passive ice accretion technology as a potential means of compliance to satisfy the requirements as well as working to find a collaborator that could provide equipment designed to detect icing.

On May 30, 2023, the Company announced a collaboration with Pattern Energy Group LP to optimize, test and validate the Company's icephobic coating for the wind turbine industry. The partnership is being supported financially by both the Natural Sciences and Engineering Research Council of Canada and PRIMA Quebec - Advanced Materials Moving Forward.

The Company continues to consider and seek partners to commercialize this technology, including drone companies and companies specializing in elastomer production. Because the NRC has been testing a variety of coatings, the Company has been able to participate in the NRC testing process thus far at no cost to the Company. However, the Company anticipates additional testing and development to cost approximately $150,000.

Fire-Retardant Additive

The Company announced on March 28, 2022, that it had filed a provisional patent with the United States Patent and Trademark Office for an innovative Graphene Oxide-Metal-Organic Framework ("**GO-MOF**") compound for use in fire retardant products. The provisional patent application has since been filed as an international (PCT) patent application with the World Intellectual Property Office on March 27, 2023. Management of the Company considers the manufacturing of the GO- MOF compound as relatively easily scalable and efficient, due to the patent-pending facile synthesis process. The Company believes the fire-retardant GO-MOF additive could potentially be placed in a variety of coating products, such as latex, epoxies or included in polymers. When integrated into a polymer, it could potentially create a fire-resistant plastic that could be used in electric vehicles, providing a fire-resistant non-metal casing for the batteries. Management currently expects that GO-MOF production could be achieved on the existing ZenGUARD™ industrial scale production facility with minimal additional capital expense.

Dr. van der Kuur, the Company's Chief Scientific Officer, is the primary overseer of the project. The Company has spent approximately $129,300 on this research and development project, and intends to conduct further testing, which it currently estimates will cost approximately $12,000. In the year ended March 31, 2025, optimizations to the formulations were performed at the Company's lab prior to a testing program with a commercial partner. Testing and optimization work remains ongoing as of March 31, 2025.

Battery Technology

The Company has been collaborating with Dr. Michael Pope at the University of Waterloo since 2017, developing battery technology to improve anode performance. One highly studied area for lithium-ion battery development is to improve the anode material. Currently, electric vehicle anodes are composed of graphite, which has a limited theoretical specific capacity of ~372 mAhg-1. Silicon has attracted significant attention as a replacement material, mainly due to its high specific capacity of 4,200 mAhg-1, but also due to its low working potential, low price and availability. However, silicon has an enormous volumetric fluctuation (greater than 300% in all dimensions) when charging and discharging. This feature is the root cause behind the issues of poor cycle lifetime, irreversible capacity loss, and destruction and reformation of the solid electrolyte interface.

Using silicon in the anode material, Dr. Pope has attempted to address these issues and has created a patent-pending graphene-wrapped silicon anode material. On February 18, 2022, the Company announced the filing of a provisional patent with the United States Patent and Trademark Office relating to a graphene-wrapped silicon anode material. Since April, Dr. Pope's team has optimized the anode material, which now has a specific capacity of over 1,000 mAh/g and retains over 80% of its capacity over 320 charge-discharge cycles. The specific capacity of this material is a significant improvement over common graphite anodes; however, the cycle life still requires improvement compared to typical electric vehicle batteries, which lose about 4% capacity over 1,000 charge-discharge cycles. The Company intends to continue to work with Dr. Pope's team to develop this technology with the goal of improving performance to meet industry requirements. The Company filed a patent application under the Patent Cooperation Treaty on May 17, 2022.

On October 28, 2022, the Company announced the commencement of a four-year, $1.6 million research project in collaboration with Professors Mohini Sain and Ning Yan from the University of Toronto and Ford Powertrain Engineering Research and Development Centre. Funding for the project includes $1.2 million from the Mitacs Accelerate program. The project seeks to assess novel concepts for the purpose of inventing multifunctional materials to be used in automotive battery components including anode, cathode, electrolyte, and separator. The Company will be working in tandem with University of Toronto researchers providing and testing advanced graphene materials including the Company's patent-pending anode material developed by Dr. Michael Pope.

On August 8, 2024, the Company announced preliminary battery testing results and the commencement of a three-year $441,000 project in collaboration with Professors Mohini Sain and Ning Yan from the University of Toronto. Funding for the project is provided by a NSERC Mission Alliance Grant. The Company announced that promising preliminary results have already been achieved from this research with pouch cell batteries featuring engineered Albany graphite by the University of Toronto with a minimum 17% increase in capacity over batteries using commercial grade anode material. The project seeks to characterize and optimize the Albany graphite by exploring various pathways to purify, increase capacity, enhance cycle life, and engineer the graphite to meet or exceed commercial standards for anode material in the EV market. The results achieved are preliminary and will be verified through further testing or at an independent third party facility.

Corrosion Protection

On February 8, 2023, the Company announced the development of ZenARMOR™, a novel corrosion protection technology based on functionalized GO, for potential use in naval and marine infrastructure, bridges, buildings, pipelines, and other industries. ZenARMOR™ could be produced in the ZenGUARD™ facility. Third-party testing on ZenARMOR™ yielded excellent corrosion resistance with no blisters or other signs of corrosion after 1,500 hours of ASTM B-117 Salt Spray Test with ZenARMOR™, and ZenARMOR™ qualified for the Innovative Solutions Canada ("**ISC**") Testing Stream - Military Call for Prototypes. The Company has filed an International Patent Application on this corrosion protection technology, as well as a trademark for ZenARMOR™.

On October 4, 2023, the Company announced that it had prepared and shipped the first corrosion paint samples to the NRC for the first round of testing as part of the ISC - Testing Stream - Military Call for Proposals. NRC's Aerospace Research Centre's Aerospace Manufacturing Technologies Centre tested the Company's nano pigment in military-grade chromate-free paints for evaluation in its first of three rounds of testing. ZenARMOR™was evaluated in commercial non-chromate aviation paint systems developed by PPG Industries Inc. and Akzo Nobel N.V. Three rounds of corrosion testing were completed from September 2023 to July 2024. The testing followed ASTM B117 (salt spray) and ASTM D5894 (cyclical corrosion) standards. The Company announced on April 16, 2025, that the tests were successful in demonstrating the effectiveness of ZenARMOR™nano-pigments in inhibiting corrosion of the aluminum alloy AA2024-T3. Additionally, the Company announced that it has begun a collaboration with Jazeera Paints, headquartered in Riyadh, Saudi Arabia to evaluate ZenARMOR™ in their existing product lines.

Other Use-Cases for ZenGUARD™

Therapeutic and Pharmaceutical Applications

The Company was exploring the potential to use the ZenGUARD™ compound in therapeutic or pharmaceutical applications. In testing by Dr. Tony Mazzulli from Mount Sinai Hospital in Toronto, the active ingredient in ZenGUARD™ showed low minimum inhibitory concentrations against several bacteria. On February 4, 2021, and March 2, 2021, the Company announced results of the Phase 2 cytotoxicity testing by Nucro Technics testing laboratory and included cytotoxicity testing that noted no adverse effects after seven days of repeated dosing. MRSA-related skin infection testing was performed on animals with inconclusive results. Cytotoxicity studies with Nucro- Technics and positive anecdotal results of various human skin infections including acne, warts and toenail fungal infections showed no adverse effects recorded during these anecdotal trials. These human anecdotal cases form part of the Company's patent application filed on December 21, 2021, under the Patent Cooperation Treaty entitled "Graphene-Silver Nanocomposites and Uses for Same as a Broad-Spectrum Antimicrobial" which was published on June 30, 2022. The patent has been issued in Canada.

The Company has spent approximately $93,500 on this project during the period January 1, 2022, to March 31, 2025.

Other

On December 12, 2024, the Company announced that it had entered into a Memorandum of Understanding ("MOU") with Al-Ramez International Group, through Saudi Excellence Holding Company, establishing a framework to develop a strategic partnership to drive innovation and commercialization in advanced technologies, across the Kingdom of Saudi Arabia ("KSA") and the Middle East and North Africa ("MENA") regions. The MOU outlines a collaborative framework pursuant to which the Company intends to contribute intellectual property, product licensing, and research and development expertise, which Al-Ramez International Group intends to provide marketing support, investor relations, financing, and access to the KSA and MENA markets. Together, the parties aim to achieve several key objectives, including developing a graphene production facility in the KSSA, to focus on the distribution of ZenGUARD™ technologies in the KSA and across the MENA region, support local research and production initiatives by advancing and commercializing the Company's other technologies including its aptamer platform, and sourcing financing to further develop the Company's various projects. The Company also announced that it had been accepted into the World Trade Centre Toronto's Trade Accelerator Program (TAP)/Life Sciences Commercialization for Global Success.

The Company is also working with a number of research institutions developing processes to synthesize graphene, GO and graphene quantum dots, along with other possible applications for graphene-based materials. Potential markets for graphene-based materials include composites (e.g., concrete, rubber, plastic polymers, and ceramics), sensors, water purification and filtration, coatings and solid-state lubricants, silicon-graphene and graphene aerogel anode material for next- generation batteries along with aerospace applications.

The Company has other research projects commenced or contemplated including applications in aluminum alloys, corrosion protection, battery technology, conductive polymers, and others. The Company will report on these if and when it is appropriate to do so.

Albany Graphite Project

The Company owns 100% of the issued and outstanding shares of AGC which owns the Albany Graphite Project in Northern Ontario, Canada. The unusual nature of the formation of graphite in the Albany Graphite Project and its potential chemical and economic significance motivated additional exploration drilling from 2011 to 2013. The current claims require a total of $195,600 worth of assessment work per year to keep them in good standing and the Company has a total credit of approximately $7.1 million in available exploration reserves.

On October 18, 2021, the TSXV changed the Company's classification from a "mining issuer" to an "industrial, technology, or life sciences issuer." The change of classification was approved by the shareholders of the Company on September 27, 2021, in accordance with the rules and policies of the TSXV.

On May 19, 2023, the Company transferred to AGC the ownership of the Albany Graphite Project, including the mining claims and all related chattel, drill core, and applicable contracts, in consideration for the issuance by AGC to the Company of 59,999,900 common shares of AGC. The Company announced the appointments of Greg Fenton as Chair of the board of AGC, Brian Bosse as Chief Executive Officer of AGC, and Peter Wood as Vice-President, Development of AGC.

During the year ended March 31, 2025, approximately $183,000 (2024 - $272,000) was spent by AGC on the Albany Graphite Project including professional fees and geologist wages. These costs have been capitalized in accordance with the Company's accounting policy on Exploration and Evaluation Assets.

More recently, AGC is investigating if Albany graphite has the required characteristics and performance to develop an ideal anode material for the electric vehicle market. Test work has initially focused on the purification of Albany flotation concentrate to produce a consistent high- purity (>99.95%) material. On July 17, 2024, the Company announced that AGC has achieved a five nines purity of 99.99915% for a graphite sample from the Albany Graphite Project. A sample of the homogenized bulk flotation concentrate produced by SGS Canada Inc., in the 2017 flotation pilot plant campaign was upgraded from approximately 85% to >99% using a simple hydrometallurgical process. A 100g sample of the >99% feed was subsequently thermally purified in a fixed-bed furnace at a temperature of 2,700C for five minutes in an argon atmosphere. A 10g sample of the purified material was then shipped to Eurofins EAG Laboratories for a full 72 element GDMS analysis. The concentrations of all elements above the detection limits (22 of the 72 total) were summed to yield the total concentration of the detectable impurity elements that remained in the purified sample at 8.48 ppm et. Or 0.00085% wt. The boron concentration in the sample was 0.42 ppm wt.

Corporate Finance and Developments

On January 8, 2025, the Company announced that AGC had achieved a preliminary five-nines purity of 99.9991% directly from a second larger Albany graphite deposit flotation concentrate sample utilizing an operational pilot-scale fluidized bed reactor ("FBR"). The second sample of the homogenized bulk flotation concentrate produced by SGS Canada Inc. during the 2017 flotation pilot plant campaign was upgraded from approximately 85% total graphic carbon ("TGC") to over 96% TGC using a small pilot hydrometallurgical process with standard metallurgical equipment. A 100g sample of >96% TGC feed was then thermally purified in a fixed-bed furnace under the same conditions as before (2,700°C for five minutes in an argon atmosphere). A 10g sample of the purified material was subsequently shipped to Eurofins EAG Laboratories for a full 72 element GDMS analysis. The concentrations of all elements above the detection limits (25 of the 72 total) were summed to yield the total concentration of the detectable impurity elements that remained in the purified sample at 11.61 ppm wt. or 0.00116 % wt. yielding a purity of 99.99884 % wt. The boron concentration in the sample was 1.8 ppm wt. Additionally, the Company contracted a highly reputable North American manufacturing company specializing in industrial graphite and carbon to explore the direct purification of Albany flotation concentrate (~85% TGC) using its proprietary continuous processing equipment. The Company supplied a 1kg sample of the homogenized bulk flotation concentrate which was characterized, aggregated into 3-D particles and then run in a pilot- scale FBR. The feed material was thermally purified utilizing their proprietary process. A platinum crucible LOI analysis conducted at 950°C on a sample of the purified material indicated an ash content of 0.0009 % wt., corresponding to a purity of 99.9991 % wt. Notably, the manufacturing company reported that the Albany material was easily purified to an ultra-high purity level without the use of chlorine gas or any other halogen gases that are commonly used for graphite purification when 5N nuclear purity levels need to be achieved. On February 14, 2025, the Company reported that as part of the characterization process, an elemental analysis (59elements) was performed to identify the impurity elements. In its report, the manufacturing company noted that the feed material contained concentrations of rare earth elements ("**REE**") and other potential elements of value that could be recovered as part of the thermal purification process. Impurity elements, including the REEs, that were removed from the graphite during the purification process were collected and concentrated in a scrubber that handles all the FBR exhaust products. The Company intends to continue to investigate the REE potential of the Albany graphite deposit and send samples of unprocessed mineralization and tailings material for additional elemental analyses to verify their REE content and determine if there is any consistency within the two pipes, which REEs are enriched, and also provide an estimate of their average concentrations. Additional detailed sampling and verification would include analyzing the pulps and core from representative drill holes and the insertion of certified reference materials into the sample stream.

Corporate Finance and Developments

Effective May 1, 2024, Dr. Dube resigned as Chief Operating Officer of the Company.

On May 3, 2024, Brian Bosse resigned as director of the Company and was appointed to the Company's advisory board. The Company granted Mr. Bosse stock options to purchase 40,000 common shares of the Company at a price of $1.42 per common share for a term of three years.

On May 3, 2024, a consultant was granted stock options to purchase 25,000 common shares of the Company at a price of $1.42 per common share for a term of three years. In addition, this same consultant was granted stock options to purchase 5,000 common shares of Triera Biosciences Ltd. at an exercise price of $1.00.

On May 21, 2024, a total of 250,000 stock options were exercised at $0.40 per option resulting in proceeds of $100,000 to the Company.

On June 14, 2024, 300,000 stock options were exercised using a "cashless" exercise method whereby 80,000 fewer shares were issued than options exercised as compensation for the $120,000 in cash that traditionally would have been received by the Company upon exercise.

On June 20, 2024, 1,935,000 stock options were issued to a number of directors, officers and employees of the Company. The stock options have an exercise price of $1.52 per common share. The options granted to the directors and officers, will vest one third on the date of grant, one third on the first anniversary of the grant, and one third on the second anniversary of the grant. For employees, the options will vest one quarter on the date of grant, and one quarter on each anniversary thereafter.

On July 17, 2024, 650,000 stock options were exercised using a "cashless" exercise method whereby 193,597 fewer shares were issued than options exercised as compensation for the $260,000 in cash that traditionally would have been received by the Company upon exercise.

On August 14, 2024, the Company announced a normal course issuer bid for up to 5,084,319 common shares of the Company over a period of one year, being approximately 5% of the Company's issued and outstanding common shares, with up to 2,033,727 common shares of the Company purchasable over any 30-day period, being 2% of the Company's issued and outstanding common shares. The bid commenced on August 16, 2024, and will continue until the earlier of August 15, 2025, or the date by which the Company has acquired the maximum number of common shares which may be purchased under the bid.

On August 19, 2024, the Company closed a non-brokered private placement of units (the "Units") through the issuance of 2,361,500 Units at a price of $1.30 per Unit for gross proceeds of $3,068,950. Net proceeds of the offering will be used for working capital and general corporate purposes. Each Unit consists of one common share and one-half of one common share purchase warrant. Each whole warrant entitles the holder thereof to purchase one common share at a price of $3.00 for a period of 24 months from the closing date of the offering. In connection with the closing of the offering, the Company paid certain eligible persons a cash commission of $29,499 in the aggregate. All securities issued in connection with the offering were subject to a hold period of four months plus a day from the date of issuance and the resale rules of applicable securities legislation.

On September 9, 2024, 25,000 stock options were exercised using a "cashless" exercise method whereby 8,065 fewer shares were issued than options exercised as compensation for the $10,000 in cash that traditionally would have been received by the Company upon exercise.

On September 11, 2024, the Company received a notification from the Nasdaq that the Company is not in compliance with the Nasdaq Listing Rule 5550(a)(2), as the minimum bid price of the Company's common shares has been below US $1.00 per share for 31 consecutive business days. In accordance with the Nasdaq Listing Rule 5810(c)(3)(A), the Company had a period of 180 calendar days, or until March 10, 2025, in which to regain compliance with the minimum bid price requirement. To regain compliance, the closing bid price of the Company's shares must meet or exceed US $1.00 for at least ten consecutive business days during this 180-calendar day period. On December 9, 2024, the Company announced that it had received written confirmation from Nasdaq that the Company had regained compliance with the Nasdaq Listing rule 5550(a)(2).

On November 14, 2024, 50,000 stock options were exercised at $0.40 per option resulting in proceeds of $20,000 to the Company.

On December 20, 2024, 50,000 stock options were exercised using a "cashless" exercise method whereby 15,873 fewer shares were issued than options exercised as compensation for the $20,000 in cash that traditionally would have been received by the Company upon exercise.

On January 17, 2025, 150,000 stock options were exercised at $0.75 per option resulting in proceeds of $112,500 to the Company.

On January 29, 2025, 25,000 stock options were exercised using a "cashless" exercise method whereby 6,289 fewer shares were issued than options exercised as compensation for the $10,000 in cash that traditionally would have been received by the Company upon exercise.

On March 3, 2025, the Company announced an at-the-market offering in the United States, pursuant to which the Company proposes to issue and sell such number of common shares through an "at-the-market offering" as defined in Rule 415(a)(4) promulgated under the U.S. Securities Act of 1933, as amended, made directly on Nasdaq up to gross sales proceeds of US$30,000,000, unless terminated prior to such time. Sales of common shares, if any, will be made at or related to then prevailing market prices and as a result, prices may vary. Any common shares issued will be pursuant to a prospectus supplement dated March 3, 2025 to the base prospectus included in the Company's existing U.S. registration statement on form F-3 (File No. 333-278886) dated April 23, 2024, as amended on April 24, 2024, and April 30, 2024, and declared effective by the United States Securities and Exchange Commission on May 3, 2024. During the year ended March 31, 2025, the Company sold 0 Common Shares under the 2025 ATM Program.

On March 21, 2025, the Company announced that the Canada Revenue Agency (" **CRA**") has completed an audit of the Company's 2018 and 2019 renunciation of Canadian exploration expenses ("**CEE**") in favour of subscribers of the private placements of flow-through common shares which closed on December 21, 2018, and December 20, 2019 (the "**Flow-Through Financings**") for aggregate gross proceeds of $4,210,000. On February 25, 2025, the Company received a Notice of Reassessment from CRA in respect of its 2018 financial year resulting in a reclassification of approximately $507,000 (16.895%) of the amounts renounced (the "**Reclassified Expenses**") on the basis that the Reclassified Expenses did not meet the definition of CEEs, as defined for income tax purposes. As a result, Part XII.6 tax payable under section 211.91 of the *Income Tax Act*, related to form T101 was assessed for $59,693. The Company expects a reclassification of the renounced CEEs in 2019 as well. Pursuant to the terms of the subscription and renunciation agreements (the "**Subscription Agreements**") entered into by the Company and the subscribers in connection with the Flow-Through Financings, the Company agreed to indemnify the subscribers for tax attributable to disallowed renunciations of CEEs. The maximum aggregate quantum of the Company's liability with respect to this indemnification obligation from the Flow-Through Financings is expected to be approximately $520,000.

Subsequent Events

On April 9, 2025, the Company announced that it had closed a non-brokered private placement (the "Offering") of 2,000 debenture units (the "Debenture Units") through the issuance of 2,000 Debenture Units for gross proceeds of $2,000,000. Each Debenture Unit consists of (i) $1,000 principal amount of 5% secured convertible debentures of the Company (each a "Convertible Debenture"); and (ii) 454 warrants (the "Warrants") to purchase common shares in the capital of the Company (the "Common Shares"). Each Convertible Debenture will mature on April 9, 2028, (the "Maturity Date") and bears interest at a rate of 5% per annum payable as a balloon payment on the Maturity Date. Each Convertible Debenture is convertible at the option of the holder, in whole or in part, into Common Shares, at any time prior to the Maturity Date at a conversion of the Convertible Debentures into Common Shares at the Conversion Price at any time after the second anniversary of closing and prior to the Maturity Date in the event that the volume weighted average trading price of the Common Shares on the TSX Venture Exchange (the "TSXV") for the preceding 30 business days exceeds $4.40.

The Convertible Debentures are secured by the Company's interest in the 521 mining claims held by the Company's subsidiary Albany Graphite Corp., with a first ranking above all other creditors or loans by the Company.

908,000 Warrants were issued pursuant to the Offering, each entitling the holder to purchase one Common Share at the Conversion Price until the Maturity Date. The Warrants will only vest and be exercisable: (i) in the event, and from the date, that the Company completes a sale or otherwise transfers all of its rights, title and interests in the Secured Assets to a third party; and (ii) in such number equal to the result of dividing the outstanding principal amount of Convertible Debentures held by the holder at the time of exercise by the Conversion Price.

Net proceeds from the Offering will be used for working capital and general corporate purposes.

On April 17, 2025, the Company announced that it had entered into an agreement of purchase and sale dated April 15, 2025 for the sale of its property located at 24 Corporate Court in Guelph, ON (the "Property") which houses the Company's corporate office and laboratory space. On May 15, 2025, the Company announced the completed sale for $2,500,000 and will lease back the property from the purchaser until January 31, 2026.

On April 30, 2025, 250,000 stock options were exercised using a "cashless" exercise method whereby 55,555 fewer shares were issued than options exercised as compensation for the $100,000 in cash that traditionally would have been received by the Company upon exercise.

On May 12, 2025, 100,000 stock options were exercised at $0.40 per option resulting in proceeds of $40,000 to the Company.

On May 28, 2025, 33,334 stock options were exercised using a "cashless" exercise method whereby 10,446 fewer shares were issued than options exercised as compensation for the $22,667 in cash that traditionally would have been received by the Company upon exercise.

On June 9, 2025, 8,750 stock options were exercised using a "cashless" exercise method whereby 6,552 fewer shares were issued than options exercised as compensation for the $13,300 in cash that traditionally would have been received by the Company upon exercise.

Significant Acquisitions

There were no significant acquisitions completed by the Company during its most recently completed financial year for which disclosure would be required under Part 8 of National Instrument 51-102.

DESCRIPTION OF THE BUSINESS

General

Summary

In 2018, the Company began to focus resources on the research and development of graphene and related applications, which was supported by shareholders of the Company who voted in favour of significant Board changes and accordingly the assembly of an interdisciplinary team to augment key management personnel with expertise in business, marketing, and government relations.

Since May 2018, the Company has successfully raised over $45 million, and the Company has received more than $1 million in government grants to accelerate its research and collaborations to build momentum towards commercial and industrial-scale production of its products. In January 2020, the Company changed its name and began focusing its research on three priorities: (i) advanced materials, (ii) clean technology, and (iii) green energy. The name change reflects the Company's decision to refocus its development plans from the Albany Graphite Project and towards graphene nanomaterial intellectual property and product opportunities that may benefit from vertical integration. In February of 2020, the Company opened a research facility in Guelph, Ontario, to support its university and industrial partners' ongoing research and to scale-up production of graphene product. Subsequently, the COVID-19 pandemic halted research at the Company's collaborators' laboratories. The Company rapidly pivoted to focus its resources to develop graphene-based solutions for the fight against COVID-19 and developed a patent-pending GO/silver coating that has shown to effectively inactivate over 99% of the SARS-CoV-2 virus. Additional testing and research have indicated that the Company's compound is also effective against bacteria and fungi. This research and development have resulted in the filing of four patent applications, a patent granted for the Company's ZenGUARD^{TM} technology, the filing of patent applications in 47 countries (see "*Intangible Properties*" below), and the supply agreements with EkoMed and VMedCare, among other achievements described in more detail under "*General Development of the Business*" above.

To meet rapidly growing immediate demand for its proprietary antimicrobial compound, the Company began sourcing GO from third parties and is also testing third party graphite as a potential precursor material to produce graphene-based nanomaterials. Consequently, the Company's continued existence is no longer dependent upon the discovery of economically recoverable ore reserves, the ability of the Company to obtain the necessary financing to explore and develop potential ore reserves, or by way of entering into joint venture arrangements, future profitable production, or alternatively, upon the Company's ability to dispose of its interests on an advantageous basis.

Currently the principal markets targeted by the Company are PPE equipment manufacturers (and HVAC system manufacturers and suppliers (for the use of antimicrobial coated filters, pre and post- filters, high-efficiency particulate air (HEPA), etc.).

The Company is continuing to identify new markets and uses for its graphene-based antimicrobial coating.

The Company is working directly with PPE equipment and HVAC filter manufacturers and intends to ultimately supply the antimicrobial coating product directly to the manufacturers for use in their respective production lines, or as pre-coated materials/products that will be supplied to manufacturers (e.g., coated polypropylene (PP) or polyethylene terathalate (PET) spunbound nonwoven media to be used in the construction of a surgical mask, coated nitrile gloves or pre- coated HVAC filtration media). The Company is also currently discussing with other parties interested in representing the Company and/or distributing its products in other global markets (Europe, India, Australia, Asia, etc.). To date, most of the business opportunities that have been developed have been pursuant to inbound inquiries; however, once the production line to produce the antimicrobial coatings is operational, the Company intends to initiate an outbound marketing program.

Specialized Skill and Knowledge

The Company's research and development, and application/product development work involves Highly Qualified Personnel (PhD researchers, scientists, and engineers) and the Company has a highly skilled management team in place. The Company intends to add to its team and to hire and train additional staff as the Company's business transitions from research and product development to production, to work in the GO and antimicrobial coating production facilities, as may be required.

The Company believes that it has adequate personnel with the specialized skills and knowledge to successfully carry out the Company's business and operations. See "*Risk Factors - Qualified Employees*" for a discussion of the risks of losing such specialized skills and knowledge.

Competitive Conditions

The Company seeks to compete with other graphene and manufacturing companies, in highly competitive markets. The Company plans to provide functionalized graphene products to businesses, institutions, and governments within North America and internationally. This is a rapidly growing industry which has been accelerated during the COVID-19 pandemic. The Company's competitive position is based on its increasing scientific knowledge and know-how, its intellectual property, possession of in-house laboratories, extension of in-house science via university partners, the growing productive capacity to serve large customers, and the optionality of future vertical integration represented by the Albany Graphite Project. The Company's management is not aware of any companies similarly positioned to serve like markets as the Company, although given the rapid progression of the graphene industry, the Company may face significant competition in the future (See "*Risk Factors - Industry Competition*").

New Products

The Company has begun commercializing ZenGUARD™ Enhanced Air Filters for use in HVAC systems. The Company also previously announced the introduction of ZenARMOR™ a novel corrosion protection technology based on functionalized GO, for potential use in naval and marine infrastructure, bridges, buildings, pipelines, and other industries. Furthermore, as detailed under the heading "*Three Year History*" above, the Company is undertaking multiple research and development initiatives, leveraging the Company's graphene nanotechnology, such as an icephobic coating, fire-retardant additive, and battery technology among others.

Components

The main components to produce the Company's antimicrobial compound are readily available and the Company has taken steps to secure GO from a third party in order to meet demand while the Company sets up its GO production facility, with the intention of using materials from the Albany Graphite Project; however, other graphite materials would be suitable as well.

Intangible Properties

The Company holds intangible property in various forms such as trademarks, pending patent applications, trade secrets and know-how, mining claims (held by AGC), laboratory reports, licensing agreements, scientific agreements, and customer lists. Specifically, the Company holds three active patent applications under the Patent Cooperation Treaty in the Company's name, for (i) graphene-silver nanocomposite uses as an antimicrobial coating agent, (ii) graphene-silver nanocomposite compositions and uses for treatment of infectious diseases, and (iii) the proprietary process for manufacturing ZenGUARD™ nanotechnology at industrial scale.

Additionally, the Company has an exclusive license to make, have made, use, lease, sell, have sold, export, import, or otherwise distribute the subject matter of another provisional patent application relating to the processes for the preparation of expanded graphite and exfoliated GO. Management anticipates that amongst the existing intangible properties the pending patent applications have the most potential value for the Company. (See "*Risk Factors - Unpredictable Sales Cycles*").

Cycles

The sales cycle for graphene-based products may range considerably from one to multiple years from the time a customer begins testing the Company's product until the time that they could be used in a commercial product. Timing of product introduction could vary significantly based on the target market. Additionally, any demand for the Company's products based in whole or in part on global health crises could materially change. (See "*Risk Factors - Unpredictable Sales Cycles*").

Economic Dependence

The Company has entered into a limited number of supply or sales agreements for the sale of its products. Until additional supply agreements are executed by the Company, the Company's revenues will be completely dependent on such agreements. If such agreements are terminated, or if less of the Company's product than anticipated is purchased pursuant to such agreements, this could have a material adverse impact on the Company's business, operations and results.

Pursuant to the EkoMed Agreement, (i) the Company sells quantities of ZenGUARD™ coating to EkoMed for use initially on EkoMed's surgical masks and potentially other PPE in the future, including N95 and KN95 type masks, and (ii) the Company purchases surgical masks manufactured by EkoMed, to be treated with ZenGUARD™ coating and resold by the Company.

Pursuant to the VMedCare Agreement, the Company provides ZenGUARD™-coated spunbond material to VMedCare, which is responsible for manufacturing and packaging ZenGUARD™ branded surgical masks. As at the date hereof, the Company has provided ZenGUARD™-coated material to VMedCare for the manufacture of approximately 6,000,000 masks of which 500,000 have been made and approximately 419,000 remain in inventories at March 31, 2024

Pursuant to the Southmedic Agreement, Southmedic acts as the distributor of ZenGUARD™- enhanced surgical masks to the Canadian hospital, general practitioners, private surgery, long- term care and nursing home markets.

Environmental Protection

The Company is seeking to develop environmentally friendly processes and products and is currently working with its partners to create biodegradable/recyclable/reusable products that have a low carbon footprint. In addition, the Company is currently working with Prof. Aicheng Chen and his team at the University of Guelph to develop a scalable, low-cost, low-energy, and environmentally friendly process (chemically and electrochemically) to produce high-quality, few- layer GO at the Company's Guelph facility.

On September 28, 2020, the University of Guelph filed a provisional patent application directed to an electrochemical exfoliation process to produce GO from Albany Pure™ graphite, to which the Company holds an exclusive license.

AGC's current and future operations with respect to the Albany Graphite Project, including development activities carried out by AGC on its properties or areas in which it has an interest, are subject to laws and regulations governing exploration, development, tenure, productions, taxes, labour standards, occupational health, waste disposal, protection, and remediation of the environment, mine safety, toxic substances, and other matters. Environmental protection requirements did not have a material effect on the capital expenditures, earnings, or competitive position of the Company during its financial year ended March 31, 2025, and are not expected to have a material effect during the Company's financial year ending March 31, 2026.

Employees

As of the date of this AIF, the Company has 18 staff consisting of 17 employees and 1 consultant. Management expects headcount to grow as production volumes, scientific capacity and sales staff grow during upcoming fiscal years.

Foreign Operations

The Company has no meaningful foreign operations.

Other

The Company and its subsidiaries have not been subject to bankruptcies, receiverships, or similar proceedings, nor have there been any material reorganizations of the Company or any of its subsidiaries during the three most recently completed financial years or completed during or proposed for the current financial year. The Company does not have an investment policy, or lending and investment restrictions in place.

RISK FACTORS

The operations of the Company are speculative due to the high-risk nature of its business, which includes the development of certain intellectual property and the manufacturing of graphene related products, and which may include the future acquisition, financing, and development of the Albany Graphite Project. These risk factors could materially affect the Company's future operating results and could cause actual events to differ materially from those described in forward-looking information relating to the Company. Accordingly, any investment in securities of the Company is speculative and investors should not invest in securities of the Company unless they can afford to lose their entire investment.

The Company assesses and attempts to minimize the effects of these risks through careful management and planning of its operations and hiring qualified personnel but is subject to a number of limitations in managing risk resulting from its early stage of development. Below is a non-exhaustive summary of the principal risks and related uncertainties that may impact the Company. Such risk factors, as well as additional risks and uncertainties set out elsewhere in the Company's publicly filed documents, and additional risks and uncertainties not presently known to Company or that the Company currently deems immaterial, could have a material adverse effect on the Company's business, financial condition and results of operations or the trading price of the common shares.

Negative Operating Cash Flow

During the financial year ended March 31, 2025, the Company had negative operating cash flow because its revenues did not exceed its operating expenses. In addition, as a result of the Company's business plans for the development of its products, the Company expects cash flow from operations to be negative until revenues improve to offset its operating expenditures. The Company's cash flow from operations may be affected in the future by expenditures incurred by the Company to continue to develop its products. To the extent the Company has negative cash flow in any future period, the Company may be required to allocate funds to fund such negative cash flow from operating activities. In order to stay in business, in the absence of cash flow from operations, the Company will have to raise funding through financing activities. However, there is no certainty the Company will be able to raise funds at all or on terms acceptable to the Company in the event it needs to do so. Furthermore, additional funds raised by the Company through the issuance of equity or convertible debt securities would cause the Company's current shareholders to experience dilution. Such securities also may grant rights, preferences, or privileges senior to those of the Company's shareholders.

The Company does not have any contractual restrictions on its ability to incur debt and, accordingly, the Company could incur significant amounts of indebtedness to finance its operations. Any such indebtedness could contain restrictive covenants, which likely would restrict the Company's operations.

Uncertainties Relating to the Company's Business Plans

There is no assurance that broad successful commercial applications may be feasible for the Company. The Company is continuing to explore, develop, and test its current products and new products, and there can be no assurance that new uses of existing products or new products will be fully developed for commercial application, that test results will be successful, if completed at all, that any necessary permits or approvals required in order to market such products will be obtained by the Company, or that existing technology or products will become profitable. Furthermore, there is no assurance that the Company will complete any acquisitions or acquire any know-how or trade secrets to carry out certain of its future objectives. Should the Company fail to achieve any of the foregoing, this could have a material adverse impact on the business and planned business of the Company.

The Company's business is in part dependent on patents, trade secret and other intellectual property laws of Canada, and potentially foreign jurisdictions. The Company may be unable to prevent third parties from using its intellectual property without its authorization. Some of the Company's current or future technologies and trade secrets may not be covered by any patent or patent application, and the Company's issued and pending patents may not provide the Company with any competitive advantage and could be challenged by third parties.

The Company's inability to secure issuance of pending patent applications may limit its ability to protect the intellectual property rights these pending patent applications were intended to cover. The Company's competitors may attempt to design around its patents to avoid liability for infringement and, if successful, could adversely affect the Company's market share. Furthermore, the expiration of the Company's patents may lead to increased competition.

Additionally, the Company plans to construct facilities for some of its operations and business activities. There can be no assurance that locations will be secured on terms favourable to the Company or at all, that engineering plans will be completed or will be satisfactory for the intended business activities of the Company, that any required permitting will be obtained, that construction of such facilities will be completed, or that such facilities will ever become operational. If such facilities are not constructed, or do not become operational, or do not operate at the capacity required or anticipated, there could be a material adverse effect of the Company's planned business and operations.

Economic and Political Conditions

Worldwide financial and economic cycles or conditions are uncertain, and recovery from a business downturn or recession could be very slow and have a significant impact on the Company's business. The Company's business is sensitive to changes in economic and political conditions, including interest rates, currency issues, energy prices, trade issues, including the potential imposition of tariffs by the United States or other nations, international or domestic conflicts or political crises, and epidemics or pandemics.

The credit and financial markets have experienced extreme volatility and disruptions due to the current conflicts in the Middle East and between Ukraine and Russia. The conflict is expected to have further global economic consequences, including but not limited to the possibility of severely diminished liquidity and credit availability, declines in consumer confidence, declines in economic growth, increases in inflation rates and uncertainty about economic and political stability. In addition, the United States and other countries have imposed sanctions on Russia which increases the risk that Russia, as a retaliatory action, may launch cyberattacks against the United States, its government, infrastructure and businesses. Any of the foregoing consequences, including those we cannot yet predict, may cause our business, financial condition, results of operations and the price of our ordinary shares to be adversely affected.

Revenue from Graphene-related Products Sales; Long and Complex Sales Cycle

To date, the Company has recorded minimal revenue from its graphene enhanced products sales. There can be no assurance that significant losses will not occur in the near future or that the Company will be profitable in the future. The Company's operating expenses, and capital expenditures may increase in subsequent years. The Company expects to continue to incur losses unless and until such time as it enters into long-term and large-volume supply agreements and generates sufficient revenues to fund its continuing operations.

Intellectual Property

The Company relies on the patent, trade secret and other intellectual property laws of Canada, and foreign jurisdictions. The Company may be unable to prevent third parties from using its intellectual property without its authorization. The unauthorized use of the Company's intellectual property could reduce any competitive advantage that it has developed, reduce its market share or otherwise harm its business. In the event of unauthorized use of the Company's intellectual property, litigation to protect and enforce the Company's rights could be costly, and the Company may not prevail.

Some of the Company's current or future technologies and trade secrets may not be covered by any patent or patent application, and the Company's issued and pending patents may not provide the Company with any competitive advantage and could be challenged by third parties. The Company's inability to secure issuance of pending patent applications may limit its ability to protect the intellectual property rights these pending patent applications were intended to cover. The Company's competitors may attempt to design around its patents to avoid liability for infringement and, if successful, could adversely affect the Company's market share. Furthermore, the expiration of the Company's patents may lead to increased competition.

In addition, effective patent, trade secret and other intellectual property protection may be unavailable or limited in some foreign countries. In some countries, the Company may not apply for patent or other intellectual property protection. The Company also relies on unpatented technological innovation and other trade secrets to develop and maintain its competitive position. Although the Company generally enters into confidentiality agreements with its employees and third parties to protect its intellectual property, these confidentiality agreements are limited in duration, could be breached and may not provide meaningful protection of its trade secrets. Adequate remedies may not be available if there is an unauthorized use or disclosure of the Company's trade secrets and manufacturing expertise. In addition, others may obtain knowledge about the Company's trade secrets through independent development or by legal means. The failure to protect the Company's processes, technology, trade secrets and proprietary manufacturing expertise, methods and compounds could have a material adverse effect on its business by jeopardizing critical intellectual property.

Where a product formulation or process is kept as a trade secret, third parties may independently develop or invent and patent products or processes identical to such trade secret products or processes. This could have a material adverse effect on the Company's ability to make and sell products or use such processes and could potentially result in costly litigation in which the Company might not prevail. The Company could face intellectual property infringement claims that could result in significant legal costs and damages and impede its ability to produce key products, which could have a material adverse effect on its business, financial condition, and results of operations.

Product Development and Technological Change

There is no assurance that broad successful commercial applications for the Company's products may be feasible. Most, if not all, of the scientific and engineering data related to the Company's products has been generated by the Company's own laboratories or laboratory environments of the Company's partners, such as universities. There can be no assurance that laboratory data translates to or is representative in commercial applications.

Additionally, the industries in which the Company seeks to operate are characterized by rapid technological change and frequent new product introductions. Part of the Company's business strategy is to monitor such changes and take steps to remain technologically current, but there is no assurance that such a strategy will be successful. If the Company is not able to adapt to new advances in materials sciences, or if unforeseen technologies or materials emerge that are not compatible with the Company's or that could replace its products, the Company's revenues and business would likely be adversely affected.

Market Development and Growth

Failure to further develop the Company's key markets and existing geographic markets or to successfully expand its business in the future into new markets could have an adverse impact on sales growth and operating results.

The Company's ability to further penetrate its key markets and the existing geographic markets in which it competes and/or aims to compete, and to successfully expand its business into other countries, is subject to numerous factors, many of which are beyond its control. There can be no assurance that efforts to increase market penetration in the Company's key markets and existing geographic markets will be successful. Failure to achieve these goals may have a material adverse effect on the Company's operating results.

Unpredictable Sales Cycles

The sales cycle for graphene products may range considerably from one to multiple years from the time a customer begins testing the Company's product until the time that they could be used in a commercial product. Timing of product introduction could vary significantly based on the target market. The Company has demonstrated little track record of success in completing customer development projects, which makes it difficult to evaluate the likelihood of future success.

The sales and development cycles for the Company's products are subject to customer budgetary constraints, internal acceptance procedures, competitive product assessments, scientific and development resource allocations, and other factors beyond the Company's control. If the Company is not able to successfully accommodate these factors to achieve commercial success, the Company may be unable to achieve sufficient sales to reach profitability.

Government Regulation and Import/Export Controls

The Company's future operations, including development, and commencement and continuation of commercial production, require licenses, permits or other approvals from various federal, provincial, local and potentially foreign governmental authorities, and such operations are or will be governed by laws and regulations relating to production, exports, taxes, labor standards, occupational health and safety, waste disposal, toxic substances, prospecting, development, mining, land use, water use, environmental protection, land claims of indigenous people and other matters. Furthermore, in certain foreign jurisdictions, these regulatory requirements may be more stringent than those in Canada. Certain export control laws or economic sanctions laws may include restrictions or prohibitions on the sale or supply of certain products and services to embargoed or sanctioned countries, governments, persons, and entities. In addition, various countries regulate the import of certain technology, including import and export permitting and licensing requirements, and have enacted or could enact laws that could limit the Company's ability to distribute its products. Changes in the Company's products, or future changes in export and import regulations may prevent any potential international customers from utilizing the Company's products globally or, in some cases, prevent the export or import of the Company's products to certain countries, governments, or persons altogether.

Additionally, the United States government has taken certain actions that could negatively impact trade with the United States, including imposing tariffs on certain imported goods and prohibiting certain imports into the United States. In retaliation, Canada, Mexico and China continue to evaluate imposing tariffs on a wide range of American products. There is also a concern that the imposition of additional tariffs by the United States could result in the adoption of tariffs by other countries as well, potentially leading to a global trade war. Such tariffs and prohibitions, if expanded to other categories, could have a significant impact on the Company's business, particularly on the importation of certain equipment manufactured in other countries and the sale of the Company's products in other countries.

Any change in export or import regulations, economic sanctions, or related legislation, or change in the countries, governments, persons, or technologies targeted by such regulations, could result in decreased use of the Company's products in the future by, or in the Company's decreased ability to export or sell its products to, potential international customers. Any limitation on the Company's ability to export or sell its products would likely adversely affect the Company's future business, results of operations, and financial results.

Large volume production of graphene requires permits and approvals from various government authorities, and is subject to extensive federal, provincial, state, and local laws and regulations governing development, production, exports, taxes, labour standards, occupational health and safety, environment, and other matters. As graphene is a new chemical substance, production and sale of graphene may be subject to specific occupational health and safety and environment regulatory approvals in different jurisdictions including, without limitations, under the *Canadian Environmental Protection Act* (Canada), the *Food and Drug Act* (Canada), the *Toxic Substances Control Act* (USA), the *Food Drug and Cosmetic Act* (USA) and the *Registration, Evaluation, Authorization and Restriction of Chemicals* (Europe).

Health Canada also regulates certain markets into which the Company intends to supply products or license its intellectual property. There is no assurance that Health Canada or any other body will grant license for sales into markets it regulates. Each foreign jurisdiction for the Company's products is regulated and no assurance exists that sales of graphene-related products will be permitted. Any inability by the Company to obtain approval from Health Canada and/or international bodies could have a material adverse impact of the business of the Company.

The Company is also subject to consumer protection laws that may impact its sales and marketing efforts. These laws, as well as any changes in these laws, could make it more difficult for the Company to sell and market its products. These laws and regulations are subject to change over time and thus the Company must continue to monitor and dedicate resources to ensure continued compliance. Non-compliance with applicable regulations or requirements could subject the Company to investigations, sanctions, enforcement actions, disgorgement of profits, fines, damages, civil and criminal penalties, or injunctions. If any governmental sanctions are imposed, or if the Company does not prevail in any possible civil or criminal litigation, its business, operating results, and financial condition could be materially adversely affected.

Additionally, in order for the Company to carry out its activities, any required licenses and permits must be obtained and kept current. There can be no assurance, however, that the Company will obtain on reasonable terms or at all the permits and approvals, and the renewals thereof, which it may require for the conduct of its future operations or that compliance with applicable laws, regulations, permits and approvals will not have an adverse effect on the Company's business plans. Possible future environmental and mineral tax legislation, regulations and actions could cause additional expense, capital expenditures, restrictions and delay on the Company's planned exploration and operations, the extent of which cannot be predicted.

Failure to comply with applicable laws, regulations and permitting requirements may result in enforcement actions thereunder, including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed, and may include corrective measures requiring capital expenditures, installation of additional equipment, or remedial actions. Parties engaged in mining operations may be required to compensate those suffering loss or damage by reason of the mining activities and may have civil or criminal fines or penalties imposed for violations of applicable laws or regulations.

Industry Competition

The Company seeks to compete with other graphene and manufacturing companies, in highly competitive markets. Some of the Company's competitors have substantially greater financial, marketing, and other resources and higher market share than the Company has in certain products or geographic areas. As the markets for the Company's products expand, additional competition may emerge, and competitors may commit more resources to products which directly compete with the Company's products. There can be no assurance that the Company will be able to compete successfully with existing competitors or be able to develop any market for its products, or that its business will not be adversely affected by increased competition or by new competitors.

There is no assurance that the Company will continue to be able to compete successfully with its competitors in acquiring such properties or prospects and any such inability could have a material adverse effect on the Company's business and financial condition.

Lack of Trading Market for Graphene

Unlike commodity minerals such as copper, gold or silver, industrial minerals such as graphene precursor graphene materials and graphite do not have a metals exchange or an open market upon which to trade and therefore prices are not set in an open market or publicly traded market, and there can be no assurance that certain items can be sold or purchased at any time. As prices are set with private suppliers and private customers, it is difficult to predict what market prices may be at the time of any transaction. There can be no guarantees that the Company will be able to sell its graphene products in a profitable manner, or at all.

Shortages

The Company will be dependent on various supplies, equipment, parts and labour, and the services of contractors to carry out its business objectives. The availability and cost of such supplies, equipment, parts or labour or the services of contractors could have a material adverse effect on the Company's ability to successfully carry out its exploration and development activities.

Liquidity Concerns and Future Financing

The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As of March 31, 2025, the Company had a cash balance of $121,481 (2024 - $3,521,420) to settle current liabilities of $3,485,001 (2024 - $1,819,004). The Company is ultimately dependent on the commercial sales of its products. Any delay in the sales of such products could require additional financing.

There can be no assurance that the Company will be successful in obtaining the required financing as and when needed. Volatile markets may make it difficult or impossible for the Company to obtain debt financing or equity financing on favourable terms, if at all. Failure to obtain additional financing on a timely basis may cause the Company to postpone or slow down its development plans or reduce or terminate some or all of its activities.

Reliance on Key Personnel

The Company's development to date has depended, and in the future, will depend largely on the efforts of key management and other key personnel. Loss of any of these people, particularly to competitors, could have a material adverse effect on the Company's business. Further, with respect to the future development of the Company's projects, it may become necessary to attract both international and local personnel for such development. The marketplace for key skilled personnel is becoming more competitive, which means the cost of hiring, training, and retaining such personnel may increase. Factors outside the Company's control, including competition for human capital and the high-level of technical expertise and experience required to execute this development will affect the Company's ability to employ the specific personnel required.

The failure to retain or attract a sufficient number of key skilled personnel could have a material adverse effect on the Company's business, results of operations, and financial condition. The Company has not taken out and does not intend to take out "key man insurance" in respect of any directors, officer, or other employees.

Qualified Employees

Recruiting and retaining qualified personnel is critical to the Company's success. Especially if it relates to its graphene operations, finding skilled scientists and a sales team familiar with the subject matter is difficult. As the Company grows further, the need for skilled labour will increase. The number of persons skilled in the high-tech manufacturing business is limited and competition for this workforce is intense. This may adversely affect the business of the Company if it is unable to recruit and retain qualified personnel as and when required.

Cybersecurity Threats

The reliability and security of the Company's information technology (" **IT**") systems are important to the Company's business and operations. Although the Company has established and continues to enhance security controls intended to protect the Company's IT systems and infrastructure, there is no guarantee that such security measures will be effective in preventing unauthorized physical access or cyberattacks. A significant breach of the Company's IT systems could, among other things, cause disruptions in the Company's manufacturing operations (such as operational delays from production downtime, inability to manage the supply chain or produce products for customers, disruptions in inventory management), lead to the loss, destruction, corruption or inappropriate use of sensitive data, including employee information or intellectual property, result in lost revenues due to theft of funds or due to a disruption of activities, including remediation costs, or from litigation, fines and liability or higher insurance premiums, the costs of maintaining security and effective IT systems, which could negatively affect results of operations and the potential adverse impact of changing laws and regulations related to cybersecurity or result in theft of the Company's, its customers' or suppliers' intellectual property or confidential information. If any of the foregoing events (or other events related to cybersecurity) occurs, the Company may be subject to a number of consequences, including reputational damage, a diminished competitive advantage and negative impacts on future opportunities which could have a material adverse effect on the Company.

Share Price Fluctuations

The market price of securities of many companies, particularly development stage companies, experience wide fluctuations in price that are not necessarily related to the operating performance, underlying asset values or prospects of such companies. There can be no assurance that fluctuations in the Company's share price will not occur. In particular, the fluctuations may be exaggerated if the trading volume of the Company's common shares is low.

Cost Absorption and Purchase Orders

Especially as it relates to its activities in the transportation industry, and given the current trends in that industry, the Company is under continuing pressure to absorb costs related to product design and development, engineering, program management, prototypes and validation. In particular, OEMs are requesting that suppliers pay for the above costs and recover these costs through the piece price of the applicable component. Contract volumes for customer programs not yet in production are based on the Company's customers' estimates of their own future production levels. However, actual production volumes may vary significantly from these estimates due to a reduction in consumer demand or new product launch delays, often without any compensation to the supplier by its OEM customer. Typical purchase orders issued by customers do not require that they purchase a minimum number of the Company's products. For programs currently under production, the Company is generally unable to request price changes when volumes differ significantly from production estimates used during the quotation stage.

If estimated production volumes are not achieved, the product development, design, engineering, prototype, and validation costs incurred by the Company may not be fully recovered. Similarly, future pricing pressure or volume reductions by the Company's customers may also reduce the amount of amortized costs otherwise recoverable in the piece price of the Company's products. Either of these factors could have an adverse effect on the Company's profitability. While it is generally the case that once the Company receives a purchase order for products of a particular vehicle program it would continue to supply those products until the end of such program, customers could cease to source their production requirements from the Company for a variety of reasons, including the Company's refusal to accept demands for price reductions or other concessions.

Acquisitions

The Company could seek to acquire complementary businesses, assets, technologies, services, or products, at competitive prices. The Company could pursue acquisitions in those product areas which were identified as key to the Company's long-term business strategy. However, as a result of intense competition in these strategic areas, the Company may not be able to acquire the targets needed to achieve its strategic objectives. The completion of such transactions poses additional risks to the Company's business. Acquisitions are subject to a range of inherent risks, including the assumption of incremental regulatory/compliance, pricing, supply chain, commodities, labor relations, litigation, environmental, pensions, warranty, recall, IT, tax or other risks. Although the Company seeks to conduct appropriate levels of due diligence on acquisition targets, these efforts may not always prove to be sufficient in identifying all risks and liabilities related to the acquisition, including as a result of: limited access to information; time constraints for conducting due diligence; inability to access target company facilities and/or personnel; or other limitations in the due diligence process. Additionally, the Company may identify risks and liabilities that cannot be sufficiently mitigated through appropriate contractual or other protections. The realization of any such risks could have a material adverse effect on the Company's operations or profitability. The benefit to the Company of previous and future acquisitions is highly dependent on the Company's ability to integrate the acquired businesses and their technologies, employees and products into the Company, and the Company may incur costs associated with integrating and rationalizing the facilities (some of which may need to be closed in the future). The Company cannot be certain that it will successfully integrate acquired businesses or that acquisitions will ultimately benefit the Company.

Any failure to successfully integrate businesses or failure of the businesses to benefit the Company could have a material adverse effect on its business and results of operations. Such transactions may also result in additional dilution to the Company's shareholders or increased debt. Such transactions may involve partners, and the formula for determining contractual sale provisions may be subject to a variety of factors that may not be easily quantified or estimated until the time of sale (such as market conditions and determining fair market value).

Launch and Operational Costs

The launch of new business, in an existing or new facility, is a complex process, the success of which depends on a wide range of factors, including the production readiness of the Company and its suppliers, as well as factors related to tooling, equipment, employees, initial product quality and other factors. A failure to successfully launch material new or takeover business could have an adverse effect on profitability. The Company's manufacturing processes are vulnerable to operational problems that can impair its ability to manufacture its products in a timely manner, or which may not be performing at expected levels of profitability. The Company's facilities and proposed facilities contain complex and sophisticated equipment that is used in its manufacturing processes. The Company could experience equipment failure in the future due to wear and tear, design error or operator error, among other things, which could have an adverse effect on profitability. From time to time, the Company may have some operating divisions which are not performing at expected levels of profitability. Significant underperformance of one or more operating divisions could have a material adverse effect on the Company's profitability and operations.

Material and Commodity Prices

Prices for key raw materials and commodities used in the production of graphene-based products, as well as energy prices, have proven to be volatile at certain times. To the extent that the Company is unable to fully mitigate its exposure to price change of key raw materials and commodities, particularly through engineering products with reduced content, by passing price increases to customers, or otherwise, such additional costs could have a material adverse effect on profitability. Increased energy prices could also have an impact on production or transportation costs which in turn could affect competitiveness.

Uninsured Risks

The Company maintains insurance to cover normal business risks. In the course of its manufacturing businesses, certain risks and, in particular, unexpected, or unusual catastrophic events including explosions and fire may occur. It is not always possible to fully insure against such risks as a result of high premiums or other reasons. Should such liabilities arise, they could reduce or eliminate any future profitability and result in increasing costs and a decline in the value of the common shares of the Company.

Litigation

The Company has entered into legally binding agreements with various third parties, including supply, license, distribution, non-disclosure, consulting, and partnership agreements. The interpretation of the rights and obligations that arise from such agreements is open to interpretation and the Company may disagree with the position taken by the various other parties resulting in a dispute that could potentially initiate litigation and cause the Company to incur legal costs in the future. Given the speculative and unpredictable nature of litigation, the outcome of any such disputes could have a material adverse effect on the Company's business.

Credit Risk

As at March 31, 2025, the Company's credit risk was primarily attributable to cash, accounts and other receivables and loan receivable. The Company issued a loan receivable during the year ended March 31, 2022, further increasing its exposure to credit risk. In June 2023, a partial payment of $2.5 million was received against the loan receivable, decreasing credit risk. On November 5, 2024, the remaining balance of $531,479 was collected and no further amounts are owing related to this loan. Financial instruments included in accounts and other receivables consisted of trade receivables generated through sales as well as recoverable Harmonized Sale Tax. The Company's cash is held with reputable financial institutions. Management believes that the credit risk with respect to financial instruments included in accounts and other receivables is remote.

Interest Rate Risk

The Company has cash and cash equivalent balances at federally regulated Canadian banks. The Company periodically monitors the investments it makes, the security of such investments and is satisfied with the credit ratings of its banks. The Company closely monitors interest rates to determine the appropriate course of action to be taken by the Company.

Price Risk

The Company is exposed to price risk with respect to commodity prices. The Company closely monitors commodity prices to determine the appropriate course of action to be taken by the Company.

Financial Capability and Additional Financing

The Company has limited financial resources and there is no assurance that sufficient additional funding will be available to enable it to fulfill its business objectives or obligations, on acceptable terms or at all. Unanticipated expenses and other developments could cause existing funds to be depleted sooner than expected. In the event that its existing cash resources are inadequate to fund operational expenses, and in order to fund the planned business objectives of the Company, the Company will be required to raise additional financing from external sources, such as debt financing, equity financing or joint ventures.

The Company's ability to raise additional equity financing may be affected by numerous factors beyond the Company's control, including, but not limited to, adverse market conditions, commodity price changes and an economic downturn. Failure to obtain additional funding on a timely basis could result in delay or indefinite postponement of the development of the Company's business and could cause the Company to reduce or terminate its operations.

Additional funds raised by the Company from treasury share issuances may result in significant dilution to existing shareholders, a depressive effect on the price of the common shares and/or a change of control.

Permits and Government Regulation

Although the Company believes it has all of the necessary permits to carry out the proposed business programs, the operations of the Company may require licenses and permits from time to time from various governmental authorities to carry out exploration and development at its projects or locations. Obtaining permits can be a complex, time-consuming process. There can be no assurance that the Company will be able to obtain the necessary licenses and permits on acceptable terms, in a timely manner or at all. The costs and delays associated with obtaining permits and complying with these permits and applicable laws and regulations could stop or materially delay or restrict the Company from continuing or proceeding with existing or future operations or projects. Any failure to comply with permits and applicable laws and regulations, even if inadvertent, could result in the interruption or closure of operations or material fines, penalties, or other liabilities. In addition, the requirements applicable to sustain existing permits and licenses may change or become more stringent over time and there is no assurance that the Company will have the resources or expertise to meet its obligations under such licenses and permits.

Fluctuating Prices

The profitability of the Company's operations will be dependent upon the market price of the ZenGUARD™ masks and other products, their global acceptance and demand along with their regulatory approvals in other jurisdictions. The level of interest rates, rate of inflation, production costs, healthcare and consumer demand, and stability of exchange rates can all cause significant fluctuations in revenue. Such external economic factors are in turn influenced by changes in international purchasing patterns, COVID-19 pandemic situation, monetary systems and political developments.

Environmental Regulation

AGC's Albany Graphite Project is subject to environmental laws and regulations which may materially and adversely affect its future operations. These laws and regulations control the exploration and development of the Albany Graphite Project and their effects on the environment, including air and water quality, waste handling and disposal, the protection of different species of plant and animal life, and the preservation of lands. These laws and regulations will require AGC to acquire permits and other authorizations for certain activities. There can be no assurance that AGC will be able to acquire such necessary permits or authorizations on a timely basis, if at all.

Further, environmental legislation is evolving in a manner which will require stricter standards and enforcement, increased fines and penalties for non-compliance, more stringent environmental assessments of proposed projects and a heightened degree of responsibility for companies and their officers, directors and employees. There is no assurance that future changes in environmental regulation, if any, will not adversely affect AGC's operations.

AGC is not currently insured against most environmental risks. Without such insurance, and if AGC becomes subject to environmental liabilities, the payment of such liabilities would reduce or eliminate its available funds or could exceed the funds AGC has to pay such liabilities and result in bankruptcy.

Economic Dependence on Supply Agreements

Currently, the Company has entered into a limited number of supply or sales agreements for the sale of its products. Until additional supply agreements are executed by the Company, the Company's revenues will be completely dependent on such agreements. If such agreements are terminated, or if less of the Company's product than anticipated is purchased pursuant to such agreements, this could have a material adverse impact on the Company's business, operations and results.

DIVIDENDS AND DISTRIBUTIONS

The Company relies primarily on equity financing to fund its working capital needs. The Company has neither declared nor paid any dividends on its common shares. The Company intends to retain its earnings, if any, to finance growth and expand its operation and does not anticipate paying any dividends on its common shares in the foreseeable future. Any decisions to pay dividends on the common shares will be made by the Board on the basis of its earnings, financial requirements, and other conditions.

DESCRIPTION OF CAPITAL STRUCTURE

Common Shares

The authorized share capital of the Company consists of an unlimited number of common shares, of which 104,390,928 shares were issued and outstanding as fully paid and non-assessable as at March 31, 2025. As at the date hereof, 104,710,459 common shares were issued and outstanding.

Each common share entitles the holder thereof to receive notice of any meetings of the shareholders of the Company, to attend, and to cast one vote per common share at all such meetings. Holders of common shares do not have cumulative voting rights with respect to the election of directors. Accordingly, holders of a majority of the common shares entitled to vote in any election of directors may elect all of the directors standing for election. Holders of common shares are entitled to receive on a pro-rata basis such dividends if any, as and when declared by the Board at its discretion from funds legally available therefore and, upon the liquidation, dissolution, or winding up of the Company, are entitled to receive on a pro-rata basis the net assets of the Company for payment of debts and liabilities. The common shares do not carry any pre-emptive, subscription, redemption, retraction, or conversion rights, nor do they contain any sinking or purchase fund provisions.

Stock Options

On September 29, 2022, shareholders of the Company approved and adopted an Omnibus Long- Term Incentive Plan (" **LTIP**") at the Company's annual and special shareholder meeting, which has subsequently been approved by shareholders annually, most recently at the Company's annual shareholder meeting on September 26, 2024.

Any existing options that were granted prior to the effective date of the LTIP pursuant to the Company's previous stock option plan (the " **Legacy Stock Option Plan**"), will continue in accordance with their terms. Upon the effective date of the LTIP, however, options shall no longer be granted pursuant to the Legacy Stock Option Plan and shall only be granted pursuant to the LTIP.

The maximum number of common shares that may be: (i) issued to insiders of the Company within any one-year period; or (ii) issuable to insiders of the Company at any time, in each case, under the LTIP alone, or when combined with all of the Company's other security-based compensation arrangements, including the Legacy Stock Option Plan, cannot exceed 10% of the aggregate number of common shares issued and outstanding from time to time determined on a non-diluted basis.

As at March 31, 2025, a total of 6,123,334 stock options were outstanding with a weighted average exercise price of $2.32. During the financial year ended March 31, 2025, the Company granted an aggregate of 2,000,000 options to certain officers, directors, and employees of the Company. As at the date hereof, the Company had stock options exercisable for an aggregate of 5,531,250 common shares outstanding.

Prior Sales

The following table summarizes details of all issuances of securities of the Company, other than Common Shares, in the year ended March 31, 2025, being the most recently completed financial year of the Company:

Issue Date	Type of Security	Issue Price	Number of Securities
May 3, 2024	Options	$1.42	65,000
June 20, 2024	Options	$1.52	1,935,000
August 19, 2024	Units (one Common Shares and one-half Warrant)	$1.30	2,361,500

MARKET FOR SECURITIES

Trading Price and Volume

Common Shares

The common shares are listed for trading on the TSXV under the trading symbol "ZEN". The following table sets out the high and low closing market prices and the volume traded of the common shares on the TSXV for each month since the beginning of the Company's financial year ended March 31, 2025:

2024	HIGH ($)	LOW ($)	VOLUME
April	1.65	1.39	1,122,749
May	1.61	1.39	988,155
June	1.59	1.38	1,088,778
July	1.49	1.31	1,051,853
August	1.34	1.23	916,418
September	1.26	0.92	1,318,228
October	1.16	0.77	1,250,641
November	1.79	0.94	1,619,304
December	1.60	1.20	985,261
2025	**HIGH ($)**	**LOW ($)**	**VOLUME**
January	1.69	1.31	836,137
February	1.63	1.32	554,794
March	1.75	1.30	863,551
April	2.39	1.35	1,253,121
May	2.50	2.06	1,148,934
June 1 to June 25	2.14	1.70	594,733

ESCROWED SECURITIES

As of the date hereof, there are no securities of the Company subject to escrow provisions.

DIRECTORS AND OFFICERS

Name, Occupation, and Security Holdings

The following table sets forth all current directors and executive officers of the Company as at the date hereof, their principal occupations or employment, the period or periods of service, and the approximate number of voting securities of the Company beneficially owned, directly or indirectly, or over which control or direction is exercised as of the date hereof.

The Board currently consists of five (5) directors to be elected annually. The term of office of each director will be from the date of the meeting at which he or she is elected until the next annual meeting, or until his or her successor is elected or appointed.

Name, Province and Country of Residence, Position	Director Since	Number of Common Shares Beneficially Owned[1]	Principal Occupation During Past Five Years
Greg Fenton[2] St. James, Barbados Chief Executive Officer and Director	July 11, 2018	3,144,669(3) common shares 1,800,000 options 214,000 warrants	Chief Strategy Officer (September 27, 2019, to December 7, 2020); Chief Executive Officer of the Company (December 8, 2020, to present), President at Fortem Partners International Limited (2016 to present), Corporate Director.
Eric Wallman[4] [5] Manitoba, Canada Director and Non-executive Chairman	May 11, 2018	475,973[6] common shares 275,000 options	A Chartered Professional Accountant since 1986. Recently retired from private industry where he held executive positions within the dairy processing and manufacturing sectors. Most recent work involved strategic planning and business unit leadership. Also served on several industry related boards.
Lisa Sim[5] Ontario, Canada Director	June 1, 2023	300,000 options	Partner at Miller Thomson LLP and member of their Executive Committee.
Ilse Treurnicht[4] [5] Ontario, Canada Secretary and Director	July 5, 2022	1,500 common shares 325,000 options	Managing Partner of TwinRiver Capital, General Partner at North South Ventures, chair of the Public Policy Forum, director of the Equality Fund, advisor to governments, technology firms, foundations and international agencies.
John Snisarenko[4] [5] Massachusetts, United States of America Director	October 5, 2023	20,000 common shares 300,000 options	Group Vice-President and Head of Ophthalmology Franchise for Shire/Takeda (June 2017 to July 2019, divested to Novartis Pharmaceuticals Corp); Chief Commercial Officer of Oyster Point Pharma Inc. (September 2019 to July 2022); Independent director and board member of Alimera Sciences Inc. (July 2019 to present).; Cytophage Technologies Ltd. (May 2024 to present).
Wendy Ford[2] Alberta, Canada Chief Financial Officer	N/A	10,000 common shares 225,000 options	Chief Financial Officer of AirBoss of America Corp (March 2014 to August 2016); VP Finance and Chief Financial Officer of Mancor Canada Inc. (October 2017 to May 2022).

Name, Province and Country of Residence, Position	Director Since	Number of Common Shares Beneficially Owned[1]	Principal Occupation During Past Five Years
Dr. Colin van der Kuur[2] British Columbia, Canada Chief Science Officer	N/A	571,325 [7] common shares 150,000 options	Head of Research (February 4 to December 7, 2020); VP, Science and Research (December 8, 2020, to present)
Ryan Shacklock[2] Saskatchewan, Canada Senior VP, Strategy and Business Development	N/A	178,200 common shares 400,000 options	VP of the Company since January 2021. Prior thereto, Mr. Shacklock held several positions at Nutrien Ltd. (formerly Potash of Saskatchewan Inc.)
Peter C. Wood[2] Ontario, Canada VP, Development (AGC)	N/A	237,718 common shares 250,000 options	VP Exploration of the Company (2013 to June 21, 2018); Vice President of the Company (June 22 to September 13, 2018); President of the Company (September 14, 2018, to present); President and Geologist, Geodigital Systems Inc. (1991 to present)

Notes:

(1) The information as to voting securities beneficially owned, controlled, or directed, not being within the knowledge of the Company, has been obtained from the System for Electronic Disclosure by Insiders or furnished by the respective nominees individually. Based on this information, as at the date of this AIF, the directors and executive officers of the Company, as a group, beneficially owned, controlled or directed, directly or indirectly, 4,151,466 common shares, representing approximately 4.11% of the outstanding common shares.
(2) Member of the Disclosure Committee.
(3) 34,000 Common Shares are held directly, and 3,110,669 Common Shares are held by Artisan Investments Inc. a corporation controlled by Mr. Fenton.
(4) Member of the Audit Committee.
(5) Member of the Corporate Governance, Compensation and Nominating Committee.
(6) 429,373 Common Shares are held directly, 24,900 Common Shares are held by PTM Investment Club, a corporation controlled by Mr. Wallman and 21,700 Common Shares are held by Ms. Brenda Wallman, Mr. Wallman's wife, over which Common Shares Mr. Wallman has control and direction.
(7) 322,128 Common Shares are held directly, and 249,197 Common Shares are held by Ms. Wendy van der Kuur, Mr. van der Kuur's wife, over which Common Shares Mr. van der Kuur has control and direction.

Cease Trade Orders, Bankruptcies, Penalties or Sanctions

For the purposes of this section "Order" means:

(a) a cease trade order;

(b) an order similar to a cease trade order; or

(c) an order that denied the relevant company access to any exemption under securities legislation;

that was in effect for more than 30 days.

No director or executive officer of the Company, within 10 years before the date of this AIF, has been a director, chief executive officer or chief financial officer of any company that was subject to an Order that was issued:

(a) while the proposed director was acting in the capacity as director, chief executive officer or chief financial officer; or

(b) after the proposed director ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer.

No director or executive officer of the Company, or shareholders holding a sufficient number of securities to materially affect control of the Company has:

(a) as at the date of the AIF, or within 10 years before the date of the AIF, been a director or executive officer of any company that, while the proposed director was acting in that capacity, or within a year of the proposed director ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or

(b) within 10 years before the date of the AIF, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of such person.

No director or executive officer of the Company or a shareholder holding a sufficient number of securities to materially affect control of the company has been subject to:

(a) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or

(b) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor in making an investment decision.

PROMOTERS

No person or company has been, within the two most recently completed financial years or during the current financial year, a promoter of the Company.

CONFLICTS OF INTEREST

There are no known existing or potential conflicts of interest among the Company, or any of its subsidiaries, and the directors and officers of the Company as a result of their outside business interests except that certain of the directors and officers may serve as directors, officers, promoters and members of management of other companies and therefore it is possible that a conflict may arise between their duties as a director and officer of the Company and their duties as a director, officer, promoter or member of management of such other companies.

The directors and officers of the Company have been advised of the existence of laws governing accountability of directors and officers regarding corporate opportunity and requiring disclosures by directors of conflicts of interest, and the Company will rely upon such laws in respect of any directors' and officers' conflicts of interest or in respect of any breaches of duty by any of the directors or officers. All such conflicts shall be disclosed by such directors or officers and treated in accordance with the applicable laws of Ontario and the Company's constating documents.

LEGAL PROCEEDINGS AND REGULATORY ACTIONS

Other than as set out below, the Company was not subject to any material legal proceedings during its most recently completed financial year, nor is the Company or any of its properties a party to or the subject of any such proceedings, and no such proceedings are known to be contemplated. The Company may be involved in routine, non-material litigation arising in the ordinary course of business, from time to time.

There were no penalties or sanctions imposed against the Company by a court relating to provincial and territorial securities legislation or by a securities regulatory authority during its most recently completed financial year, nor have there been any other penalties or sanctions imposed by a court or regulatory body against the Company, and the Company has not entered into any settlement agreements before a court relating to provincial and territorial securities legislation or with a securities regulatory authority.

The Company is involved in legal proceedings relating to claims involving a former director and officer of the Company. The claim was commenced in the Ontario Superior Court of Justice on September 26, 2018, by Aubrey Eveleigh and Eveleigh Geological Consulting. Mr. Eveleigh seeks damages in excess of $5,000,000 in connection with an employment dispute. The Company is defending the claim and the proceedings remain ongoing, though the Company believes that the risk of significant loss in respect of the litigation is remote.

The Company subsequently commenced a claim against Mr. Eveleigh and Eveleigh Geological Consulting on March 24, 2020, in the Ontario Superior Court of Justice (Commercial List), in connection with past breaches of Mr. Eveleigh's fiduciary duties. Mr. Eveleigh has defended the claim and the Company submits that it continues to defend the action and maintains that the allegations as set out in the claim are frivolous and without merit.

On November 28, 2022, following the discovery process, the Company amongst other things, amended its claim to: (i) seek an order that Mr. Eveleigh disgorge any benefits obtained as a result of his misconduct; (ii) seek an order cancelling certain common shares of the Company held by Mr. Eveleigh; (iii) seek an order declaring that Mr. Eveleigh has no entitlement to any royalty payments or success fees in connection with the Albany Graphite Project; and (iv) seek an order that declares a constructive trust in favour of the Company over any and all monies received, directly or indirectly. The trial commenced on October 21, 2024, and closing submissions were held on January 17, 2025, and a decision has not been released as of the date hereof

On January 29, 2021, the Company was served with a statement claim issued by Graphene Composites Ltd. and is in the process of defending the action, which it considers frivolous and without merit.

The Company has considered the allegations as set out in the claim and, in light of the facts, the lack of clarity in the claim, and, based on discussions with the Company's litigation counsel, the assessment of the merits of the claim and the defenses available to the Company, and the Company's conclusion is that the risk of the Company suffering loss in respect of the claim is remote, and therefore the Company determined the claim not to be material or constituting "significant litigation" pursuant to the policies of the TSXV. The Company continues to view this claim as frivolous and will continue to vigorously defend itself against these allegations.

INTERESTS OF MANAGEMENT IN MATERIAL TRANSACTIONS

To the knowledge of management of the Company, no director or executive officer of the Company, person or company that beneficially owns, controls or directs, directly or indirectly, more than 10% of the common shares, or any associate or affiliate of any such persons, has or had any material interest, direct or indirect, in any transaction within the Company's three most recently completed financial years which has materially affected or will materially affect the Company or any of its subsidiaries other than as set out herein.

TRANSFER AGENT AND REGISTRAR

Effective as of November 22, 2021, the registrar and transfer agent of the Company is TSX Trust Company, having an address of 100 Adelaide Street West, Suite 301, Toronto, Ontario M5H 1S3.

MATERIAL CONTRACTS

Except as disclosed above with respect to the EkoMed Agreement, the VMedCare Agreement and the Southmedic Agreement under the headings "*Description of the Business - Economic Dependence*" and "*Three Year History - ZenGUARD™ Antimicrobial Compound*", and for contracts entered into in the ordinary course of business, the Company has not entered into any material contracts during the most recently completed financial year or which are still in force and effect, and which may reasonably be regarded as presently material.

EXPERTS AND INTERESTS OF EXPERTS

The auditor of the Company, BDO Canada LLP is independent within the meaning of the rules of Professional conduct of the Chartered Professional Accountants of Ontario and within the meaning of the Securities Acts administered by the Securities and Exchange Commission and the Public Company Accounting Oversight Board.

To the knowledge of the Company, the aforementioned firm, and designated professionals within such firm, held either less than 1% or no securities of the Company or of any associate or affiliate of the Company when they rendered services, or following the rendering of services or preparation of such reports or data, as applicable, during, or relating to the Company's most recently completed financial year, and either did not receive any or received less than 1% direct or indirect interest in any securities of the Company or of any associate or affiliate of the Company in connection with the rendering of such services or preparation of such reports or data.

AUDIT COMMITTEE INFORMATION

The Audit Committee's Charter

The directors of the Company have adopted a charter (the "**Charter**") for the audit committee (the "**Audit Committee**"), which sets out the Audit Committee's mandate, organization, powers and responsibilities. The full text of the Charter is attached hereto as Appendix "A" to this AIF.

Composition of the Audit Committee

The members of the Audit Committee are Eric Wallman CPA, CA (Chair), Ilse Treurnicht and John Snisarenko, each of whom are independent (as defined in National Instrument 52-110 - Audit Committees ("**NI 52-110**") adopted by the Canadian Securities Administrators), and all members are financially literate (as defined in NI 52-110).

Name of Member	Independent[(1)]	Financially Literate[(2)]
Eric Wallman CPA, CA (Chair)	Yes	Yes
Ilse Treurnicht	Yes	Yes
John Snisarenko	Yes	Yes

Notes:

(1) To be considered independent, a member of the Audit Committee must not have any direct or indirect "material relationship" with the Company. A "material relationship" is a relationship which could. in the view of the board of directors of the Company. be reasonably expected to interfere with the exercise of a member's independent judgment.

(2) To be considered financially literate. a member of the Committee must have the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Company's financial statements.

Relevant Education and Experience

Mr. Wallman is a graduate of the University of Manitoba in 1983 and obtained a full CA designation in 1986. He has held senior accounting and finance positions in the industry since 1991 and has been an active investor in the junior mining market since 1992. Currently, Mr. Wallman is the Senior Vice-President, Finance and Administration with Bothwell Cheese, which is the largest independently owned cheese manufacturer in Canada. His role includes strategic planning for Bothwell Cheese and two related companies.

Ms. Treurnicht holds a DPhil in chemistry from Oxford University in the United Kingdom, which she attended as a Rhodes Scholar. Ms. Treurnicht is the Managing Partner of TwinRiver Capital, an impact investment firm focused on advancing positive environmental and social impact while delivering strong financial returns. Ms. Treurnicht also brings several years of senior Board-level experience to the Company, currently serving as Chair of the Public Policy Forum, and a director of the Equality Fund.

Mr. Snisarenko is a 35 year veteran of the pharmaceutical/biotech industry with specific focus in ophthalmology and eye care, currently serving as an independent director, board member and advisor in the ophthalmology therapeutic area. Mr. Snisarenko is currently an independent board member of Alimera Sciences Inc. Prior thereto, he was Chief Commercial Officer of Oyster Point Pharma Inc. from September 2019 to July 2022. Prior thereto, he served as Group Vice-President and Head of Ophthalmology Franchise for Novartis Pharmaceuticals Corp. from July 2019 to September 2019 and for Takeda Pharmaceuticals U.S.A., Inc. from June 2017 to June 2019.

Reliance on Certain Exemptions

Except as disclosed below, at no time since the commencement of the Company's most recently completed financial year has the Company relied on any of the exemptions contained in the following sections of NI 52-110: section 2.4 (De Minimis Non-audit Services), section 3.2 (Initial Public Offerings), section 3.4 (Events Outside Control of Member), section 3.5 (Death, Disability or Resignation of Audit Committee Member) or an exemption from NI 52-110, in whole or in part, granted under Part 8 (Exemptions) of NI 52-110.

As a result of the resignation of Mr. Frank Klees as a director and member of the Audit Committee, the Company relied on the exemption set out in section 3.5 (Death, Disability or Resignation of Audit Committee Member) of NI 52-110 with the appointment of Ms. Lisa Sim as his replacement up until the appointment of Mr. John Snisarenko on October 5, 2023.

Audit Committee Oversight

At no time during the last financial year have any recommendations by the Audit Committee respecting the appointment and/or compensation of the external auditors of the Company not been adopted by the Board pre-approval policies and procedures.

The Audit Committee has adopted specific policies and procedures for the engagement of non- audit services as described in its Charter.

External Auditor Services Fees (By Category)

The following table discloses the fees billed to the Company by its external auditor during the last two completed financial years:

Financial Year Ending	Audit Fees (1)	Audit-Related Fees (2)	Tax Fees(3)	All Other Fees(4)
March 31, 2025	$247,000	$Nil	$Nil	$161,000
March 31, 2024	$254,000	$Nil	$Nil	$134,000

Notes:
(1) The aggregate fees billed for professional services rendered by the auditor for the audit of the Company's annual financial statements.
(2) The aggregate fees billed for assurance and related services that are reasonably related to the performance of the audit or review of the Company's financial statements and are not disclosed in the "Audit Fees" column.
(3) The aggregate fees billed for tax compliance, tax advice. and tax planning services.
(4) Represents fees billed by the auditor in connection with the review of the Company's quarterly statements, review and advisory on regulatory comment letters from OSC and consent and association services in connection with the Company's April 2024 Base Shelf Prospectus.

ADDITIONAL INFORMATION

Additional information relating to the Company may be found through a database search at SEDAR+ at www.sedarplus.ca. Additional information on the Company, including directors' and officers' remuneration and indebtedness, principal holders of the Company's securities, and securities authorized for issuance under equity compensation plans, is contained in the Company's management information circular dated August 19, 2024, which may be found on SEDAR+.

Additional financial information regarding the Company is provided in the Company's audited annual financial statements and management's discussion and analysis for the year ended March 31, 2025, which may be found on SEDAR+.

APPENDIX A
AUDIT COMMITTEE CHARTER

Mandate

The Audit Committee ("**Committee**") is a committee of the Board of Directors (the " **Board**"). Its primary function shall be to assist the Board in fulfilling its oversight responsibilities with respect to financial reporting, and disclosure requirements, the overall maintenance of the systems of internal controls that management has established and the overall responsibility for Zentek Ltd.'s (the "**Company**")external and internal audit processes.

The Committee shall have the power to conduct or authorize investigations into any matter within the scope of this Charter. It may request any officer or employee of the Company, its external legal counsel or external auditor to attend a meeting of the Committee or to meet with any member(s) of the Committee.

The Committee shall be accountable to the Board. In the course of fulfilling its specific responsibilities hereunder, the Committee shall maintain an open communication between the Company's outside auditor and the Board.

The responsibilities of a member of the Committee shall be in addition to such member's duties as a member of the Board.

The Committee has the duty to determine whether the Company's financial disclosures are complete, accurate, in accordance with international financial reporting standards and fairly present the financial position and risks of the organization. The Committee should, where it deems appropriate, resolve disagreements, if any, between management and the external auditor, and review compliance with laws and regulations and the Company's own policies.

The Committee will provide the Board with such recommendations and reports with respect to the financial disclosures of the Company as it deems advisable.

The Committee shall have the authority to: (i) engage independent counsel and other advisors as it determines necessary to carry out its duties; (ii) set and pay the compensation for advisors employed by the Committee; and (iii) communicate directly with the internal and external auditors.

Membership and Composition

The Committee shall consist of at least three Directors who shall serve on behalf of the Board all of whom are independent and financially literate.

The members shall be appointed annually by the Board and shall meet the independence, financial literacy, and experience requirements of the TSXV, including National Instrument 52-110 - *Audit Committees*, and other regulatory agencies as required.

An "independent" director is a director who has no direct or indirect material relationship with the Company. A "material relationship" is a relationship which, in the view of the Board, could be reasonably expected to interfere with the exercise of the director's independent judgement, or a relationship deemed to be a material relationship pursuant to Sections 1.4 and 1.5 of National Instrument 52-110 - *Audit Committees*. A "financially literate" director is a director who has the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the accounting issues that can reasonably be expected to be raised in the Company's financial statements.

Each member of the Committee shall sit at the appointment of the Board, and in any event, only so long as he or she shall be independent.

A minimum of two and at least 50% of the members of the Committee present, either in person or by telephone, shall constitute a quorum. If within one hour of the time appointed for a meeting of the Committee, a quorum is not present, the meeting shall stand adjourned to the same hour on the next business day following the date of such meeting at the same place. If at the adjourned meeting a quorum as hereinbefore specified is not present within one hour of the time appointed for such adjourned meeting, such meeting shall stand adjourned to the same hour on the second business day following the date of such meeting at the same place. If at the second adjourned meeting a quorum as hereinbefore specified is not present, the quorum for the adjourned meeting shall consist of the members then present.

If and whenever a vacancy shall exist, the remaining members of the Committee may exercise all of their powers and responsibilities so long as a quorum remains in office.

The Board will appoint one Member to act as the Chairman of the Committee. In his or her absence, the Committee may appoint another person provided a quorum is present. The Chairman will appoint a Secretary of the meeting, who need not be a member of the committee and who will maintain the minutes of the meeting.

Meetings

At the request of the external auditor, the Chief Executive Officer or the Chief Financial Officer of the Company or any member of the Committee, the Chairman will convene a meeting of the Committee. In advance of every meeting of the Committee, the Chairman, with the assistance of the Chief Financial Officer, will ensure that the agenda and meeting materials are distributed in a timely manner and no less than five (5) business days before the meeting.

The Committee shall meet no less than four times per year or more frequently if circumstances or obligations require.

The time and place at which meetings of the Committee shall be held, and procedures at such meetings, shall be determined from time to time by the Committee. A meeting of the Committee may be called by letter, telephone, facsimile, email or other communication equipment by giving at least 48 hours' notice, provided that no notice of a meeting shall be necessary if all of the members are present either in person or by means of conference telephone, or if those absent have waived notice or otherwise signified their consent to the holding of such meeting.

Any member of the Committee may participate in the meeting of the Committee by means of conference telephone or other communication equipment, and the member participating in a meeting pursuant to this paragraph shall be deemed, for purposes hereof, to be present in person at the meeting.

The Committee shall keep minutes of its meetings which shall be submitted to the Board. The Committee may from time to time appoint any person, who need not be a member, to act as a secretary at any meeting.

The Committee may invite such officers, directors and employees of the Company and its subsidiaries as the Committee may see fit, from time to time, to attend meetings of the Committee.

Any matters to be determined by the Committee shall be decided by a majority of votes cast at a meeting of the Committee called for such purpose. Actions of the Committee may be taken by an instrument or instruments in writing signed by all of the members of the Committee, and such actions shall be effective as though they had been decided by a majority of votes cast at a meeting of the Committee called for such purpose. The Committee shall report its determinations to the Board at the next scheduled meeting of the Board, or earlier as the Committee deems necessary. All decisions or recommendations of the Committee shall require the approval of the Board prior to implementation, other than those relating to non-audit services and annual audit fees, which do not require the approval of the Board.

Duties and Responsibilities

The duties and responsibilities of the Committee shall be as follows:

A. Financial Reporting, and Disclosure:

i. Review and discuss with management and the external auditor at the completion of the annual examination:

(a) the Company's audited financial statements and related notes;

(b) the external auditor's audit of the financial statements and their report thereon;

(c) any significant changes required in the external auditor's audit plan;

(d) any serious difficulties or disputes with management encountered during the course of the audit; and

(e) other matters related to the conduct of the audit, which are to be communicated to the Committee under generally accepted auditing standards.

ii. Review and discuss with management and the external auditor at the completion of any review engagement or other examination, the Company's quarterly financial statements.

iii. Review and discuss with management the annual reports, the quarterly reports, the Management Discussion and Analysis, Annual Information Form, prospectus, and other disclosures including press releases and, if thought advisable, recommend the acceptance of such documents to the Board for approval.

iv. Review and discuss with management any guidance being, provided to shareholders on the expected future results and financial performance of the Company and provide their recommendations on such documents to the Board.

v. Inquire of the auditors about the quality and acceptability of the Company's accounting principles, including the clarity of financial disclosure and the degree of conservatism or aggressiveness of the accounting policies and estimates.

vi. Meet independently with the external auditor and management in separate executive sessions, as necessary or appropriate.

vii. Ensure that management has the proper systems in place so that the Company's financial statements, financial reports and other financial information satisfy legal and regulatory requirements. Based upon discussions with the external auditor and the financial statement review, if it deems appropriate, recommend to the Board the filing of the audited annual and unaudited quarterly financial statements.

viii. Oversee and enforce Company's public disclosure practices.

ix. Confirm and be satisfied that adequate procedures are in place for the review of the Company's public disclosure of financial information extracted or derived from the financial statements and periodically assess the adequacy of those procedures.

x. The Committee will, as applicable, establish procedures for:

(a) the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls, or auditing matters; and

(b) the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters.

B. External Auditor:

i. Recommend to the Board the external auditor to be nominated and review the performance of the auditor, including the lead partner of the external auditor.

ii. Recommend to the Board the compensation of the external auditor.

iii. Oversee the work of external auditors engaged for the purpose of preparing or issuing an auditor's report or performing other audit, review or attest services for the Company, including the resolution of disagreements between management and the external auditor regarding financial reporting.

iv. Pre-approve all non-audit services to be provided by the external auditor.

v. Consider, in consultation with the external auditor, the audit scope and plan of the external auditor.

vi. Confirm with the external auditor and receive written confirmation at least once per year as to disclosure of any investigations or government enquiries, reviews or investigations of the outside auditor.

vii. Take reasonable steps to confirm the independence of the external auditor, which shall include:

(a) ensuring receipt from the external auditor of a formal written statement delineating all relationships between the external auditor and the Company, consistent with generally accepting auditing practices,

(b) considering and discussing with the external auditor any disclosed relationships or services, including non audit services, that may impact the objectivity and independence of the external auditor, and

(c) approve in advance any non audit related services provided by the auditor to the Company with a view to ensuring., independence of the auditor, and in accordance with any applicable regulatory requirements, including the requirements of the TSXV with respect to approval of non audit related serviced performed by the auditor.

C. Internal Controls and Audit:

i. Review and assess the adequacy and effectiveness of the Company's systems of internal and management information systems through discussion with management and the external auditor to ensure that the Company maintains appropriate systems, is able to assess the pertinent risks of the Company and that the risk of a material misstatement in the financial disclosures can be detected.

ii. Assess the requirement for the appointment of an internal auditor for the Company.

iii. Inquire of management and the external auditor about the systems of internal controls that management and the Board have established and the effectiveness of those systems. In addition, inquire of management and the external auditor about significant financial risks or exposures and the steps management has taken to minimize such risks to the Company.

iv. Establish, periodically review, and approve the Company's hiring policies regarding partners, employees and former partners and employees of the present and former External Auditor of the Company, as applicable.

Oversight Function

While the Committee has the responsibilities and powers set forth in this Charter, it is not the duty of the Committee to plan or conduct audits or to determine that the Company's financial statements are complete and accurate or are in accordance with IFRS and applicable rules and regulations. These are the responsibilities of management and the external auditors. The Committee, the Chair, and any members identified as having accounting or related financial expertise, are members of the Board appointed to the Committee to provide broad oversight of the financial, risk and control related activities of the Company, and are specifically not accountable or responsible for the day- to-day operation or performance of such activities.

Although the designation of a member as having accounting or related financial expertise for disclosure purposes is based on that individual's education and experience, which that individual will bring to bear in carrying out his or her duties on the Committee, such designation does not impose on such person any duties, obligations or liability that are greater than the duties, obligations and liability imposed on such person as a member of the Committee and the Board in the absence of such designation. Rather, the role of a Committee member who is identified as having accounting or related financial expertise, like the role of all members, is to oversee the process, not to certify or guarantee the internal or external audit of the Company's financial information or public disclosure.

Independent Advisors

The Committee shall have the authority to retain such independent advisors as it may deem necessary or advisable for its purposes and communicate directly with such advisors. The expenses related to such engagements shall be determined by the Committee and funded by the Company.

Charter Review

The Committee will annually review and reassess the adequacy of this policy and submit any recommended changes to the Board for approval.

Adoption

This Policy was adopted by the Board on June 28, 2023.

Zentek Ltd.

Consolidated Financial Statements
For the years ended March 31, 2025 and 2024

(Expressed in Canadian Dollars)

MARCH 31, 2025 AND 2024 **PAGE**

Independent Auditor's Report Report of Independent Registered Public Accounting Firm (PCAOB ID#1227)	
Consolidated Statements of Financial Position	1
Consolidated Statements of Loss and Comprehensive Loss	2
Consolidated Statements of Changes in Equity	3
Consolidated Statements of Cash Flows	4
Notes to the Consolidated Financial Statements	5-35

Tel: (604) 688-5421
Fax: (604) 688-5132
www.bdo.ca

BDO Canada LLP
1100 Royal Centre
1055 West Georgia Street, P.O. Box 11101
Vancouver, British Columbia
V6E 3P3

Report of Independent Registered Public Accounting Firm

Shareholders and Board of Directors
Zentek Ltd.
Thunder Bay, Ontario

Opinion on the Consolidated Financial Statements

We have audited the accompanying consolidated statements of financial position of Zentek Ltd. (the "Company") as of March 31, 2025 and 2024, the related consolidated statements of loss and comprehensive loss, changes in equity and cash flows, for each of the years then ended, and the related notes (collectively referred to as the "consolidated financial statements"). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company at March 31, 2025 and 2024, and the results of its operations and its cash flows for each of the years then ended in conformity with International Financial Reporting Standards and International Accounting Standards as issued by the International Accounting Standards Board and Interpretations (collectively IFRS Accounting Standards).

Substantial Doubt About the Company's Ability to Continue as a Going Concern

The accompanying consolidated financial statements have been prepared assuming that the Company will continue as a going concern. As discussed in Note 1 to the consolidated financial statements, the Company has suffered recurring losses from operations and has an accumulated deficit that raise substantial doubt about its ability to continue as a going concern. Management's plans in regard to these matters are also described in Note 1. The consolidated financial statements do not include any adjustments that might result from the outcome of this uncertainty.

Basis for Opinion

These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's consolidated financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) ("PCAOB") and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audits we are required to obtain an understanding of internal control over financial reporting but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion.

BDO Canada LLP, a Canadian limited liability partnership, is a member of BDO International Limited, a UK company limited by guarantee, and forms part of the international BDO network of independent member firms.

Our audits included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. We believe that our audits provide a reasonable basis for our opinion.

BDO Canada LLP

Chartered Professional Accountants

We have served as the Company's auditor since 2022.
Vancouver, Canada
June 26, 2025

ZENTEK LTD.
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

(Stated in Canadian Dollars)	**As at March 31, 2025 $**	As at March 31, 2024 $
ASSETS		
Current assets		
Cash and cash equivalents [note 13]	**121,481**	3,521,420
Accounts and other receivables - net [note 4]	**1,202,745**	296,530
Loan receivable [note 5]	**-**	543,263
Inventories [note 6]	**887,509**	1,421,982
Prepaids and deposits	**278,051**	465,758
Property held for sale - net [note 7]	**1,878,107**	-
Total current assets	**4,367,893**	6,248,953
Non-current assets		
Inventories [note 6]	**1,294,339**	1,293,789
Property and equipment - net [note 7]	**5,278,882**	7,770,457
Exploration and evaluation assets [note 8]	**7,455,071**	7,271,857
Total non-current assets	**14,028,292**	16,336,103
Total assets	**18,396,185**	22,585,056
LIABILITIES		
Current liabilities		
Accounts payable and accrued liabilities [note 9]	**2,966,264**	1,169,262
Current portion of lease liability [note 10]	**171,990**	151,129
Current portion of long-term debt [note 11]	**346,747**	498,613
Total current liabilities	**3,485,001**	1,819,004
Non-current liabilities		
Lease liability [note 10]	**161,737**	333,727
Long-term debt [note 11]	**-**	259,114
Total non-current liabilities	**161,737**	592,841
Total liabilities	**3,646,738**	2,411,845
SHAREHOLDERS' EQUITY		
Share capital [note 12(a)]	**89,477,168**	86,105,945
Warrants [note 12(b)]	**89,737**	-
Share-based payment reserve [note 12(c)]	**8,563,163**	10,216,329
Shares to be issued [note 8(a)]	**472,500**	472,500
Deficit	**(83,853,121)**	(76,621,563)
Total shareholders' equity	**14,749,447**	20,173,211
Total shareholders' equity and liabilities	**18,396,185**	22,585,056

Nature of Business and Going Concern [note 1]
Commitments and Contingencies [note 18]

Subsequent Events [note 24]

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

These consolidated financial statements were authorised for issue by the Board of Directors on June 26, 2025.
Approved on behalf of the Board of Directors:

"Greg Fenton" , Director

"Ilse Treurnicht" , Director

ZENTEK LTD.
CONSOLIDATED STATEMENTS OF LOSS AND COMPREHENSIVE LOSS

(Stated in Canadian Dollars) **FOR THE YEARS ENDED MARCH 31**	**2025** **$**	(As restated) (Note 22) 2024 $
REVENUE		
Net sales	**872,495**	29,816
COST OF SALES	**644,610**	289,011
GROSS MARGIN	**227,885**	(259,195)
EXPENSES		
Depreciation and amortisation [note 7]	**600,322**	613,714
Consulting fees	**127,480**	629,655
Directors fees [note 14]	**252,500**	173,125
Insurance	**354,186**	396,657
Investor relations and promotion	**94,411**	199,131
Listing and filing fees	**222,945**	180,495
Office expenses	**106,698**	142,822
Professional fees	**2,288,633**	1,380,611
Rent	**311,556**	359,651
Research and development	**465,653**	1,775,495
Salaries and benefits [note 14]	**3,023,656**	3,819,843
Share-based compensation [notes 12(c) and 14]	**1,529,934**	1,786,453
Supplies and materials	**35,400**	42,069
Travel	**165,741**	137,833
Other expenses [note 21]	**254,183**	504,680
	9,833,298	12,142,234
Loss before other income (expenses)	**(9,605,413)**	(12,401,429)
Interest income	**101,613**	405,483
Interest expense	**(91,323)**	(107,373)
Loss on disposal of equipment	**(14,544)**	(156,531)
Other income (expense) [note 9]	**(429,991)**	37,863
Income tax credit received	**-**	99,784
Government grants [note 20]	**-**	418,213
Total other income (expense)	**(434,245)**	697,439
Net loss and comprehensive loss for the period	**(10,039,658)**	(11,703,990)
Basic and diluted net loss per share [note 19]	**(0.10)**	(0.12)

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

ZENTEK LTD.
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

(Stated in Canadian Dollars)	**Number of Shares**	**Share Capital $**	**Warrants $**	**Share-Based Payment Reserve $**	**Shares to be Issued $**	**Deficit $**	**Total Shareholders' Equity $**

Balance as at March 31, 2023	99,533,982	85,754,399	-	10,355,611	472,500	(66,198,308)	30,384,202
Stock options exercised [note 12(a)]	1,527,696	758,000	-	(645,000)	-	-	113,000
Shares purchased for cancellation [note 12(a)]	(245,100)	(408,853)	-	-	-	-	(408,853)
Share issued	2,999	2,399	-	-	-	-	2,399
Stock options expired [note 12(c)]	-	-	-	(1,280,735)	-	1,280,735	-
Recognition of share-based compensation [note 12(c)]	-	-	-	1,786,453	-	-	1,786,453
Net loss and comprehensive loss for the year	-	-	-	-	-	(11,703,990)	(11,703,990)
Balance as at March 31, 2024	100,819,577	86,105,945	-	10,216,329	472,500	(76,621,563)	20,173,211
Issuance of units [note 12(a)]	2,361,500	2,980,213	89,737	-	-	-	3,069,950
Unit issue costs [note 12(a)]	-	(73,624)	-	-	-	-	(73,624)
Stock options exercised [note 12(a)]	1,312,751	607,500	-	(375,000)	-	-	232,500
Stock options expired [note 12(c)]	-	-	-	(2,808,100)	-	2,808,100	-
Shares purchased for cancellation [note 12(a)]	(102,900)	(142,866)	-	-	-	-	(142,866)
Recognition of share-based compensation [note 12(c)]	-	-	-	1,529,934	-	-	1,529,934
Net loss and comprehensive loss for the year	-	-	-	-	-	(10,039,658)	(10,039,658)
Balance as at March 31, 2025	104,390,928	89,477,168	89,737	8,563,163	472,500	(83,853,121)	14,749,447

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

ZENTEK LTD.
CONSOLIDATED STATEMENTS OF CASH FLOWS

(Stated in Canadian Dollars) **FOR THE YEARS ENDED MARCH 31**	**2025** **$**	2024 $
OPERATING ACTIVITIES		
Loss for the year	**(10,039,658)**	(11,703,990)
Items not affecting cash		
Depreciation and amortisation [note 7]	**600,322**	613,714
Loan receivable accrued interest	**-**	(22,739)
Loss on disposal of equipment	**14,544**	156,531
Share-based compensation [note 12(c)]	**1,529,934**	1,786,453
Valuation allowance on inventory [note 6]	**136,447**	203,553
Net change in non-cash working capital balances [note 13]	**1,475,970**	914,889
Cash flows used in operating activities	**(6,282,441)**	(8,051,589)
INVESTING ACTIVITIES		
Loan receivable advanced	**(2,587)**	(36,882)
Loan receivable repayment	**545,850**	2,500,000
Mineral exploration and evaluation expenditures capitalised	**(183,214)**	(271,857)
Proceeds on sale of property and equipment	**-**	10,000
Purchase of property and equipment [notes 7 and 13]	**(1,398)**	(320,099)
Cash flows from (used in) investing activities	**358,651**	1,881,162
FINANCING ACTIVITIES		
Payments on lease liability [note 10]	**(151,129)**	(129,264)
Payments on long-term debt [note 11]	**(410,980)**	(240,353)
Proceeds from stock options exercised [note 12(a)]	**232,500**	113,000
Shares purchased for cancellation [note 12(a)]	**(142,866)**	(408,853)
Units issued [note 12(a)]	**3,069,950**	-
Unit issue costs	**(73,624)**	-
Cash flows used in financing activities	**2,523,851**	(665,470)
Change in cash and cash equivalents during the year	**(3,399,939)**	(6,835,897)
Cash and cash equivalents, beginning of year	**3,521,420**	10,357,317
Cash and cash equivalents, end of year	**121,481**	3,521,420

Supplementary disclosures - see note 13

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

1. NATURE OF BUSINESS AND GOING CONCERN

Zentek Ltd. (the "Company") was incorporated on July 29, 2008 under the laws of the province of Ontario, Canada. The principal business of the Company is to develop opportunities in the graphene and related nano-materials industry based on its intellectual property, patents and Albany graphite. The address of the Company's executive office is 24 Corporate Court, Guelph, Ontario, N1G 5G5, Canada.

The Company is an emerging high-tech nano-graphite and graphene materials company based in Guelph, Ontario, Canada. The current focus is to bring to market innovative products including surgical masks and HVAC filters with the Company's ZenGUARD^{TM} coating, Rapid Detection Point of Care diagnostics tests and continue to develop potential pharmaceutical products based on its patent-pending graphene-based compound.

The business of mining and exploring for minerals involves a high degree of risk and there can be no assurance that current exploration programs will result in profitable mining operations. The recoverability of the carrying value of exploration properties and the Company's continued existence is dependent upon the preservation of its interest in the underlying properties, the discovery of economically recoverable reserves, the achievement of profitable operations, or the ability of the Company to raise alternative financing, if necessary, or alternatively upon the Company's ability to dispose of its interests on an advantageous basis. Changes in future conditions could require material write downs of the carrying values.

Although the Company has taken steps to verify title to the properties on which it is conducting exploration and in which it has an interest, in accordance with industry standards for the current stage of exploration of such properties, these procedures do not guarantee the Company's title. Property title may be subject to unregistered prior agreements, social licensing requirements and non-compliance with regulatory requirements. The Company's assets may also be subject to increases in taxes and royalties, renegotiation of contracts, and political uncertainty.

The Company's operating segments are organized into the following reportable segments:

- Intellectual Property Development - Includes manufacturing and distribution of graphene related products.
- Biotech - Includes service revenue generated through aptamer technology.
- Albany Project - Includes the exploration and evaluation asset and mineral exploration activities.
- Unallocated Corporate Costs - Includes corporate activities and certain unallocated costs.

During the year, the Company adopted segment reporting as a result of revenue being recognized in an additional segment. The comparative figures have been restated to reflect the change in segment reporting.

These consolidated financial statements of the Company for the year ended March 31, 2025 were approved and authorised for issue by the Board of Directors on June 26, 2025.

The technology industry presents a high degree of risk and there can be no assurance that the Company's research and development will result in profitable operations. The Company's ability to meet its obligations arising from normal business operations, continue its research and development, and generate future profits is dependent upon its ability to obtain necessary financing. While the Company has been successful at raising funds in the past, there can be no assurance that it will be able to do so in the future. These consolidated financial statements are prepared on a going concern basis, which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of operations

As at March 31, 2025, the Company had not yet achieved profitable operations and had an accumulated deficit of $ 83,853,121 and expects to incur further losses in the development of its business. These events and conditions indicate that a material uncertainty exists that may cast substantial doubt on the Company's ability to continue as a going concern. The ability to continue as a going concern is dependent on obtaining continued financial support, obtaining financing, or generating profitable operations in the future. Management is committed to raising additional capital to meet its obligations; however, additional debt and/or equity financing is subject to the global financial markets and economic conditions.

These consolidated financial statements do not reflect the adjustments to the carrying value of assets and liabilities, the reported revenues and expenses, and the statement of financial position classifications that would be necessary if the going concern assumption was not appropriate. Any adjustments necessary to the consolidated financial statements if the Company ceases to be a going concern could be material.

2. MATERIAL ACCOUNTING POLICY INFORMATION

Statement of Compliance
These consolidated financial statements, including comparatives, have been prepared using accounting policies consistent with International Financial Reporting Standards and International Accounting Standards as issued by the International Accounting Standards Board (IASB) and Interpretations (collectively IFRS Accounting Standards).

Basis of Presentation
The consolidated financial statements have been prepared using the measurement bases specified by IFRS Accounting Standards for each

type of asset, liability, income and expense. The measurement bases are more fully described in the accounting policies below. The consolidated financial statements are prepared on the historical cost basis. In addition, these consolidated financial statements are prepared using the accrual basis of accounting, except for cash flow information.

The preparation of consolidated financial statements in conformity with IFRS Accounting Standards requires management to make judgements, estimates, and assumptions that affect the application of policies and reported amounts of assets and liabilities and disclosures of contingent assets and contingent liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the year.

The consolidated financial statements consolidate the accounts of the Company and all of its subsidiaries. The Company has the following wholly owned subsidiaries: Triera Biosciences Ltd., 1000114904 Ontario Inc., Zentek USA Inc. and Albany Graphite Corp.

Foreign Currency Translation
The consolidated financial statements are presented in Canadian dollars, which is the functional currency of the Company and its subsidiaries. In preparing the consolidated financial statements, transactions in currencies other than the entity's functional currency are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non- monetary items that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Gains/losses on translation are recorded in profit or loss.

Financial Instruments

Financial assets

Initial recognition and measurement
The Company determines the classification of financial assets at the time of initial recognition based on the Company's business model and the contractual terms of the cash flows.

All financial assets are recognised initially at fair value plus directly attributable transaction costs on the trade date at which the Company becomes a party to the contractual provisions of the instrument.

Cash and amounts receivable held for collection of contractual cash flows are measured at amortised cost.

Subsequent measurement - financial assets at amortised cost
After initial recognition, financial assets measured at amortised cost are subsequently measured at the end of each reporting period at amortised cost using the Effective Interest Rate ("EIR") method. Amortised cost is calculated by taking into account any discount or premium on acquisition and any fees or costs that are an integral part of the EIR. The Company's financial assets measured at amortised cost correspond to cash, accounts and other receivables and loan receivable and their nominal value is similar to their amortised cost.

2. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Derecognition
A financial asset is derecognised when the contractual rights to the cash flows from the asset expire, or the Company no longer retains substantially all the risks and rewards of ownership.

Impairment of financial assets
The Company's only financial assets subject to impairment are accounts and other receivables and loan receivable, which are measured at amortised cost. The Company has elected to apply the simplified approach to impairment as permitted by IFRS 9, which requires the expected lifetime loss to be recognised at the time of initial recognition of the receivable. To measure estimated credit losses, accounts receivable have been grouped based on shared credit risk characteristics, including the number of days past due. An impairment loss is reversed in subsequent periods if the amount of the expected loss decreases and the decrease can be objectively related to an event occurring after the initial impairment was recognised.

Financial liabilities

Initial recognition and measurement
Financial liabilities are measured at amortised cost. The Company's financial liabilities include accounts payable and accrued liabilities and long-term debt which are measured at amortised cost. All financial liabilities are recognised initially at fair value and in the case of long-term debt, net of directly attributable transaction costs.

Subsequent measurement - financial liabilities at amortised cost
After initial recognition, financial liabilities measured at amortised cost are subsequently measured at the end of each reporting period at amortised cost using the EIR. Amortised cost is calculated by taking into account any discount or premium on acquisition and any fees or costs that are an integral part of the EIR. The Company's financial liabilities measured at amortised cost correspond to accounts payable, lease liability and long-term debt and their nominal value is similar to their amortised cost.

Derecognition
A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expires with any associated gain or loss recognised in other income or expense in the statements of loss.

Assets held for sale

The Company has accounted for assets held for sale in accordance with IFRS 5 *Non-current assets held for sale and discontinued operations* . Items classified as held for sale are non-current assets and liabilities that will be recovered principally through a sale transaction rather than continual use. This condition is satisfied when the asset is available for immediate sale in its present condition, management is committed to the sale, and it is highly probable to occur within one year. Non-current assets (and disposal groups) classified as held for sale are measured at the lower of their previous carrying amount and fair value less selling costs and, if significant, are presented separately from other assets as current assets on the statements of financial position. If assets are held for longer than 12 months, the Company records a provision for the expected decrease in sales value.

2. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Exploration and Evaluation Assets
Exploration and evaluation assets include the costs of acquiring licenses, costs associated with exploration and evaluation activity (e.g. geological, geophysical studies, exploratory drilling and sampling), and the fair value (at acquisition date) of exploration and evaluation assets acquired in a business combination or asset purchase. The Company follows the practice of capitalizing all costs related to the acquisition of, exploration for and evaluation of mineral claims and crediting all revenue, including government assistance, received against the cost of related claims. Costs incurred before the Company has obtained the legal rights to explore an area are recognised as expenses of the Company.

Capitalised costs are only allocated to the extent that these costs can be related directly to operational activities in the relevant area of interest where it is considered likely to be recoverable by future exploitation or sale or where the activities have not reached a stage which permits a reasonable assessment of the existence of reserves.

Exploration and evaluation assets are assessed for impairment at each financial reporting date or when facts and circumstances suggest that the carrying amount exceeds the recoverable amount. The aggregate costs related to abandoned mineral claims are charged to operations at the time of any abandonment or when it has been determined that there is evidence of a permanent impairment.

Once the technical feasibility and commercial viability of the extraction of mineral resources in an area of interest are demonstrable, exploration and evaluation assets attributable to that area of interest are first tested for impairment and then reclassified to mining property and development assets within property, plant and equipment.

Recoverability of the carrying amount of the exploration and evaluation assets is dependent on successful development and commercial exploitation, or alternatively, sale of the respective areas of interest.

Property and Equipment
Equipment is carried at acquisition cost less subsequent depreciation and impairment losses. Depreciation is recognised on a declining balance basis over the estimated useful lives of the equipment less estimated residual value. The rates applicable are:

Building	4%
Office furniture and equipment	20%
Equipment - Manufacturing	Straight-line over 20 years
Signage	20%
Computers	20%
Computer software	100%
Leasehold improvements	Straight-line over lower of term of lease or economic life
Right of Use Assets	Straight-line over lower of term of lease or economic life

Material residual value estimates and estimates of useful life are updated as required, but at least annually.

Gains or losses arising on the disposal of equipment are determined as the difference between the disposal proceeds and the carrying amount of the assets and are recognised in profit or loss.

2. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Impairment of Non-Financial Assets
At each financial reporting date, the carrying amounts of the Company's non-financial assets are reviewed to determine whether there is any indication that those assets are impaired. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment, if any. The recoverable amount is the higher of fair values less costs to sell, and value in use.

Fair value is determined as the amount that would be obtained from the sale of the asset in an arm's length transaction between knowledgeable and willing parties. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. If the

recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount and the impairment loss is recognised in the profit or loss for the period.

For the purposes of impairment testing, exploration and evaluation assets are allocated to cash-generating units to which the exploration activity relates. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs. When an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

Tangible assets that have been impaired in prior periods are tested for possible reversal of impairment whenever events or changes in circumstances indicate that the impairment has reversed. If the impairment has reversed, the carrying amount of the asset is increased to its recoverable amount but not beyond the carrying amount that would have been determined had no impairment loss been recognized for the asset in the prior periods. A reversal of an impairment loss is recognized into earnings immediately.

Share Capital
Share capital represents the fair value of consideration received, less related costs.

Warrants
Warrants are recorded at their fair value on the date of issue, net of issue costs. The Company uses the Black-Scholes option pricing model to estimate the fair value of warrants issued. On the exercise of warrants, consideration received and the accumulated warrant value attributed to the portion exercised is credited to share capital. For those warrants that expire after vesting, the recorded value is transferred to deficit.

2. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Units Issued (Common Shares with Warrants)

The Company may issue units consisting of common shares and warrants in public or private offerings. Each unit typically consists of one common share and a fraction or whole of a common share purchase warrant. The Company accounts for the issuance of such units in accordance with IAS 32 - Financial Instruments: Presentation and IFRS 9 - Financial Instruments, as follows:

- The common share component is classified as equity and measured at the residual amount after determining the fair value of any financial liability components.
- The warrant component is evaluated to determine whether it meets the definition of an equity instrument under IAS 32. If the warrants are:
  - Equity-classified (e.g., fixed-for-fixed in the entity's own equity): the allocated amount is recorded within equity (typically as "Warrants").
  - Liability-classified (e.g., cash-settled or with variable settlement terms): the fair value of the warrants is recorded as a financial liability at initial recognition, with subsequent changes in fair value recognized in profit or loss.

The allocation of proceeds from unit issuances is performed using the relative fair value method, unless the warrants are classified as liabilities. In that case, the liability component is measured first at fair value, with the residual amount allocated to equity.

Transaction costs directly attributable to the issuance of equity instruments are deducted from equity, net of any related tax effects. Costs attributable to the issuance of financial liabilities are expensed as incurred or included in the initial carrying amount of the liability as appropriate.

Share-Based Payments
Equity-settled share-based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date. Details regarding the determination of the fair value of equity-settled share-based transactions are set out in the share-based payment note. See note 12(c).

The fair value determined at the grant date of the equity-settled share-based payments is expensed over the period during which the employee becomes unconditionally entitled to equity instruments, based on the Company's estimate of equity instruments that will eventually vest. At the end of each reporting period, the Company revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the equity-settled employee benefits reserve.

Equity-settled share-based payment transactions with parties other than employees are measured at the fair value of the goods or services received, except where that fair value cannot be estimated reliably, in which case they are measured at the fair value of the equity instruments granted, measured at the date the entity obtains the goods or the counterparty renders the service.

Charges for options that are forfeited before vesting are reversed from share-based payment reserve. For those options that expire after vesting, the recorded value is transferred to deficit.

On the exercise of options, consideration received and the accumulated option value attributed to the portion exercised is credited to share capital.

2. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Cash and Cash Equivalents
The Company's policy is to disclose cash, bank account balances, cashable investment-grade deposit certificates and non- cashable investment-grade deposit certificates that are readily convertible to a known amount of cash and be subject to an insignificant risk of changes in value as cash and cash equivalents. Cash and cash equivalents are held in Canadian chartered banks or financial institutions controlled by a Canadian chartered bank.

Segment Reporting
Segment results that are reported to the Chief Operating Decision Makers, being the Company's Board of Directors and senior leadership team, include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Operating segments are aggregated if they are similar and demonstrate similar economic characteristics. Unallocated items comprise mainly corporate assets (primarily the Company's headquarters), and head office expenses.

Loss per Share
Basic loss per share is calculated using the weighted average number of shares outstanding. In order to determine diluted loss per share, any proceeds from the exercise of dilutive stock options and warrants would be used to repurchase common shares at the average market price during the period, with the incremental number of shares being included in the denominator of the diluted loss per share calculation. The diluted loss per share calculation excludes any potential conversion of warrants and options that would increase earnings per share or decrease loss per share. The outstanding stock options and warrants to purchase common shares disclosed in note 12 were not included in the computation of the diluted loss per share for the periods presented because the effect would be anti-dilutive.

Income Taxes
Tax expense recognised in profit or loss comprises the sum of deferred tax and current tax not recognised in other comprehensive income or directly in equity. Current income tax assets and/or liabilities comprise those obligations to, or claims from, fiscal authorities relating to the current or prior reporting periods, that are unpaid at the reporting date. Current tax is payable on taxable profit, which differs from profit or loss in the consolidated financial statements. Calculation of current tax is based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period, adjusted for amendments to tax payable with regards to previous years.

Deferred income taxes are calculated using the liability method on temporary differences between the carrying amounts of assets and liabilities and their tax bases. However, deferred tax is not provided on the initial recognition of goodwill, or on the initial recognition of an asset or liability unless the related transaction is a business combination or affects tax or accounting profit.

Deferred tax assets and liabilities are calculated, without discounting, at tax rates that are expected to apply to their respective period of realization, provided they are enacted or substantively enacted by the end of the reporting period. Deferred tax liabilities are always provided for in full. Deferred tax assets are recognised to the extent that it is probable that they will be able to be utilised against future taxable income. The Company has not recognised deferred tax assets to the extent that the Company does not consider it probable that a deferred tax asset will be recovered.

Deferred tax assets and liabilities are offset only when the Company has a right and intention to offset current tax assets and liabilities from the same taxation authority.

Changes in deferred tax assets or liabilities are recognised as a component of taxable income or expense in profit or loss, except where they relate to items that are recognised in other comprehensive income or directly in equity, in which case the related deferred tax is also recognised in other comprehensive income or equity, respectively.

2. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Restoration, Rehabilitation, and Environmental Obligations
An obligation to incur restoration, rehabilitation and environmental costs arises when the Company has a present legal or constructive obligation caused by the exploration, development or ongoing production of a mineral property interest. Such costs arising from the decommissioning of plant and other site preparation work, discounted to their net present value, are provided for and capitalised at the start of each project to the carrying amount of the asset, as soon as the obligation to incur such costs arises. Discount rates using a pre-tax rate that reflect the time value of money are used to calculate the net present value. These costs are charged against profit or loss over the economic life of the related asset, through amortization using either the units-of-production or the straight-line method. The related liability is adjusted for each period for the unwinding of the discount rate and for changes to the current market-based discount rate, amount or timing of the underlying cash flows needed to settle the obligation. Costs for restoration of subsequent site damage which is created on an ongoing basis during production are provided for at their net present values and charged against profits as extraction progresses. The Company had no material restoration, rehabilitation and environmental obligations as at March 31, 2025 or 2024 as the disturbance to date is minimal.

Interest
Interest income and expenses are reported on an accrual basis using the effective interest method.

Leases
The Company assesses at inception of a contract, whether the contract is, or contains a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset for a period of time, the Company assesses whether the customer has the following through the period of use:

- The right to obtain substantially all of the economic benefits from use of the identified asset; and
- The right to direct the use of the identified asset.

At the lease commencement date, the Company recognises a right-of-use asset and a lease liability. The right-of-use asset is initially measured at cost. The cost of the right-of-use asset is comprised of the initial amount of the lease liability, any lease payments made at or before the commencement date less any lease incentives received, initial direct costs incurred by the Company, and an estimate of the costs to be incurred by the Company in dismantling and removing the underlying asset and restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease.

After the commencement date, the Company measures right-of-use assets related to property and equipment by applying the cost model, whereby the right-of-use asset is measured at cost less accumulated depreciation and impairment losses and adjusted for any remeasurement of the lease liability. The right-of-use asset is depreciated using the straight-line method from the commencement date to the end of the lease term or the end of the useful life of the right-of-use asset. The estimated useful life of the right-of-use assets are determined on the same basis as those of property, plant and equipment. The determination of the depreciation period is dependent on whether the Company expects that the ownership of the underlying asset will transfer to the Company by the end of the lease term or if the cost of the right-of-use asset reflects that the Company will exercise a purchase option.

2. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Leases (continued)

The lease liability is initially measured at the present value of the lease payments not paid at the lease commencement date, discounted using the interest rate implicit in the lease or the Company's incremental borrowing rate, if the interest rate implicit in the lease cannot be readily determined. The lease payments included in the measurement of the lease liability comprise of fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or rate, amounts expected to be payable by the Company under a residual value guarantee, the exercise price of a purchase option that the Company is reasonably certain to exercise, and payment of penalties for terminating the lease if the lease term reflects the Company exercising an option to terminate the lease. After the commencement date, the Company measures the lease liability at amortised cost using the effective interest method.

The Company remeasures the lease liability when there is a change in the lease term, a change in the Company's assessment of an option to purchase the underlying asset, a change in the Company's estimate of amounts expected to be payable under a residual value guarantee, or a change in future lease payments resulting from a change in an index or a rate used to determine those payments. On remeasurement of the lease liability, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Company has elected to not recognise right-of-use assets and lease liabilities for short-term leases of property and equipment and low value leases of property and equipment. Short-term leases are leases with a term of twelve months or less. The Company recognises the lease payments associated with these leases as an expense on either a straight-line basis over the lease term or another systematic basis if that basis is more representative of the pattern of the lessee's benefit.

Inventories
Inventories are comprised of raw materials. Inventories are recorded at the lower of cost and net realizable value. Cost is determined on a standard cost basis, and includes the purchase price and other costs, such as import duties, taxes and transportation costs. Inventory cost is determined on a first-in, first-out basis and any trade discounts and rebates are deducted from the purchase price. Raw material costs include the purchase cost of the materials and freight-in. Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and selling costs.

Where inventory is not expected to be sold within a year of the date of statement of financial position, it is presented as a non-current asset.

Government grants
Government grants are recognised in profit or loss on a systematic basis over the periods in which the Company recognises expenses as related costs for which funded expenditures are incurred. Government grants are recognised when there is reasonable assurance that the Company will comply with the terms and conditions associated with the grants and the grants will be received. An unconditional government grant is recognised in profit or loss when the Company is entitled to receive the grant funding.

2. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Revenue Recognition

The Company's accounting policy for revenue recognition under IFRS 15, Revenue from Contracts with Customers, follows a five-step model to determine the amount and timing of revenue to be recognized:

1. Identifying the contract with a customer;
2. Identifying the performance obligations within the contract;
3. Determining the transaction price;
4. Allocating the transaction price to the performance obligations; and
5. Recognizing revenue when/as performance obligation(s) are satisfied.

Revenue includes both the sale of products and services. The Company enters into sales contracts with its customers that outline the payment, shipping and return policies under these commercial arrangements. The performance obligation within the sales contracts is primarily the delivery of the Company's patented antimicrobial coating (ZenGUARD^{TM}) technology for use on personal protective equipment including masks. These products are sold for contractually determined prices that include consideration for the products delivered. The transaction price is allocated to the masks based on their selling price and is recognized when the control of these products is obtained by the Company's customers which is generally upon delivery.

Where the consideration payable by the Company's customers includes volume rebates and merchandise discounts, they are considered in determining the transaction price and are estimated and recognised at the time of the sale as a deduction against recognized revenue. To date, these rebates and discounts have been immaterial.

Through its wholly owned subsidiary, Triera Biosciences Ltd., the Company recognizes service revenue to develop multivalent aptamer technology when the Company enters into contracts with its customers that outline the specific aptamer technology to be developed, outline the delivery terms and pricing arrangements. The performance obligation within the sales contracts is primarily the development of the aptamer technology including the aptamer itself. These services are sold for contractually determined prices that include specific timelines. The service revenue is recognized upon the delivery of the aptamer technology to the customer within the agreed upon timeline.

New Standards, Interpretations and Amendments Adopted from April 1, 2024

Certain IFRS pronouncements were issued that were mandatory for accounting periods beginning on or after April 1, 2024. Many have been excluded as management does not expect them to have a material effect. The following amendments are effective for the year beginning April 1, 2024:

IAS 1 - Classification of Liabilities as Current or Non-Current and Non-current Liabilities with Covenants. The amendments require that an entity's right to defer settlement of a liability for at least twelve months after the reporting period must have substance and must exist at the end of the reporting period. Classification of a liability is unaffected by the likelihood that the entity will exercise its right to defer settlement for at least twelve months after the reporting period. In addition, If an entity's right to defer is subject to the entity complying with specified conditions, such conditions affect whether that right exists at the end of the reporting period, if the entity is required to comply with the condition on or before the end of the reporting period and not if the entity is required to comply with the conditions after the reporting period. The amendments also provide clarification on the meaning of 'settlement' for the purpose of classifying a liability as current or non-current.

2. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

New Standards, Interpretations and Amendments not yet Effective

There are a number of standards, amendments to standards, and interpretations which have been issued by the IASB that are effective in future accounting periods that the Company has decided not to adopt early.

The following amendments are effective for the year beginning April 1, 2025:

Lack of Exchangeability (Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates)

The following amendments are effective for the year beginning April 1, 2026:

Classification and Measurement of Financial Instruments (Amendments to IFRS 7 Financial Instruments: Disclosures and IFRS 9 Financial Instruments)

The following amendments are effective for the year beginning April 1, 2027:

IFRS 18 Presentation and Disclosure in Financial Statements (New)

The Company is currently assessing the impact of these new accounting standards and amendments.

3. CRITICAL JUDGEMENTS AND ESTIMATION UNCERTAINTIES

The preparation of consolidated financial statements in conformity with IFRS Accounting Standards requires the Company's management to make judgements, estimates and assumptions about future events that affect the amounts reported in the consolidated financial statements and related notes. Although these estimates are based on management's best knowledge of the amount, event or actions, actual results may differ from those estimates and these differences could be material.

The areas which require management to make significant judgements, estimates and assumptions in determining carrying values include, but are not limited to:

Inventory
Judgement is required in determining whether net realizable value should be evaluated on a product by product basis or if products cannot be evaluated separately from other products in inventory and should be grouped with similar products. A provision for obsolete inventory is established based on materials on hand that can no longer be used for customer orders based on a review of historical and forecast sales, as well as a technical review to see if such materials are still viable.

The carrying value of raw materials includes a significant quantity of graphene oxide inventory, whose valuation is based on estimated market prices due to the absence of active market transactions. Management has assessed the net realizable value using external input from industry sources.

Expected credit loss allowance and provision
The Company determines an expected credit loss allowance for trade receivables based on the estimated expected lifetime credit loss, considering the actual credit loss in prior years and forward-looking estimates of expected collections. This estimate varies depending on the nature of the trade receivables, the majority of which are associated with the health sciences business; however, also includes receivables from government agencies. The loss allowance is reviewed on a quarterly basis and any change in estimate is accounted for prospectively. Collectivity of customer balances classified as trade receivables may vary from the Company's estimation. The Company also assesses the expected credit loss of non-trade financial assets, such as the loan receivable which is secured by property mortgages, to determine if an allowance is required.

3. CRITICAL JUDGEMENTS AND ESTIMATION UNCERTAINTIES (continued)

Impairment (impairment reversal) of exploration and evaluation assets
While assessing whether any indications of impairment or impairment reversal exist for exploration and evaluation assets, consideration is given to both external and internal sources of information. Information the Company considers includes changes in the market, economic and legal environment in which the Company operates that are not within its control that could affect the recoverable amount of exploration and evaluation assets. Internal sources of information include the manner in which exploration and evaluation assets are being used or are expected to be used and indications of expected economic performance of the assets.

Impairment (impairment reversal) of property and equipment
Judgements are required to assess when internal or external indicators of impairment or impairment reversal exist, and impairment testing is required. Management considers internal and external sources of information including forecasted sales, cashflows and expected production volumes. judgement is required to assess these internal and external factors when determining if the carrying amount of an asset is impaired, or in the case of a previously impaired asset, whether the carrying amount of the asset has been restored.

Share-based payments
Management determines costs for share-based payments using market-based valuation techniques. The fair value of the market-based and performance-based share awards are determined at the date of grant using generally accepted valuation techniques. Assumptions are made and judgement used in applying valuation techniques. These assumptions and judgements include estimating the future volatility of the stock price, expected dividend yield, future employee turnover rates and future employee stock option exercise behaviors and corporate performance. Such judgements and assumptions are inherently uncertain. Changes in these assumptions affect the fair value estimates.

Contingencies
By their nature, contingencies will only be resolved when one or more future events transpire. The assessment of contingencies inherently involves estimating the outcomes of future events. The Company has disclosed its disputes and was required to exercise judgement in assessing the recorded amounts.

4. ACCOUNTS AND OTHER RECEIVABLES

	March 31, 2025 $	March 31, 2024 $
HST recoverable	**345,422**	174,158
Other receivables	**3,333**	27,292
Accrued interest receivable on guaranteed investment certificates	**62**	32,791
Government grants receivable	**-**	60,850
Trade receivables	**853,928**	1,439

Total accounts and other receivables	**1,202,745**	296,530

5. LOAN RECEIVABLE

In March 2022, a loan was advanced to a third party, who is an insignificant shareholder of the Company and not an insider nor an employee of the Company, earning 6% interest per annum, calculated and payable monthly. The loan was originally secured by mortgages against two properties held by the borrower. The original maturity date was July 1, 2022 and an amended and restated promissory note was completed in 2023 with a revised maturity date of September 29, 2023. As a result of the sale of one property held as security, in June 2023, a partial payment of $2,500,000 was received and applied against the loan receivable. The security against this sold property was released accordingly.

On November 9, 2023, an amended and restated promissory note for the remaining balance was completed with a new maturity date of March 29, 2024.

On April 16, 2024, the Company entered into an amended and restated promissory note with a revised maturity date of October 31, 2024.

On November 5, 2024, the Company collected the remaining amount owing on the loan receivable. No further amounts are owing related to this amended and restated promissory note. A continuity of the loan principal and interest balances is presented below:

	March 31, 2025 $	March 31, 2024 $
Loan balance, beginning of year	**543,263**	2,983,642
Loans advanced	**2,587**	36,882
Principal payments received	**(500,000)**	(2,500,000)
Interest earned	**17,500**	72,739
Interest payments received	**(17,500)**	(50,000)
Legal fees reimbursed	**(45,850)**	-
Loan balance, end of year	**-**	543,263

6. INVENTORIES

	March 31, 2025 $	March 31, 2024 $
Raw materials	**2,193,242**	2,513,413
Finished goods	**328,606**	405,911
Allowance for impairment	**(340,000)**	(203,553)
Total inventories	**2,181,848**	2,715,771
Less: non-current portion	**(1,294,339)**	(1,293,789)
Total current portion of inventories	**887,509**	1,421,982

The change in the allowance for impairment of inventory in the amount of $ 136,447 (March 31, 2024: $203,553) was recognized as an expense and included in cost of sales.

The amount of inventories recognised as an expense and included in cost of sales for the year ended March 31, 2025 was $ 340,000 (2024: $203,553).

7. PROPERTY AND EQUIPMENT

	Land and Building	Plant and Equipment	Office furniture and Equipment	Leasehold Improvement	Right of Use	Under Construction	Total
Cost							
Balance at April 1, 2023	2,064,993	4,026,944	243,499	354,705	959,788	1,946,048	9,595,977
Additions	-	103,651	4,033	-	-	107,151	214,835
Disposals	-	(278,242)	-	-	-	-	(278,242)
Transfers	-	2,000,490	-	-	-	(2,000,490)	-
Balance at March 31, 2024	2,064,993	5,852,843	247,532	354,705	959,788	52,709	9,532,570
Additions	-	-	1,398	-	-	-	1,398
Disposals	-	-	(36,933)	-	-	-	(36,933)
Transfers	-	-	-	-	-	-	-

Balance at March 31, 2025	**2,064,993**	**5,852,843**	**211,997**	**354,705**	**959,788**	**52,709**	**9,497,035**
Accumulated Depreciation							
Balance at April 1, 2023	110,524	472,222	86,590	246,192	344,582	-	1,260,110
Depreciation for the year	44,313	348,822	31,911	28,348	160,320	-	613,714
Disposals	-	(111,711)	-	-	-	-	(111,711)
Transfers	-	-	-	-	-	-	-
Balance at March 31, 2024	154,837	709,333	118,501	274,540	504,902	-	1,762,113
Depreciation for the year	32,049	354,876	25,244	28,271	159,882	-	600,322
Disposals	-	-	(22,389)	-	-	-	(22,389)
Transfers	-	-	-	-	-	-	-
Balance at March 31, 2025	**186,886**	**1,064,209**	**121,356**	**302,811**	**664,784**	**-**	**2,340,046**
Carrying Amounts							
Balance at March 31, 2024	1,910,156	5,143,510	129,031	80,165	454,886	52,709	7,770,457
Balance at March 31, 2025	1,878,107	4,788,634	90,641	51,894	295,004	52,709	7,156,989
Less: property held for sale	(1,878,107)	-	-	-	-	-	(1,878,107)
Balance at March 31, 2025	**-**	**4,788,634**	**90,641**	**51,894**	**295,004**	**52,709**	**5,278,882**

The Company's property and equipment includes an asset under construction in the amount of $ 52,709 (March 31, 2024: $52,709) related to costs incurred for a production line at the silver-graphene oxide pilot plant. Depreciation was not recorded on assets under construction until they were put into use.

On October 18, 2024, the Company listed to sell 24 Corporate Court in Guelph, Ontario which currently is the registered head office of the Company and was held for sale at March 31, 2025. On April 15, 2025, the Company announced it had entered into an agreement of purchase and sale for 24 Corporate Court in Guelph, Ontario. The carrying value of the land and building at March 31, 2025 was $1,878,107 and is disclosed separately as a current asset in the Consolidated Statements of Financial Position as Property held for sale at March 31, 2025 and is applicable to the Intellectual Property Development segment. On May 15, 2025, the Company announced the completed sale for $2,500,000 and will lease back the property from the purchaser until January 31, 2026.

8. EXPLORATION AND EVALUATION PROPERTY

The 100%-owned Albany Graphite Deposit (the "Albany Property") is located in Northern Ontario, Canada. During the year ended March 31, 2013, the Company reached an agreement with the optionor pursuant to the following terms and conditions:

a) The Company will issue to the optionor a total of 1,250,000 common shares. Total shares remaining to be issued are 750,000 common shares valued at $472,500 based on their fair market value on the date of the agreement;

b) The Company granted the optionor a net smelter return royalty of 0.75% on the 4F claim block, of which 0.5% can be purchased at any time for $500,000; and

c) The agreement provides a clawback right that allows the optionor to reduce the Company's interest in the other claims to 30% subsequent to the exercise of the second option by giving notice within 30 days that the optionor intends to commence sole funding up to completion of a feasibility study within 48 months and within 30 days deliver a payment of $27,500,000.

Albany Property

	$
Balance at March 31, 2023	**7,000,000**
Expenditures capitalized	**271,857**
Balance at March 31, 2024	**7,271,857**
Expenditures capitalized	**183,214**
Balance at March 31, 2025	**7,455,071**

9. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	March 31, 2025 $	March 31, 2024 $
Trade payables	**2,006,918**	541,311
Accrued liabilities	**439,346**	627,951
Flow-through share subscribers' income tax	**427,000**	-

Part XII.6 tax payable	**93,000**	-
Total accounts payable and accrued liabilities	**2,966,264**	1,169,262

In January 2025, the Canada Revenue Agency ("CRA") completed its audit of the Company's 2018 and 2019 renunciation of certain Canadian exploration expenses ("CEE") in favour of subscribers of flow-through share private placements that closed on December 21, 2018 and December 20, 2019 (the "Flow-Through Financings") for aggregate proceeds of $4,210,000.

In February 2025, the Company received a Notice of Reassessment ("NOR") from CRA in respect of its 2018 Flow-Through Financing. This NOR assessed a reduction in amounts previously renounced and resulted in additional Part XII.6 tax of $59,693.

The Company has not yet received a NOR for the amounts renounced in the 2019 Flow-Through Financing. As a result, further amendments to the flow-through share expenditures renounced for the period from March 31, 2019 to March 31, 2022, may occur.

The Company has estimated its potential Part XII.6 liability as a result of the CRA audit to be $ 93,000. The reduction in previously provided renunciations may also result in an additional obligation for the Company to indemnify certain flow- through shareholders due to reductions in previously flowed through CEE deductions. Management has estimated this indemnification obligation to be $427,000.

A provision of $520,000 has been recognized for this liability and is included in accounts payable and accrued liabilities. $ 93,000 of this liability consists of management's estimate of Part XII.6 tax owing and $427,000 consists of management's estimate of the Company's indemnification obligation.

10. LEASE LIABILITY

During the year ended March 31, 2021, the Company entered into a lease agreement for its manufacturing facility in Guelph, Ontario. The initial term of the lease was for three years commencing on February 1, 2021, subject to a right of extension as described herein. In July 2023, the Company acted upon the renewal option for an additional 36 months, extending to January 31, 2027.

The lease liability relates to the above noted agreement. The lease liability as at March 31, 2025 and March 31, 2024 is as follows:

	March 31, 2025 $	March 31, 2024 $
Lease liability	**333,727**	484,856
Less: current portion	**(171,990)**	(151,129)
Long-term portion	**161,737**	333,727

Interest expense recognised on the lease liability for the year ended March 31, 2025 was $ 54,311 (2024: $65,476).

11. LONG-TERM DEBT

Pursuant to an asset purchase agreement dated February 10, 2022, the Company acquired the land, building and chattels at 24 Corporate Court in Guelph, Ontario for cash consideration of $351,000 and assumed a mortgage of $ 1,949,000. The mortgage was assumed in a vendor-take-back agreement with the seller of the property who is an insignificant shareholder and not an insider of the Company. There are no financial covenants associated with this agreement. On April 1, 2023, the repayment terms were renegotiated to extend the amortisation period by an additional 12 months to March 1, 2025 and reduce the monthly installment from $85,504 to $43,764, including interest at 5% per annum. On October 1, 2023, the repayment terms were amended with payments moving to interest only for the next six months ending March 1, 2024. As a result, the loan repayment was further extended by seven months with a new maturity date of October 1, 2025. The Company did not consider this extension to be a substantial modification to the vendor-take-back agreement. On March 20, 2025, the Company and the lender agreed to suspend further payments, including interest only payments, until after the property held for sale closed.

	March 31, 2025 $	March 31, 2024 $
First mortgage payable in monthly installments of $43,764 including interest at 5% per annum, due October 1, 2025, with land and building, having a net book value of $1,878,107 (March 31, 2024: $1,910,158), pledged as collateral.	**346,747**	757,727
Less current portion	**(346,747)**	(498,613)
Total long-term debt	**-**	259,114

The mortgage payable is held on 24 Corporate Court in Guelph, Ontario. On May 15, 2025, the proceeds from the closing of the sale were used to fully repay and discharge the mortgage [see Note 7].

12. SHARE CAPITAL

(a) Share Capital

The Company is authorised to issue an unlimited number of common shares, with no par value.

During the year ended March 31, 2025, the Company completed a private placement in which a total of 2,361,500 units were issued at $1.30 per unit for gross proceeds of $ 3,069,950. Each unit consisted of one common share and one-half of one common share purchase warrant with each whole warrant exercisable at $3.00 per a period of two years. Unit issue costs associated with this private placement totaled $73,624.

During the year ended March 31, 2025, the Company issued 1,312,751 common shares in connection with the exercise of 1,700,000 options (2024: 1,527,696 common shares on exercise of 2,000,000 options). The carrying value of the options, being $ 375,000 (2024: $645,000), was removed from share-based payment reserve and added to share capital. Of the 1,700,000 (2023: 2,000,000) options exercised, 1,250,000 (2024: 1,900,000) were exercised using a "cashless" exercise method whereby 387,249 (2024: 472,304) fewer shares were issued than exercised as compensation for the $534,500 (2024: $958,000) that would have otherwise been received by the Company upon exercise.

During the year ended March 31, 2025, the Company also purchased, and subsequently cancelled, 102,900 (2024: 245,100) of its own common shares at a cost of $ 142,866 (2024: $408,853).

(b) Share Purchase Warrants

Details of share purchase warrants outstanding as at March 31, 2025 are as follows:

Expiry Date	Exercise Price $	Grant Date Fair Value $	March 31, 2025 #
August 19, 2026	**3.00**	**89,737**	**1,180,750**

The following is a summary of warrants activity for the year ended March 31, 2025:

	Year ended March 31, 2025	
	Number	Weighted average exercise price
		$
Balance, beginning of year	**-**	**-**
Granted	**1,180,750**	**3.00**
Exercised	**-**	**-**
Expired	**-**	**-**
Balance, end of year	**1,180,750**	**3.00**

The grant date fair value of these warrants was $ 0.08. The fair value of these warrants was estimated on the grant date using the Black-Scholes option pricing model with the following assumptions: expected dividend yield of 0%; expected volatility of 49%; risk-free interest rate of 3.3%; and expected life of 2 years.

The Company had no share purchase warrants outstanding as of March 31, 2024.

12. SHARE CAPITAL (continued)

(c) Stock Options and Share-Based Payment Reserve

During the year ended March 31, 2025, the Company issued 2,000,000 stock options to a number of consultants, employees and directors at exercise prices ranging from $1.42 to $1.52. The grant date fair value of these stock options was $ 1,802,247. The vesting period for the stock options issued was as follows: 621,250 at the date of issuance; 661,250 after 12 months from the date of issuance; 621,250 after 24 months from the date of issuance; and 96,250 after 36 months from the date of issuance.

In addition, during the year ended March 31, 2025, the Company's subsidiary, Triera Biosciences Ltd. ("Triera"), issued 5,000 stock options to a consultant at an exercise price of $1.00. The grant date fair value of these stock options was determined to be trivial and no stock-based compensation was recorded in relation to these options. The vesting period for the Triera stock options issued was as follows: 1,667 on June 1, 2024; 1,667 on June 1, 2025; and 1,666 on June 1, 2026.

During the year ended March 31, 2024, the Company issued 1,250,000 stock options to a number of consultants, employees and directors at exercise prices ranging from $1.75 to $2.24. The grant date fair value of these stock options was $ 1,545,175. The vesting period for the stock options issued was as follows: 416,667 at the date of issuance; 350,000 after 6 months from the date of issuance; 416,667 after 12 months from the date of issuance; and 66,667 after 24 months from the date of issuance.

In addition, during the year ended March 31, 2024, the Company's subsidiary, Triera Biosciences Ltd. ("Triera"), issued 195,000 stock

options to a number of directors and officers at an exercise price of $5.00. The grant date fair value of these stock options was determined to be trivial and no stock-based compensation was recorded in relation to these options. The vesting period for the Triera stock options issued was as follows: 65,000 at the date of issuance; 65,000 after 6 months from the date of issuance; and 65,000 after 12 months from the date of issuance. In February 2024, the Company repriced the Triera stock options, reducing the exercise price from $5.00 per share to $1.00 per share. All other terms and conditions of these options remained unchanged.

The grant date fair value of the stock options was calculated using the Black-Scholes option pricing model. A summary of the inputs used to value the options issued during the years ended March 31 is presented below:

	Triera		**The Company**	
	Mar 31, 2025	Mar 31, 2024	**Mar 31, 2025**	Mar 31, 2024
Expected dividend yield	**0%**	0%	**0%**	0%
Expected volatility	**98% to 120%**	98% to 120%	**62% to 77%**	70% to 90%
Expected forfeiture rate	**0%**	0%	**7%**	5%
Risk-free interest rate	**4.50%**	3.90%	**4.0% to 4.5%**	3.6% to 4.5%
Expected life	**3 years**	3 to 5 years	**3 to 5 years**	3 to 5 years

The Company's computation of expected volatility for the years ended March 31, 2025 and 2024 is based on the Company's market close price over a prior period equal to the expected life of the options except for the volatility of the Triera options which is based on a comparable publicly traded company.

12. SHARE CAPITAL (continued)

(c) Stock Options and Share-Based Payment Reserve (continued)

The Company applies the fair value method of accounting for share-based payment awards to directors, officers, employees and non-employees. Accordingly, the following amounts have been recognised as compensation expense and under capital stock as share-based payment reserve:

	Year Ended March 31, 2025	Year Ended March 31, 2024
	$	$
Share-based compensation expense	**1,529,934**	1,786,453

Stock option and share-based payment activity of the Company for the years ended March 31, 2025 and March 31, 2024 are summarised as follows:

	Year ended March 31, 2025		Year ended March 31, 2024	
	Number	**Weighted average exercise price**	Number	Weighted average exercise price
		$		$
Balance, beginning of year	**7,098,334**	**2.37**	8,673,334	2.03
Granted	**2,000,000**	**1.52**	1,250,000	2.03
Exercised	**(1,700,000)**	**0.45**	(2,000,000)	0.54
Expired	**(1,275,000)**	**3.84**	(825,000)	2.72
Balance, end of year	**6,123,334**	**2.32**	7,098,334	2.37

At March 31, 2025, outstanding options to acquire common shares of the Company were as follows:

	Options Outstanding			**Options Exercisable**	
Range of exercise Prices CAD$	Number Outstanding as at Mar 31, 2025	Weighted Average Remaining Contractual Life (years)	Weighted Average Exercise Price CAD$	Number Outstanding as at Mar 31, 2025	Weighted Average Exercise Price CAD$
$0.40 - $1.00	633,334	0.28	$ 0.55	633,334	$ 0.55
$1.01 - $4.00	4,465,000	2.75	$ 2.12	3,135,416	$ 2.37
$4.01 - $5.67	1,025,000	1.79	$ 4.27	1,025,000	$ 4.27
Totals	6,123,334	2.33	$ 2.32	4,793,750	$ 2.54

12. SHARE CAPITAL (continued)

(c) Stock Options and Share-Based Payment Reserve (continued)

At March 31, 2024, outstanding options to acquire common shares of the Company were as follows:

	Options Outstanding			Options Exercisable	
Range of exercise Prices CAD$	Number Outstanding as at Mar 31, 2024	Weighted Average Remaining Contractual Life (years)	Weighted Average Exercise Price CAD$	Number Outstanding as at Mar 31, 2024	Weighted Average Exercise Price CAD$
$0.40 - $1.00	2,333,334	0.79	$ 0.48	2,333,334	$ 0.48
$1.01 - $4.00	3,025,000	2.52	$ 2.63	2,316,667	$ 2.81
$4.01 - $5.67	1,740,000	2.04	$ 4.46	1,740,000	$ 4.46
Totals	7,098,334	1.84	$ 2.37	6,390,001	$ 2.41

Stock option and share-based payment activity of the Company's subsidiary, Triera, for the years ended March 31, 2025 and March 31, 2024 are summarised as follows:

	Year ended March 31, 2025		Year ended March 31, 2024	
	Number	**Weighted average exercise price $**	Number	Weighted average exercise price $
Balance, beginning of year	**195,000**	**1.00**	-	-
Granted	**5,000**	**1.00**	195,000	1.00
Exercised	**-**	**-**	-	-
Expired	**(10,000)**	**1.00**	-	-
Balance, end of year	**190,000**	**1.00**	195,000	1.00

At March 31, 2025, outstanding options to acquire common shares of the Company's subsidiary, Triera, were as follows:

	Options Outstanding			Options Exercisable	
Range of exercise Prices CAD$	Number Outstanding as at Mar 31, 2025	Weighted Average Remaining Contractual Life (years)	Weighted Average Exercise Price CAD$	Number Outstanding as at Mar 31, 2025	Weighted Average Exercise Price CAD$
$0.00 - $1.00	200,000	3.22	$ 1.00	196,666	$ 1.00

12. SHARE CAPITAL (continued)

(c) Stock Options and Share-Based Payment Reserve (continued)

At March 31, 2024, outstanding options to acquire common shares of the Company's subsidiary, Triera, were as follows:

	Options Outstanding			Options Exercisable	
Range of exercise Prices CAD$	Number Outstanding as at Mar 31, 2024	Weighted Average Remaining Contractual Life (years)	Weighted Average Exercise Price CAD$	Number Outstanding as at Mar 31, 2024	Weighted Average Exercise Price CAD$
$0.00 - $1.00	195,000	4.25	$ 1.00	65,000	$ 1.00

13. SUPPLEMENTAL DISCLOSURES ON STATEMENTS OF CASH FLOWS

Changes in non-cash working capital balances consist of:

	March 31, 2025 $	March 31, 2024 $

Accounts and other receivables	**(906,215)**	272,478
Inventories	**397,476**	(70,251)
Prepaids and deposits	**187,707**	728,211
Accounts payable and accrued liabilities	**1,797,002**	(15,549)
Total change in non-cash working capital balances	**1,475,970**	914,889

Supplementary disclosures:

Change in accounts payable relating to property and equipment	**$ -**	$ (105,264)

During the year ended March 31, 2025, 1,250,000 (2024: 1,900,000) stock options were exercised using a "cashless" exercise method whereby 387,249 (2024: 472,304) fewer shares were issued than options exercised as compensation for the $ 534,500 (2024: $958,000) in cash that would have otherwise been received by the Company upon exercise.

Cash and cash equivalents are comprised of:	**March 31, 2025 $**	March 31, 2024 $
Cash in bank	**121,481**	521,420
Cashable guaranteed investment certificate, variable rate, matured January 2025	**-**	3,000,000
Total cash and cash equivalents	**121,481**	3,521,420

14. RELATED PARTY TRANSACTIONS

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company directly or indirectly, including any directors (executive and non-executive) of the Company.

The Company defines key management personnel as its key executive management and Board of Directors. In addition to their salaries, the Company provides a benefit plan and other allowances to its key management personnel. Key management personnel are also granted stock options at the discretion of the Board of Directors.

The remuneration of key management personnel during the years ended March 31, 2025 and 2024 were as follows:

	2025 $	2024 $
Directors fees	**252,500**	173,125
Salaries and benefits	**1,010,201**	1,441,458
Share-based compensation	**1,191,219**	1,408,778
Total remuneration of key management personnel	**2,453,920**	3,023,361

15. INCOME TAXES

(a) Provision for Income Taxes

Major items causing the Company's effective income tax rate to differ from the combined Canadian federal and provincial statutory rate of 26.5% (2024 - 26.5%) were as follows:

	2025 $	2024 $
Loss before income taxes	**(10,039,658)**	(11,703,990)
Expected income tax recovery based on statutory rate	**(2,661,000)**	(3,102,000)
Adjustments to expected income tax benefit:		
Share-based compensation	**405,000**	473,000
Non-deductible expenses and other	**7,000**	(33,000)
Change in benefit of tax assets not recognised	**2,249,000**	2,662,000
Deferred income tax provision (recovery)	**-**	-

15. INCOME TAXES (continued)

b) Deferred Income Tax

The components of deferred tax are summarised below. Deferred tax assets and liabilities have been offset where they relate to income taxes levied by the same taxation authority and the Company has the legal right and intent to offset.

	2025	2024
	$	$
Recognised deferred tax assets and liabilities		
Interest in exploration and evaluation property	-	507,635
Property and equipment	**-**	(515,160)
Right-of-use assets	**(78,000)**	(121,000)
Lease liability	**78,000**	128,525
Net deferred tax assets	**-**	-

Deferred income tax assets have not been recognised in respect of the following deductible temporary differences:

	2025	2024
	$	$
Non-capital loss carry-forwards	**43,742,000**	29,628,000
Equipment	**390,000**	-
Interest in exploration and evaluation property	**28,256,000**	26,340,000
Scientific research and development	**512,000**	580,000
Share issue costs	**317,000**	675,000
Lease liability	**39,000**	-
Deductible temporary differences	**73,256,000**	57,474,000

Deferred tax assets have not been recognised in respect of these temporary differences because it is not probable that future taxable profits will be available against which the Company can utilise the benefits.

c) Loss Carry-Forwards

The Company has available non-capital losses for Canadian income tax purposes which may be carried forward to reduce taxable income in future years. If not utilised, the non-capital losses of approximately $43,742,000 will expire between the fiscal years ending March 31, 2031 and March 31, 2045.

The Company has approximately $35,250,000 of Canadian development and exploration expenditures as at March 31, 2025 (2024: $35,250,000), which under certain circumstances may be utilised to reduce the taxable income of future years.

16. FINANCIAL INSTRUMENTS AND RELATED RISKS

The Company's operations include the acquisition and commercialization of intellectual property in Canada and foreign jurisdictions. The Company examines the various financial risks to which it is exposed and assesses the impact and likelihood of occurrence. These risks may include credit risk, liquidity risk, currency risk, interest rate risk and other risks. Where material, these risks are reviewed and monitored by the Board of Directors. The Company's counterparty credit risk increased from the prior year as a result of the trade receivables and loan receivable in existence at year end.

a) Credit Risk

Counterparty credit risk is the risk that the financial benefits of contracts with a specific counterparty will be lost if a counterparty defaults on its obligations under the contract. This includes any cash amounts owed to the Company by those counterparties, less any amounts owed to the counterparty by the Company where a legal right of set-off exists and also includes the fair values of contracts with individual counterparties which are recorded in the consolidated financial statements.

i) Accounts receivable, other receivables and loan receivable

As the Company has commenced production and sales, it is exposed to credit risk with respect to its accounts receivable. The Company manages its credit risk by reviewing and assessing credit exposure prior to facilities being committed to customers. Overall the Company's credit risk has not changed from the prior period. The Company's accounts and other receivables and loan receivable total $1,202,745 (2024: $839,793), representing the maximum exposure to credit risk from those financial assets. The loan receivable was fully repaid during the year ended March 31, 2025. As at March 31, 2025, one customer accounted for 93% of trade accounts receivable and 91% of revenue. The Company believes that there is no unusual exposure associated with the collection of these receivables.

ii) Cash and Cash Equivalents

In order to manage credit and liquidity risk, the Company's cash is held through a large Canadian Financial Institution and the Company invests only in highly rated investment grade instruments that are cashable or have maturities of three months or less. The investments are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

b) Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company manages liquidity risk through the management of its capital structure. Accounts payable and accrued liabilities are due within the current operating period.

The following are the undiscounted amounts and contractual maturities of the Company's long-term debt and anticipated timing of settlements of its other financial liabilities as at March 31, 2025 and 2024:

Balance, as at March 31, 2025	< 1 year	1-2 years	> 2 years
	$	$	$
Accounts payable and accrued liabilities	2,966,264	-	-
Lease liability	171,990	161,737	-
Debt	346,747	-	-

Balance, as at March 31, 2024	< 1 year	1-2 years	> 2 years
	$	$	$
Accounts payable and accrued liabilities	1,169,262	-	-
Lease liability	151,129	171,990	161,737
Long-term debt	498,613	259,114	-

16. FINANCIAL INSTRUMENTS AND RELATED RISKS (continued)

c) Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The risk that the Company will realise a significant loss as a result of a decline in the fair market value of investments or items held within cash and cash equivalents is limited given that the majority have a relatively short maturity. The Company manages its interest rate risk with investments by investing the majority of funds in short-term investments and therefore is not exposed to significant fluctuations in interest rates. The Company believes that its interest rate risk is minimal.

d) Currency Risk

The Company is exposed to the financial risk related to the fluctuation of foreign exchange rates. The functional and reporting currency of the Company is the Canadian dollar. The Company is involved with a number of foreign vendors in the United States of America. Changes in the currency exchange rates between the Canadian dollar relative to the U.S. dollar could have an effect on the Company's results of operations, financial position or cash flows. As a result, the Company is exposed to currency risk on these transactions. A 1% strengthening of the US dollar would affect net loss by approximately $5,000. The Company has not hedged its exposure to currency fluctuations as the exposure has been deemed to be minimal.

e) Fair Value of Financial Instruments

IFRS 13 establishes a fair value hierarchy that prioritizes the input to valuation techniques used to measure fair value as follows:

Level 1 - quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2 - inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and

Level 3 - inputs for the asset or liability that are not based on observable market data (unobservable inputs).

As at March 31, 2025, the Company does not have any financial instruments recorded at fair value and that require classification within the fair value hierarchy.

The carrying values of all of the Company's financial instruments approximate their fair values.

17. MANAGEMENT OF CAPITAL

The Company's objective when managing capital is to safeguard the entity's ability to continue as a going concern. In the management of capital, the Company monitors its adjusted capital which comprises all components of shareholders' equity. The Company's capital management objectives, policies and processes have remained unchanged during the years ended March 31, 2025 and 2024.

The Company sets the amount of capital in proportion to risk. The Company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may issue common shares through private placements.

18. COMMITMENTS AND CONTINGENCIES

a) Environmental Contingencies

The Company's activities are subject to various laws and regulations governing the protection of the environment. These laws and regulations are continually changing and generally becoming more restrictive. The Company believes its operations are materially in compliance with all applicable laws and regulations.

b) Research Agreements

The Company has entered various agreements with arms' length parties pertaining to ongoing science efforts in pursuit of research and/or development and intellectual property with the objective of profitably bringing products to market. Many of the counterparties to these agreements are Canadian universities and affiliated individuals. These agreements can be generalized as having 'no fault' termination clauses regarding ongoing commitments and future liability when the Company determines that the pursuit becomes ineffective or unlikely to result in a profitable or commercially-viable product.

Under certain of these technology license agreements with Canadian universities, the Company has an obligation to pay royalties on revenues from any subject technologies. No such revenues have been earned to date.

c) Contingent liabilities

In September 2018, the Company received a statement of claim from a former employee. The Company is in the process of defending the claim, but views the claim as unmeritorious. On March 24, 2020, the Company commenced an action claim against the former employee for relief relating to contracts and transactions between that employee and the Company, seeking to set aside those agreements and, where applicable, seeking disgorgement of unspecified amounts relating to benefits obtained under those agreements. Although there can be no assurance that any particular claim will be resolved in the Company's favour, management does not believe that the outcome of any claim or potential claims of which it is currently aware will have a material adverse effect on the Company. The trial commenced on October 21, 2024 and closing submissions were held on January 17, 2025.

19. NET LOSS PER SHARE

Basic net loss per share figures are calculated using the weighted average number of common shares outstanding. The weighted average number of common shares issued and outstanding for the year ended March 31, 2025 is 102,977,860 (2024: 100,503,442). Diluted net loss per share figures are calculated after taking into account all warrants and stock options granted. For the years ended March 31, 2025 and March 31, 2024, all stock options and warrants were excluded from the diluted per share amounts as their effect is anti-dilutive in loss periods.

20. GOVERNMENT GRANTS

The Company has entered into agreements with various government agencies under which the Company is entitled to receive assistance and cost recoveries for specific research and development activities. The Company was successful in securing funding with the National Research Council for the Industrial Research Assistance Program for an HVAC project which included funding to offset both labour and third-party testing costs. The Company has also secured funding for ZENArmor Pigment Synthesis, Substrate Preparation and Coating from Public Works and Government Services Canada. Lastly, the Company has secured funding from Downsview Aerospace Innovation & Research Centre ("DAIR") Green Fund for passive icephobic coating testing.

Government grants received or receivable during the years ended March 31, 2025 and 2024 were as follows:

	2025	2024
	$	$
National Research Council	**-**	46,322
Public Works and Government Services Canada	**-**	304,391
DAIR Green Fund	**-**	67,500
Total government grants received or receivable	**-**	418,213

21. OTHER EXPENSES

	Year Ended March 31, 2025	Year Ended March 31, 2024
	$	$
Automotive	**27,149**	22,540
Bank fees	**4,781**	4,698
Dues and subscriptions	**37,215**	49,590
Freight and delivery	**11,038**	176,423
Meals and entertainment	**33,293**	49,591
Other expenses	**22,081**	41,826
Property taxes	**34,030**	31,862
Repairs and maintenance	**48,158**	83,795
Telephone	**20,325**	23,507
Utilities	**16,113**	20,848
Total other expenses	**254,183**	504,680

22. COMPARATIVE FIGURES

During the year, the Company adopted segment reporting as a result of revenue being recognized in an additional segment. This resulted in a change to the presentation on the Consolidated Statements of Loss and Comprehensive Loss where cost of sales is now being disclosed.

The comparative figures have been restated to reflect the change in segment reporting with cost of sales increasing by $289,011 and supplies and materials decreasing by $289,011.

23. SEGMENTED INFORMATION

The Company's operating segments are organized into the following reportable segments:

- Intellectual Property Development - Includes manufacturing and distribution of graphene related products.
- Biotech - Includes service revenue generated through aptamer technology.
- Albany Project - Includes the exploration and evaluation asset and mineral exploration activities.
- Unallocated Corporate Costs - Includes corporate activities and certain unallocated costs.

Performance of each reportable segment is measured based on profit before finance costs and income tax, as included in the internal management reports that are reviewed by the Company's Chief Operating Decision Makers, being the Board of Directors and senior leadership team. Segment profit (loss) is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries. Transfer pricing is based on third-party rates.

Information regarding the results of each reportable segment is included below. Inter-company amounts, which represent items purchased and sold between different segments, have been presented within the segment disclosure and are eliminated to arrive at the consolidated amounts.

	IP Development		**BioTech**		**Albany Project**		**Unallocated Corporate Costs**		**Total**	
For the year ended March 31	**2025**	2024	**2025**	2024	**2025**	2024	**2025**	2024	**2025**	2024
External net sales	**79,995**	29,816	**792,500**	-	**-**	-	**-**	-	**872,495**	29,816
Cost of sales	**578,419**	289,011	**66,191**	-	**-**	-	**-**	-	**644,610**	289,011
Depreciation and amortization	**600,322**	613,714	**-**	-	**-**	-	**-**	-	**600,322**	613,714
Interest Expense	**91,323**	107,373	**-**	-	**-**	-	**-**	-	**91,323**	107,373
Net loss	**(7,075,798)**	(8,368,889)	**(262,462)**	(951,877)	**(18,597)**	(508,773)	**(2,682,801)**	(1,874,451)	**(10,039,658)**	(11,703,990)
Segment assets	**10,013,831**	15,217,568	**828,439**	8,477	**7,553,915**	7,359,011	**-**	-	**18,396,185**	22,585,056
Segment liabilities	**2,816,136**	2,199,276	**238,003**	145,833	**-**	-	**592,599**	66,736	**3,646,738**	2,411,845
Capital expenditures	**1,398**	320,099	**-**	-	**183,214**	271,857	**-**	-	**184,612**	591,956

24. SUBSEQUENT EVENTS

On April 9, 2025, the Company announced that it had closed a non-brokered private placement (the "Offering") of debenture units (the "Debenture units") through the issuance of 2,000 Debenture Units for gross proceeds of $ 2,000,000. Each Debenture Unit consists of: (i) $1,000 principal amount of 5% secured convertible debentures of the Company (each, a "Convertible Debenture"); and (ii) 454 warrants (the "Warrants") to purchase common shares in the capital of the Company (the "Common Shares"). Each Convertible Debenture will mature on April 9, 2028, (the "Maturity Date") and bears interest at a rate of 5% per annum payable as a balloon payment on the Maturity Date. Each Convertible Debenture is convertible at the option of the holder, in whole or in part, into Common Shares, at any time prior to the Maturity Date at a conversion price of $2.20 per Common Share (the "Conversion Price"). The Company has the option to force the conversion of the Convertible Debentures into Common Shares at the Conversion Price at any time after the second anniversary of closing and prior to the Maturity Date in the event that the volume weighted average trading price of the Common Shares on the TSX Venture

Exchange (the "TSXV") for the preceding 30 business days exceeds $ 4.40.

The Convertible Debentures are secured by the Company's interest in the 521 mining claims held by the Company's subsidiary Albany Graphite Corp., with a first ranking above all other creditors or loans by the Company.

908,000 Warrants were issued pursuant to the Offering, each entitling the holder to purchase one Common Share at the Conversion Price until the Maturity Date. The Warrants will only vest and be exercisable: (i) in the event, and from the date, that the Company completes a sale or otherwise transfers all of its right, title and interests in the Secured Assets to a third party; and (ii) in such number equal to the result of dividing the outstanding principal amount of Convertible Debentures held by the holder at the time of exercise by the Conversion Price.

Net proceeds from the Offering will be used for working capital and general corporate purposes.

On April 17, 2025, the Company announced that it had entered into an agreement of purchase and sale dated April 15, 2025 for the sale of its property located at 24 Corporate Court, Guelph, ON (the "Property") which houses the Company's corporate office and laboratory space. On May 15, 2025, the Company announced the completed sale for $2,500,000 and will lease back the property from the purchaser until January 31, 2026.

On April 30, 2025, 250,000 stock options were exercised using a "cashless" exercise method whereby 55,555 fewer shares were issued than options exercised as compensation for the $100,000 in cash that traditionally would have been received by the Company upon

exercise.

On May 12, 2025, 100,000 stock options were exercised at $ 0.40 per option resulting in proceeds of $ 40,000 to the Company.

On May 15, 2025, the Company announced the completed sale for $ 2,500,000 and will lease back the property from the purchaser until January 31, 2026 [see note 11].

On May 28, 2025, 33,334 stock options were exercised using a "cashless" exercise method whereby 10,446 fewer shares were issued than options exercised as compensation for the $22,667 in cash that traditionally would have been received by the Company upon exercise.

On June 9, 2025, 8,750 stock options were exercised using a "cashless" exercise method whereby 6,552 fewer shares were issued than options exercised as compensation for the $13,300 in cash that traditionally would have been received by the Company upon exercise.

zentek

Management's Discussion and Analysis
For the financial year ended

March 31, 2025

Dated: June 26, 2025

(Expressed in Canadian Dollars)

Introduction

This Management Discussion and Analysis ("MD&A") is dated June 26, 2025 and is in respect of the financial year ended March 31, 2025. The following discussion of the financial condition and results of operations of Zentek Ltd. (the "Company") constitutes management's review of the factors that affected the Company's financial and operating performance for the financial year ended March 31, 2025.

This discussion should be read in conjunction with the Company's audited consolidated financial statements and corresponding notes to the consolidated financial statements for the financial year ended March 31, 2025. The Company's audited consolidated financial statements have been prepared using accounting policies consistent with International Financial Reporting Standards and International Accounting Standards as issued by the International Accounting Standards Board ("IASB") and Interpretations (collectively IFRS Accounting Standards).. Unless otherwise stated, all amounts discussed herein are denominated in Canadian dollars which is the Company's functional and reporting currency.

Additional information relating to the Company can be found under the Company's profile on SEDAR+ at www.sedarplus.ca.

Forward-Looking Statements

This MD&A and the documents incorporated into this MD&A contain "forward-looking statements" and "forward- looking information" within the meaning of applicable securities laws (forward-looking information and forward- looking statements being collectively hereinafter referred to as "forward-looking statements"). Such forward-looking statements are based on expectations, estimates and projections as at the date of this MD&A or the dates of the documents incorporated herein, as applicable. Any statements that involve discussions with respect to predictions, expectations, beliefs, plans, projections, objectives, assumptions or future events or performance (often but not always using phrases such as "expects" or "does not expect", "is expected", "anticipates" or "does not anticipate", "plans", "budget", "scheduled", "forecasts", "estimates", "believes" or "intends", or variations of such words and phrases, or stating that certain actions, events or results "may" or "could", "would", "should", "might" or "will" be taken, occur or be achieved) are not statements of historical fact and may be forward-looking statements and are intended to identify forward-looking statements. These forward-looking statements include, but are not limited to, statements and information concerning: the intentions, plans and future actions of the Company; statements relating to the business and future activities of the Company after the date of this MD&A; market position, ability to compete and future financial or operating performance of the Company after the date of this MD&A; statements based on the audited and unaudited financial statements of the Company; anticipated developments in operations; the timing and amount of funding required to execute the Company's development and business plans; intellectual property expenditures; capital and exploration and development expenditures; the effect on the Company of any changes to existing legislation or policy; government regulation of patent law or mining operations; the length of time required to obtain permits, certifications and approvals; markets for the Company's graphene related products and the ability to supply those markets; the success of exploration, development and mining activities; the geology of mineral properties; environmental risks; the availability of labour; demand and market outlook for precious metals and the prices thereof; progress in development of mineral properties; estimated budgets; currency fluctuations; requirements for additional capital; government regulation; limitations on insurance coverage; the timing and possible outcome of litigation in future periods; the timing and possible outcome of regulatory and permitting matters; goals; strategies; future growth; planned business activities and planned future acquisitions; the adequacy of financial resources; and other events or conditions that may occur in the future.

Forward-looking statements are based on the beliefs of the Company's management, as well as on assumptions, which such management believes to be reasonable based on information currently available at the time such statements were made. However, by their nature, forward-looking statements are based on assumptions and involve known and unknown risks, uncertainties, and other factors that may cause the actual results, performance, or achievements to be materially different from any future results, performance, or achievements expressed or implied by the forward-looking statements. Forward-looking statements are subject to a variety of risks, uncertainties, and other factors that could cause actual events or results to differ from those expressed or implied by the forward-looking statements, including, without limitation, those risks outlined under the heading *Risk and Uncertainties* in this MD&A.

The list of risk factors set out in this MD&A is not exhaustive of the factors that may affect any forward-looking statements of the Company. Forward-looking statements are statements about the future and are inherently uncertain. Actual results could differ materially from those projected in the forward-looking statements as a result of the matters set out or incorporated by reference in this MD&A generally and certain economic and business factors, some of which may be beyond the control of the Company, including, among other things, potential direct or indirect operational impacts resulting from infectious diseases or pandemics, from international or domestic conflicts or political crises, and other factors not currently viewed as material that could cause actual results to differ materially from those described in the forward-looking statements. In addition, recent events in the world economy and global financial and credit markets have resulted in high market and commodity volatility and a contraction in debt and equity markets, which could have a particularly significant, detrimental, and unpredictable effect on forward-looking statements. The Company does not intend and does not assume any obligation, to update any forward-looking statements, other than as required by applicable law. For all these reasons, the Company's securityholders should not place undue reliance on forward-looking statements.

Company Overview and Discussion of Operations

The Company was incorporated in Ontario, Canada as 1774119 Ontario Limited on July 29, 2008. Pursuant to Articles of Amendment dated November 24, 2009, the Company changed its name to "Zenyatta Ventures Ltd." On January 1, 2019, the Company filed Articles of Amendment changing its name from "Zenyatta Ventures Ltd." to "ZEN Graphene Solutions Ltd." On October 27, 2021 (effective October 28, 2021), the Company filed Articles of Amendment changing its name from "ZEN Graphene Solutions Ltd." to "Zentek Ltd." The common shares of the Company trade on the TSX Venture Exchange ("TSXV") under the symbol "ZEN" and in the United States on the Nasdaq Capital Market ("NASDAQ") under the symbol "ZTEK".

The Company commenced operations as a junior mineral exploration company focused primarily on mineral deposits in Northern Ontario, Canada. The Company was actively engaged in exploring mining projects and held an interest in exploration licenses on properties located north of Lake Superior and west of James Bay in Northern Ontario, Canada in the "Arc of Fire" area. The properties, located north of Lake Superior and southwest of James Bay in northeastern Ontario, Canada, were unpatented, non-contiguous, and consisted of nine claim blocks, including 234 claims comprised of 3,549 claim units over a total of 56,784 ha.

Within such claim blocks, the Company continued to hold a 100% undivided interest in Claim Block 4F, comprised of 521 mining claims (461 single-cell claims and 60 boundary-cell claims), which hosts an igneous-hosted, fluid- derived graphite deposit (the "Albany Graphite Project"). The Company did extensive work to determine potential uses for the graphite materials to be extracted from the Albany Graphite Project, including engaging in testing the properties of the graphite material and studies on graphene materials.

In May 2018, the Company began to focus resources on the research and development of graphene and related applications, which was supported by shareholders of the Company who voted in favour of a new Board of Directors with an interdisciplinary team to augment key management personnel with expertise in business, science, marketing, and government relations.

In February of 2020, the Company opened a research facility in Guelph, Ontario, to support its university and industrial partners' ongoing research and to scale-up production of graphene products. Subsequently, the COVID- 19 pandemic halted research at the Company's collaborators' laboratories. The Company pivoted to focus its resources to develop graphene-based solutions for the fight against COVID-19.

On September 22, 2020, the Company announced, based on the results from a report to the Company dated September 18, 2020, from the ImPaKT Centre at the University of Western Ontario entitled "*Zen Graphene - Lab Test Report No. Z03-092020* ", the development and successful testing of a now patented GO/silver compound that showed to be 99% effective against COVID-19 virus a minimum of 35 days after application of the coating to N95 mask material. On December 22, 2020, the Company announced the successful testing at the Department of Microbiology at Mount Sinai Hospital/University Health Network of the GO/silver compound that showed to be 99.9% effective against both gram-positive and gram-negative aerobic bacteria as well as against fungus/yeast, based on a report to the Company dated December 18, 2020, entitled "*Evaluation of Graphene Oxide with Silver Cations (GO-Ag+) as an Antibacterial Agent against Respiratory Pathogens* ", which stated that if the compound could be shown to be safe and effective, it could provide a breakthrough alternative therapy for the practices of family medicine, Otolaryngology, Ophthalmology and intensive care units.

The Company filed patent applications relating to its antimicrobial coating, and on April 13, 2021, announced the brand name ZenGUARD ("ZenGUARD™") for such coating. On September 27, 2022, the Company announced that its patent application directed to the ZenGUARD ™ technology for use on personal protective equipment ("PPE") and heating, ventilation, and air conditioning ("HVAC") had been allowed in Canada including all 54 claims made in the application, and on December 6, 2022, the patent was granted with a term until September 20, 2041.

Pursuant to a License Agreement dated September 22, 2020, between the Company and the University of Guelph, the Company holds the exclusive global rights to intellectual property regarding an electrochemical exfoliation ("ECE") process to produce graphene oxide ("GO").

On October 18, 2021, the TSXV changed the Company's classification from a "mining issuer" to an "industrial, technology, or life sciences issuer", which was approved by the shareholders of the Company on September 27, 2021, in accordance with the rules and policies of the TSXV.

On November 29, 2021, the Company announced that it had been issued a Medical Device Establishment License ("MDEL") from Health Canada (license number 18823) for the manufacture and distribution of any Class I medical devices, including any such devices with or without the ZenGUARD™ coating.

The Company is now an intellectual property development and commercialization company focused primarily on commercializing ZenGUARD™, as well as on the development of certain aptamer technologies and other nanomaterials-based technologies.

On May 23, 2023, the Company completed the transfer of the ownership of the Albany Graphite Project to a wholly owned subsidiary of the Company, Albany Graphite Corp. ("AGC") pursuant to a property purchase agreement dated April 24, 2023, as described in more detail under the heading "*Albany Graphite Project*" below. The Company does not require materials extracted from the Albany Graphite Project for its current business plans, although such materials could hold significant value to the Company in the future.

On June 12, 2023, the Company incorporated a wholly-owned subsidiary named Triera Biosciences Ltd. that now owns the exclusive, global licensing rights for all aptamer-based technology from the collaboration with McMaster University. The Company and McMaster University entered into a standard license agreement dated June 11, 2021, pursuant to which McMaster agreed to license certain intellectual property. All rights and obligations under this licensing agreement were assigned to this subsidiary subsequent to incorporation.

Current Business

ZenGUARD™ Compound - Personal Protective Equipment

During the reporting period, the Company continued to advance toward commercial production of its *Z*enGUARD™ coating at industrial scale for application to non-woven, spunbond polypropylene material to be used in surgical mask manufacturing and potentially on other materials and products including HVAC filters. Based on reports from GAP EnviroMicrobial Services Ltd. ("GAP Labs") dated May 3, 2021, the addition of *Z*enGUARD™ coating to surgical masks has been shown to increase the bacterial and viral filtration efficiency of masks and acts as an antimicrobial agent, providing increased protection when compared to similar uncoated masks.

On November 29, 2021, the Company announced that it had been issued a MDEL from Health Canada for the manufacture and distribution of any Class I medical devices, allowing the Company to work with any manufacturers and distributors inside and outside of Canada to bring ZenGUARD™ surgical masks and, potentially, other PPE to the Canadian market. The MDEL also allows the Company to produce and sell its own Class I medical device PPE products.

On April 12, 2022, the Company announced that it entered into a Reciprocal Supply Agreement dated March 31, 2022, with EkoMed Global Inc. ("EkoMed"), a globally integrated manufacturer and distributor of PPE, pursuant to which (i) the Company will sell quantities of *Z*enGUARD™ coating to EkoMed for use initially on EkoMed's surgical masks, and potentially other PPE in the future, including N95 and KN95 type masks; and (ii) the Company will purchase surgical masks manufactured by EkoMed, to be treated with ZenGUARD™ coating and resold by the Company. The Company has provided ZenGUARD™ coated material to EkoMed for the manufacture of approximately 2,200,000 masks. These masks were later transferred to Arka BRENStech Pvt Ltd. in India. These masks expired and are no longer available for sale but are being used as samples. On October 22, 2024, the Company gave notice of termination of the Reciprocal Supply Agreement such termination to be effective as of the end of March 31, 2025.

On September 7, 2022, the Company announced that it had entered into a Manufacturing and Supply Agreement with Viva Healthcare Packaging (Canada) Ltd. ("VMedCare") to manufacture and sell surgical masks enhanced with ZenGUARD™ coating, pursuant to which the Company would provide ZenGUARD™-coated spunbond material to VMedCare, which will be responsible for manufacturing and packaging ZenGUARD™ branded surgical masks. 340,000 masks were manufactured in February 2025 and as at March 31, 2025, approximately 220,000 masks are in storage at VMedCare.

On January 19, 2023, the Company announced that it had signed a Distribution Agreement with Southmedic Inc. ("Southmedic") for the distribution of the Company's patented ZenGUARD™ surgical masks. Pursuant to the agreement, the parties agreed that Southmedic will be the distributor of ZenGUARD™- Surgical Masks to Canadian hospitals, general practitioners, private surgery, long-term care and nursing home markets.

On March 22, 2023, the Company announced that further testing had been completed by SGS Standard Technical Services Co. to determine the extent of the antimicrobial properties, and the time required to achieve deactivation of bacteria and virus on ZenGUARD™-coated mask material. Testing showed that ZenGUARD™-coated mask fabric demonstrated over 99.99% antibacterial effectiveness after 1 hour. In the study, 260,000 Escherichia coli (E. coli) Colony Forming Units ("CFU") were reduced to under 100 CFU, while untreated control mask samples saw 120,000 E. coli CFU grow to 2.5 million CFU in 1 hour and 1.1 billion in 8 hours. Additionally, the ZenGUARD™-coated mask fabric demonstrated 86.7% antiviral effectiveness after 1 hour against H1N1 and 99.7% after 8 hours.

On March 30, 2023, the Company announced that it had signed an agreement with Arka BRENStech Pvt Ltd ("BRENStech"), a company incorporated under the laws of the Republic of India (India), pursuant to which BRENStech will act as a local partner to the Company as it seeks to develop business opportunities in India. BRENStech's primary focus will be to establish sales and distribution opportunities for the Company's masks and HVAC filters and potentially other products as they become available. The Company also expects that BRENStech will connect the Company with university research facilities, assist with the navigation of applicable regulatory regimes, and source potential manufacturing partners for the Company's business opportunities in India and globally.

On August 24, 2023, the Company announced that it had signed a supply agreement with Henry Schein, Inc. ("Henry Schein"), for a three-year term in respect to the distribution of ZenGUARD™-coated masks to dental practices in Canada and, subject to regulatory approval, potentially in the United States. In September 2023, Henry Schein placed their first order of masks.

On April 3, 2024, the Company announced that it had entered into a definitive distribution agreement with Dallas, Texas-based Medwell Solutions LLC for its ZenGUARD™-enhanced surgical masks in the United States. The agreement was signed on March 13, 2024, and is for a period of two years from the date of facility establishment registration and issuance of market clearance from the United States Food and Drug Administration, at which point sales of ZenGUARD™-enhanced surgical masks can commence.

The Company continues to market its *Z*enGUARD™ product to be applied to various materials, and has targeted manufacturers, including PPE manufacturers and HVAC filter material companies. Additionally in April 2024, the Company filed a 510(k) application with the United States Food and Drug Administration for ZenGUARD™ Surgical Masks. The Company was required to complete additional safety and performance testing for the application to the Food and Drug Administration.

On July 24, 2024, the Company announced a Canada-wide sampling program for dental professionals facilitated by Henry Schein that will see *Z*enGUARD™ Antimicrobial Surgical Masks included in product shipments to Henry Schein customers. As a result of this program, the Company is now seeing increased demand from Henry Schein. Henry Schein is the world's largest provider of health care solutions to office-based dental and medical practitioners with a presence in 33 countries.

ZenGUARD™ Compound - HVAC Filtration

On September 30, 2020, the Company first announced testing on *Z*enGUARD™ use for HVAC systems. On January 13, 2021, the Company announced that testing by a major Canadian certification company had confirmed that there was very little effect on air flow and pressure drop with a *Z*enGUARD™ treated filter compared to an untreated filter. The Company spent approximately $60,000 on testing, including preliminary testing of ZenGUARD™ coated HVAC filter media for pressure drop and increased challenge bacterial filtration efficiency on uncoated and coated MERV 8 and MERV 13 HVAC filters, overseen primarily by Dr. van der Kuur, the Company's Chief Scientific Officer.

Further to the press release dated November 30, 2021, the Company announced that it was awarded a research and development test contract through the ISC Testing Stream Call for Proposals to test *Z*enGUARD™ coated HVAC filters with interest from three different units within the NRC. The goal of the testing, conducted by CREM Co Laboratories with assistance from the Aerospace Research Centre, a department of the NRC was to demonstrate: (i) a net reduction in the airborne viral and bacterial load with *Z*enGUARD™ coating applied to standard filters; (ii) no modifications required to existing HVAC systems to achieve (i) above; (iii) no reduction in air flow rates, which means air exchange rates in the space will be unchanged; and (iv) no reduction in the air quality as the *Z*enGUARD™ coating was tested to ensure it does not contribute particles into the air stream.

Phase 1 testing commenced in December 2021 after an extensive design process, calibration, and assessment of the testing rig, and involved the test rig being installed inside an aerobiology chamber to push air through HVAC filter material with test organisms to study how these live airborne organisms were reduced by the *Z*enGUARD™ coating. Testing used multiple samples with repeated tests so that each filter's performance could be compared. It was determined that all Phase 1 targets were met including sufficient reduction in live airborne test organisms, no significant shedding of the *Z*enGUARD™ coating and air flow rates that were not impacted by the coating.

On December 15, 2022, the Company announced the successful completion of Phase 2 HVAC filter testing and that the preliminary report from Phase 2 testing had been received. The final report was received in January 2023 and announced on February 6, 2023. The report notes a significant reduction in live airborne test organisms with ZenGUARD™ coating applied to standard HVAC filters without modification to existing HVAC systems, with no reduction in air flow rates or increasing energy use. The testing demonstrated a reduction in live airborne bacteriophage surrogate contamination within a modular classroom environment, simulating a real-world environment. The testing was performed at the NRC's purpose-build bioaerosol testing facility, designed, and built specifically for testing wet aerosolized droplets, which is the primary mechanism for the spread of disease in an indoor setting.

The Company has also consulted and tested with LMS Technologies ("LMS"), a United States-based air media and filter testing company providing testing services and product certification for filter manufacturers LMS' independent testing of *Z*enGUARD™ enhanced MERV 8 filters demonstrated a significant increase in both bacterial and viral filtration efficiency in line with or better than the results from the NRC. The Company currently intends to continue to work to optimize configurations of HVAC filter materials coated with *Z*enGUARD™ technology at LMS to optimize its product and complete all testing and documentation required for regulatory submissions in Canada and the United States. The Company has engaged Intertek Group plc to conduct a review of regulatory requirements in other geographies of interest.

On September 6, 2023, the Company announced the results of a study comparing the viral filtration efficiency ("VFE") of *Z*enGUARD™ enhanced MERV 9 filters with an uncoated MERV 9 filter. The testing was performed by LMS, which specializes in the testing and certification of filter manufacturers across the world referring to the new American Society of Heating, Refrigerating and Air-Conditioning Engineers ("ASHRAE") standards for aerosolized particles and determining the impact of dust loading on VFE and particle filtration efficiency ("PFE") as per ASHRAE 52.2 testing standards. Key findings of the study included: (i) the VFE of *Z*enGUARD™ Enhanced Air Filters started with a significant advantage over equivalent non-coated filters, from 23.7% to 37.7%, a 59% enhancement or a 14% net gain overall, and, the VFE performance consistently increased faster for the *Z*enGUARD™ Enhanced Air Filters compared to the uncoated filters (at six months equivalent dust, loading, the VFE of the *Z*enGUARD™ Enhanced Air Filter was 85.6% compared to 55.2% for the uncoated filter, a 28.4$ net gain); (ii) the pressure drop remained consistent between *Z*enGUARD™ Enhanced Air Filters and uncoated filters as dust loading increased, indicating that *Z*enGUARD™ Enhanced Air Filters operated similarly to regular MERV 9 filters when tested for PFE, effectively removing particles across all size ranges.

On September 11, 2023, the Company announced the results of a study conducted by ParticleOne Inc., an RWDL Ventures company. The study evaluated the performance of *Z*enGUARD™ Enhanced Air Filter technology in comparison to a standard MERV 9 filter. The study was conducted to assess the effectiveness of filters in removing infectious particles from the air and to determine the potential return on investment ("ROI") of enhanced viral filtration from using *Z*enGUARD™ technology. The ParticleOne model ROI analysis indicated that the *Z*enGUARD™ enhanced MERV 9 filter resulted in a substantial reduction in annual absenteeism costs ($15,016.95) compared to a regular MERV 9 filter in an office space of 10,000 square feet with 75 occupants.

On December 8, 2023, the Company announced a distribution agreement with 1Click Heating and Cooling Inc. ("1Click"), a private HVAC company focused on the heat pump market, for *Z*enGUARD™ MERV 9 filters in various sizes and is expected to include other *Z*enGUARD™ enhanced MERV-rated filters in the future. This agreement will see 1Click utilize *Z*enGUARD™ filters for its regular customer service maintenance programs, along with making *Z*enGUARD™ filters available to customers from inventory held in various provinces. The Company's agreement with 1Click has an initial term of 2 years from the date of approval from the Pesticide Management Regulatory Agency and may be extended by mutual agreement of the parties.

On January 22, 2024, the Company announced the completion of a new study highlighting the potential energy emission and cost savings for commercial buildings adopting *Z*enGUARD™ Enhanced Air Filters. By using *Z*enGUARD™ Enhanced Air Filters to control infectious aerosols instead of increasing the percentage of outside air to achieve a similar risk reduction, the Company estimates that a typical office space of 10,000 square feet with 75 occupants can reduce HVAC energy consumption by approximately 62%.

On May 7, 2024, the Company announced that it completed a case study based on the City of Toronto highlighting the economic and environmental benefits related to using MERV 9A filters compared to using MERV 13 filters. The study quantifies cost savings and reductions in carbon emission and waste assuming the City of Toronto is currently using MERV 13 filters in all its buildings and switches to MERV 9A filters. The study found potential savings of over $40 million stemming from significantly reduced labour costs due to filters being changed every six months rather than every three months, reduced expenditures on air filters from replacing filters every six months rather than every three months, reduced energy requirements and costs due to improved air flow and lower waste disposal costs from fewer filters being used.

On May 23, 2024, the Company announced that it had entered into a distribution agreement effective March 19, 2024 with DCL Supply Ltd., a private HVAC master product distributor. The initial term of the agreement is for one year, and it automatically renews for subsequent one-year terms unless 90 days' notice is given by either party prior to renewal. The initial product to be distributed will be *Z*enGUARD™ Enhanced Air Filters for the HVAC market, subject to the assessment by the Health Canada Pesticide Management Regulatory Agency for registration under the Pest Control Products Act, which remains ongoing. Subject to receipt of such registration, this agreement would allow DCL Supply Ltd. to distribute *Z*enGUARD™ Enhanced Air Filters through its distributor network serving numerous industrial, commercial and institutional clients within and across Canada.

*Z*enGUARD™ Enhanced Air Filters were being assessed by the Health Canada Pest Management Regulatory Agency ("PMRA") for registration under the Pest Control Products Act. On October 31, 2024, the Company announced that it had withdrawn its submission to PMRA for its *Z*enGUARD™ Enhanced Air Filters. On November 27, 2024, the Company announced its intention to add *Z*enGUARD™ Enhanced Air Filters as a Class 1 medical device under its existing MDEL, similar to surgical masks. However, the Company has received a letter from Health Canada noting that Health Canada is considering the classification of ZenGUARD™ Enhanced Air Filters and inviting the Company to submit additional information regarding appropriate regulatory classification. The Company had previously completed its Innovative Solutions Canada Testing Stream contract to validate *Z*enGUARD™ *Enhanced* Air filters as a safe and effective device to mitigate the transmission of disease. As a result, the product is eligible for purchase by the Government of Canada through the Pathway to Commercialization opportunity.

On March 12, 2025, the Company announced that shelf-life efficacy testing has been completed on aged *Z*enGUARD™ Enhanced Air Filters, which is required for medical device compliance *Z*enGUARD™ Enhanced Air Filters were aged for 20 months prior to testing to establish the product's shelf life. Viral filtration efficiency ("VFE") was unchanged after aging demonstrating that the *Z*enGUARD™ coating has a consistent performance over a duration of 20 months.

On April 14, 2025, the Company announced the signing of a collaboration agreement effective April 11, 2025, with Filtration Solutions Industrial Co. ("FSCO"), a leading Saudi-based manufacturer and distributor of air filtration products, to manufacture and distribute *Z*enGUARD™. FSCO would then produce *Z*enGUARD™ Enhanced Air Filters that will be marketed and distributed under the Company's branding throughout the GCC, including Saudi Arabia, the United Arab Emirates, Kuwait, Qatar, Bahrain, and Oman, with the net revenue generated from sales of the products split between the parties. The term of the agreement is for three years, with additional renewal options.

On April 29, 2025, the Company announced that the Forensic Services and Coroner's Complex ("FSCC") in Toronto Ontario, where Dexterra Group Inc. provides integrated facility management services, has issued a purchase order for the procurement of *Z*enGUARD™ Enhanced Air Filters to be used across its facility.

On May 27, 2025, the Company announced the execution of an agency agreement with RSK Environment Ltd. ("RSK"), a global environmental consulting, engineering and technical services business, headquartered in the UK on May 7, 2025. This agreement enables RSK to act as Zentek's authorized facilitator for marketing and promoting its *Z*enGUARD™ Enhanced Air Filters in more than 20 countries. Under the agreement, RSK will support Zentek's international growth by identifying and developing sales opportunities for *Z*enGUARD™ Enhanced Air Filters in key global markets, including the Gulf Cooperation Council ("GCC") region. Zentek will retain full responsibility for manufacturing and fulfillment while compensating RSK with a fixed commission on sales generated within the designated territories. The term of the agreement is for three years, with additional renewal options.

On June 12, 2025, the Company announced new independent test results comparing the viral filtration efficiency ("VFE") of *Z*enGUARD™ Enhanced Air Filters against the bacteriophage MS2 compared to equivalent Minimum Efficiency Reporting Value ("MERV")-rated filters without *Z*enGUARD™. The testing was performed by the third-party ISO 17025:2017 certified lab LMS Technologies Inc. ("LMS"), which specializes in the testing and certification of filter Manufacturers across the world in line with American Society of Heating, Refrigerating and Air-Conditioning Engineers ("ASHRAE") standards. The test results showed that the *Z*enGUARD™ Enhanced Air Filters achieved an average infectious aerosol removal efficiency of MS2 bacteriophage of 42% compared to an untreated filter, which achieved an average of 16%. These strong results align with previous tests performed with bacteriophage Phi6, which is often used as a surrogate for SARS-VoV-2 and other enveloped viruses. This milestone adds to a growing body of third-party validation demonstrating *Z*enGUARD™ Enhanced Air Filter's unique combination of effectiveness and simplicity. Based on these new test results using MS2 bacteriophage, the Company now has science-based, directly comparable data demonstrating that *Z*enGUARD™ is highly effective at controlling infectious aerosols and is fully aligned with ASHRAE Standard 241 testing methodology.

The Company is also currently working with consultants to file an application for *Z*enGUARD™ Enhanced Air Filters with the United States Environmental Protection Agency.

The Company has spent approximately $576,000 on this project during the period January 1, 2022, to March 31, 2025.

ZenGUARD™ Industrial Scale Production and Coating Facility Detailed engineering of equipment for manufacturing the ZenGUARD™ compound began in July 2021. On February 28, 2022, the Company announced that the facility was fully licensed and permitted for ZenGUARD™ production. The Company has installed industrial-scale production equipment to produce the ZenGUARD™ coating formulation at its York Rd., Guelph, Ontario location, which location is permitted for industrial use. The Company has also purchased coating equipment so the process of applying the ZenGUARD™ coating formulation to spunbond polypropylene for use in surgical masks, HVAC filter materials, other PPE equipment, and potentially other uses, can be completed by the Company on-site. The Company spent cumulatively approximately $2.8M on this objective with no further additional expenditures required.

The effective construction completion date for the coating line was November 30, 2022. Following completion of installation, a period of training and certification began. The coating line became commercially operational in August 2023.

On May 18, 2023, the Company announced that it had been granted the ISO 13485:2016 Quality Management System certification standard by the British Standards Institution. The Company also received Medical Device Single Audit Program ("MDSAP") certificate No. 777967. The ISO and MDSAP are required for Zentek's Quality Management System that is specific to medical devices (i.e. a ZenGUARD™ Surgical Masks) and does not include the York Road production facility.

Proposed Construction of Graphene Oxide Production Facility

In addition to the construction of the ZenGUARD™ industrial scale production and coating equipment, as discussed above, the Company intends to construct a plant to produce GO. The Company believes that the ability to produce GO itself, which is the precursor for the ZenGUARD™ compound, rather than relying on third-party suppliers of GO, will be economically favourable to the Company over the long term, as well as reducing supply and shipping risk. The Company believes that there are three primary reasons it would benefit from an ability to produce GO internally: (i) it should eliminate or significantly reduce supply chain risk; (ii) GO is not a homogeneous substance and by producing its own GO the Company could ensure product consistency; and (iii) the Company believes that the demand for GO is increasing and that a domestic production facility could have the potential to generate product for third-party users of the material

The Company engaged Bantrel Co. to begin engineering work on the proposed GO production plant in January 2021. Potential sites have been investigated. A site has not yet been selected, and the permitting process has not yet begun. As of March 31, 2025, the Company has spent $35,000 in preliminary investigations relating to this project and expects that approximately $7,500,000 will be required to complete construction of a GO production facility.

The Company estimates that fifteen to eighteen months will be required to complete the construction of a GO production plant from the time of commencement, which is a management estimate based on the expectation of securing an agreement for the purchase of technology from an existing GO producer.

Risks include, but are not limited to, the inability to reach an acceptable agreement for the purchase of such technology, the inability to adapt existing technology to Canadian regulatory requirements, scaling-up from known existing production capacities could become a requirement, and delays as a result of ongoing material and equipment supply shortages.

Business in Development

ZenGUARD™ and Other Research and Development

The Company continues to seek the most effective, cost-efficient, and scalable process to produce high-quality GO. The production of GO requires a consistent source (or precursor) material for conversion to graphene, which is then applied to various products for enhancement. The Company believes that it has a potential competitive advantage with its interest in AGC and the large and high-quality supply of source material from the Albany Graphite Project, if and when the Company determines it is cost effective to use such material.

Advanced testing on potential new processes for commercial GO production is underway. The Company also continues to work with universities on different processes that could potentially lead to a more efficient and/or lower- cost process for GO production.

The following table sets out some of the specific research and development projects that the Company is undertaking:

Initiative	R&D Timing and Stage[1]	Major Components to be Funded	Research Site	Estimated Cost as at December 24, 2021[2]	Update for the period from January 1, 2022, to March 31, 2025
ZenGUARD™-Coated Masks	Advanced stage of development (currently in the market)	Coating of ZenGUARD™ compound on PPE masks (polypropylene fabric) for reduced microbial transmission through aerosols. Continued work of optimizing material and characterization of compound.	Internal	Continued research and development at an estimated cost of $200,000.	Approximately $170,000 has been spent as at March 31, 2025.
ZenGUARD™-Coated Gloves	Intermediate stage of development	Coating of ZenGUARD™ compound on PPE gloves (Latex, nitrile, etc.) for reduced microbial transmission through touch to develop gloves.	Internal	Continued research and development at an estimated cost of $150,000.	Approximately $Nil has been spent as at March 31, 2025. This research project is currently designated as a lower priority project by the Company, and it does not intend to spend significant funds on this project in the near future.
ZenGUARD™ HVAC	Advanced stage of development	Coating of ZenGUARD™ compound on HVAC filter systems in buildings, transportation, etc., for deactivation of aerosolized viral particles in enclosed spaces to develop pathogen de-activating HVAC filters.	Internal	Continued research and development at an estimated cost of $200,000.	Approximately $576,000 has been spent as at March 31, 2025.
Aptamer-based rapid test	Intermediate stage of development	Validation of efficacy of disease detection platform for a broad range of aptamer-based disease detection.	McMaster University	Continued research and development at an estimated cost of $2,500,000.	Approximately $2,409,100 has been spent as at March 31, 2025.

Initiative	R&D Timing and Stage[1]	Major Components to be Funded	Research Site	Estimated Cost as at December 24, 2021[2]	Update for the period from January 1, 2022, to March 31, 2025
GO based fuel additive	Early stage of development	Development of graphene-based additives to liquid fuels for improved performance metrics, including burn time, burn temperature, droplet size and fuel economy to create a high- efficiency fuel additive.	Internally	Continued research and development at an estimated cost of $325,000.	Approximately $98,900 has been spent as at March 31, 2025.
Quantum Dots	Early stage of development	Development of GO additive nanoscale crystals.	Internally	Continued research and development at an estimated cost of $20,000.	Approximately $5,100 has been spent as at March 31, 2025. This research project is currently designated as a lower priority project by the Company, and it does not intend to spend significant funds on this project in the near future.
3D Printing/Shieldi ng	Early stage of development	Adding GO and nanomaterials into polymers to improve conductivity and to develop complex shapes for E&M shielding for space and other applications to develop conductive 3D printable filaments.	UBC Okanagan	Continued research and development at an estimated cost of $60,000.	Approximately $65,600 has been spent as at March 31, 2025.
Icephobic Coatings	Intermediate stage of development	GO and/or polymer composite icephobic coating for application in the wind turbine and drone industries to develop icephobic coating for prop-blades, and wind turbine blades.	Internally and externally	Continued research and development at an estimated cost of $150,000.	Approximately $19,900 has been spent as at March 31, 2025.

Initiative	R&D Timing and Stage[1]	Major Components to be Funded	Research Site	Estimated Cost as at December 24, 2021[2]	Update for the period from January 1, 2022, to March 31, 2025
Therapeutic and Pharmaceutical Applications	Early stage of development	In vivo and in vitro testing of the ZenGUARD™ compound to develop a novel microbial compound for dermatological conditions.	Undetermined	Continued research and development at an estimated cost of $300,000.	Approximately $93,500 has been spent as at March 31, 2025.
Anode and Battery Technologies	Early stage of development	Development of graphene- enhanced anode material. Mitacs Accelerate project develops new materials for all aspects of an automotive battery including anode, cathode, separator, electrolyte.	University of Waterloo and University of Toronto	N/A	Approximately $232,100 has been spent as at March 31, 2025.
Fire Retardant Intumescent Coatings	Intermediate stage of development	Additives for an intumescent coating to improve the performance of regular formulations.	Internally and externally	N/A	Approximately $129,300 has been spent as at March 31, 2025.
Corrosion Protection	Intermediate stage of development	Nano pigment additives to improve the corrosion protection and mechanical performance of organic coatings.	Internally and externally	N/A	Approximately $91,200 has been spent as at March 31, 2025.
SARS-CoV-2 prophylactic/therapeutic	Early stage (pre-clinical)	An inhalation, delivered universal, aptamer-based, therapeutic and prophylactic.	Externally	N/A	Approximately $92,000 has been spent as at March 31, 2025.
Influenza prophylactic/therapeutic	Early stage	Development of an aptamer-based therapeutic/prophylactic for the treatment of influenza and H5N1 in particular.	Internally and externally	N/A	Approximately $94,600 has been spent as at March 31, 2025.

Notes:

(1) Timing is based on management's reasonable business judgement and subject to certain assumptions and risk factors that may or may not be foreseeable to the Company. See "*Forward-Looking Statements*" and "*Risk Factors*". Management currently believes that products that are in the advanced stage of development are no more than one year from being marketable, intermediate stage of development are approximately 1-2 years from being marketable, and products that are in the early stage of development are approximately 3-5 years from being marketable.

(2) Estimated cost as at December 24, 2021, the date of the short form prospectus filed by the Company.

Intellectual Property ("IP") Protection Activities

The Company's intellectual property protection activities during the period January 1, 2022 to March 31, 2025, are summarized below:

On May 27, 2024, the Company announced that it had received a second patent by the Canadian Intellectual Property Office titled: *Graphene Oxide-Cationic Silver (GO-Ag+) Nanocomposites and Their Use as a Broad-Spectrum Antimicrobial Agent* and includes a total of 78 successful claims. The Company also applied for this patent with the United States Patent and Trademark Office and is pending examination. The patent claims the novel GO-Ag+ compound, that is the active ingredient for *Z*enGUARD™, as an effective agent against both regular and resistant bacteria, fungi and viruses. The patent claims liquid, powder and ointments that use GO-Ag+ as the active ingredient.

Aptamer-Based Technology

Pursuant to a license agreement dated June 11, 2021, as amended June 23, 2023, McMaster University has granted to the Company, for a twenty-year term, a worldwide exclusive royalty-bearing license to use and practice all aptamer and DNAzyme uses, including, but not limited to, diagnostics, therapeutics, and as neutralization agents, including, but not limited to SARS-CoV-2. On October 5, 2023, the Company announced the launch of a wholly owned subsidiary that owns the exclusive, global licensing rights for all aptamer-based technology from the collaboration with McMaster University. The technology was developed by a team of researchers under the guidance of Drs. Yingfu Li, John Brennan and Leyla Soleymani, who have expertise in biosensing technologies and applications as point of care diagnostics. This patent-pending technology was validated with clinical samples from patients recruited under the supervision of two clinicians, Drs. Deborah Yamamura and Bruno Salena, who also work at McMaster University. The project was funded by the Canadian Institutes of Health Research. This technology has shown to be accurate (similar to current PCR tests), is saliva-based, affordable and scalable, and provides results in under 10 minutes. A license fee of $100,000, comprised of $50,000 cash and $50,000 in common shares of the Company (19,157 common shares at $2.61 per share) was paid to McMaster University as consideration. Although this technology was initially being developed specifically for COVID-19, this technology platform is designed to be able to detect other diseases by changing the aptamer to match new diseases.

On May 19, 2022, the Company announced that McMaster received two Natural Sciences and Engineering Research Council ("NSERC") grants related to the aptamer-based rapid detection technology; the Alliance Missions Grant in the amount of $1,000,000, and an Idea to Innovation (I2I) Grant in the amount of $350,000, of which the Company will make a $140,000 contribution. The Company intends to continue working with Dr. Yingfu Li and the research team at McMaster through in-kind contributions, using these grants towards commercializing the rapid diagnostic platform. The grants will be used to advance commercialization efforts by improving the performance of aptamers, optimizing chip synthesis, and initiating tests for additional pathogens that can be incorporated into its pathogen detection platform. The Company currently expects the cost to reach commercialization to be approximately $2,500,000, which includes enhancements and further development of the technology. StarFish Product Engineering Inc. is to conduct product strategy alignment, usability analysis, device and architecture development, proof of concept and prototyping, and program development.

On June 1, 2022, the Company announced that it had retained Halteres Associates ("Halteres"), a consultancy focused on global health, diagnostics, and point-of-care testing, to assist with the commercialization of the aptamer- based rapid detection technology. Market research from the Halteres group will be used to identify the most commercially important pathogens for detection, which will guide the aptamer development program. Halteres evaluated several commercialization opportunities for the aptamer technology, including human diagnostics, agriculture, wastewater, veterinary, and other potential uses in healthcare and the Company is continuing to review those opportunities.

To bring the product to market, the Company will be required to obtain authorization from Health Canada under an interim order, or to obtain a Class IV Medical Device Active License ("MDAL"). The process for obtaining an MDAL involves completing certain testing requirements and demonstrating that the product is (i) safe, (ii) effective, and (iii) fit for purpose. Assuming that process is completed, the Company would then start preparing a product technical file and then seek to complete a Health Canada Class IV application.

On July 20, 2023, the Company announced that the aptamer technology platform was successfully tested as a potential prophylactic or therapeutic for SARS-CoV-2 in pre-clinical animal models. In repeat trials, the aptamers developed by Dr. Yingfu Li demonstrated similar efficacy against SARS-CoV-2 when benchmarked against a commercial monoclonal antibody. The Company further announced the amendment of its license agreement with McMaster University dated June 11, 2021, to broaden the scope of the worldwide exclusive license to apply to all aptamer and DNAzyme uses, including, but not limited to, diagnostics, therapeutics, and as neutralization agents, and not limited to SARS-CoV-2.

On July 27, 2023, the Company announced a new aptamer technology platform with McMaster University that significantly increases the binding affinity of aptamers. The increased binding affinity enhances the limits of detection for aptamer-based diagnostics and could lead to the successful adaptation of these same aptamers for new therapeutic and prophylactic treatments. Provisional patent applications were filed with the United States Patent and Trademark Office which have since resulted in the filing of three international patent applications filed with the World Intellectual Property Office as of March 31, 2025.

On October 10, 2023, the Company announced further pre-clinical testing results of the aptamer-based platform technology by the Dr. Matthew Miller Lab. Further preclinical testing was completed supporting the aptamer as a lead therapeutic target. An in vivo preclinical longevity of protection study was conducted to assess the safety and efficacy of the aptamer-based treatment over a period of 24 hours and demonstrated that the aptamer provided 24 hours of neutralizing protection against SARS-CoV-2. A subsequent study was conducted to determine the minimal effective dose of the aptamer required to protect against a lethal challenge of SARS-CoV-2.

On November 15, 2023, the Company announced the development of a significant upgrade to its aptamer platform improving the binding affinity of the universal COVID-19 aptamer from 300 to over 500 times, compared to the base aptamer. The improved platform also solved key challenges for manufacturing and these High-Binding Affinity ("HBA") aptamers are now produced with approximately a 95% yield. The Company estimates that an additional $1,000,000 will be required to complete the pre-clinical program for the SARS-CoV-2 therapeutic and enter clinical trials.

On November 29, 2023, the Company announced the successful testing of its COVID-19 HBA aptamer against the Omicron XBB 1.5 variant (Omicron) by the Miller Lab at McMaster University in the latest pre-clinical study. The performance of the COVID-19 HBA aptamer was comparable to the performance of monoclonal antibodies, according to the Miller Lab, as it provided clinical protection against infection with the Omicron XBB 1.5 variant. The Company will now begin to explore partnership opportunities in the pharmaceutical space as its aptamer platform may offer a fast, economical, and novel approach to the development of new therapeutics for clinically relevant biological markers.

On December 13, 2023, the Company announced the launch of Triera Biosciences Ltd. ("Triera") as a wholly owned subsidiary for its aptamer platform technology. Triera now owns the exclusive, global licensing rights for all aptamer- based technologies from the collaboration with McMaster University.

On January 30, 2024, the Company announced the positive therapeutic results achieved by Triera Biosciences for C19HBA aptamer as a potential therapeutic. In the most recent trial completed in January 2024 by the Miller lab at McMaster University, C19HBA was tested for its therapeutic potential. The treatment that featured C19HBA demonstrated improved therapeutic benefit over no treatment of the LMA therapeutic. The full results of this preclinical investigation are pending publication in a peer reviewed journal.

On March 25, 2024, the Company announced that Triera completed testing demonstrating that its C19HBA SARS- CoV-2 universal aptamer built on the proprietary high-binding affinity aptamer platform has shown a promising safety and toxicity profile in preclinical testing.

On May 6, 2024, the Company announced that Triera has prioritized the development of a prophylaxis and therapeutic for highly pathogenic avian influenza. The mechanism of neutralizing the H5N1 virus is comparable to the mechanism used by C19HBA against the SARS-CoV-2 virus. More specifically, the aptamer is believed to bind to and neutralize multiple subtypes of the HA surface protein (e.g., H1, H2, H5, etc.), preventing the virus from entering healthy cells and spreading infection.

On November 6, 2024, the Company announced that Triera had been awarded a $1,100,000 Government of Canada contract to test multivalent aptamer technology for the rapid drug discovery of therapeutics or prophylactics of highly pathogenic avian influenza ("HPAI") A(H5N1). On March 27, 2025, the Company completed the first phase of the contract by delivering a lead candidate countermeasure for A(H5N1) and has now moved to the testing phase of the project. The contract began in November 2024 to develop both a prophylactic and therapeutic for A(H5N1) using a multivalent aptamer strategy that previously led to the successful development of a SARS-VoV-2 aptamer. Most activities for the lead countermeasure candidate development were performed through collaboration with the Li Lab at McMaster University.

Diesel Fuel Additive

The Company is working to develop a stable graphene-based diesel fuel additive to improve combustion, increase burn rate, reduce greenhouse gas emissions and to improve fuel economy of diesel fuels. Initial testing has shown an increase in the performance of diesel fuel. The Company is working to improve on these early results through optimization work. The Company has filed a provisional patent application for its graphene-based fuel additive technology.

Primarily overseen by Dr. van der Kuur, the Company's Chief Science Officer, the Company is developing a process to functionalize GO to produce a stable dispersion in diesel fuel. The fuel additive was tested by Conestoga College in a Gunt 159 single-cylinder test engine, which yielded an improvement in fuel economy of over 10% under certain rpm.

The Company completed its work with Dr. Sina Kheirkah at the University of British Columbia-Okanagan Campus ("UBCO") to test GO-doped fuel as part of an NSERC alliance project for $110,500 cash contribution and a total budget of $311,500 over two years to continue doped fuel research. The project focused on measuring the combustion of doped fuel in both droplet and spray combustion. The Company has spent approximately $98,900 on this research and development project.

The Company intends to continue to develop fuel additives internally to optimize the concentration of the additive and to assess the performance of the burn rate, fuel economy and emission of doped diesel fuels.

Icephobic Coating

The Company is also working to develop a new, patent-pending, carbon-based, nanotechnology-enhanced coating designed to prevent or reduce ice accretion for aviation (including drone) and wind energy applications.

Dr. van der Kuur, the Company's Chief Scientific Officer, is the primary overseer of the project, which has involved the use of dispersion technology to homogeneously mix graphene-based materials in an elastomer. The Company has also conducted testing at the National Research Council of Canada's ("NRC") Altitude Icing Wind Tunnel in Ottawa and prepared graphene-enhanced elastomer material and coated coupons for testing.

The Company disclosed on February 28, 2022, that the icephobic coatings were undergoing full flight trials on a specially equipped research aircraft under real-world ice-forming weather conditions. On March 14, 2022, the

Company announced the results of three rounds of testing of its icephobic coating, including laboratory tests, real- world flights and applications related to drone operations in adverse weather. In real-world testing, the Company reported that video footage of its icephobic coating on test pieces attached to a research aircraft undergoing flight trials targeting adverse weather environments has shown positive results and demonstrated that, under significant icing conditions, the coatings provide an effective de-icing and anti-icing solution. Drone testing showed that propellers coated with the icephobic material can maintain higher thrust, when compared to a non-coated propeller, due to the shedding of ice that forms on the blades that would otherwise degrade the drone's ability to maintain stable flight. Accelerated ageing testing has been completed by exposing samples coated with icephobic elastomer to UV weathering for 1,000 hours, which approximates two years' worth of sun damage in typical Canadian weather. These samples were then tested in an icing wind tunnel under dynamic conditions and demonstrated significant retention of their icephobicity.

On August 2, 2022, the Company filed a full patent application with the World Intellectual Property Office for Nanomaterial-Enhanced Elastomer for Passive Ice Accretion Prevention. The Company disclosed this on September 19, 2022. The patent application has since been filed by the Company in Canada and Europe.

On September 19, 2022, the Company announced the successful completion of sand erosion testing at the NRC and rain erosion testing at the Anti-icing Materials International Laboratory in Quebec which demonstrated the icephobic material's durability in adverse conditions for both wind turbine and drone industries.

On May 4, 2023, the Company announced successful drone testing, where thrust was maintained under calibrated icing conditions of freezing drizzle and freezing rain in an outdoor, real-world environment. The drone with the Company's icephobic coating applied to the propeller blades hovered under the outdoor icing rig and, on all tests conducted, maintained flight until the end of the battery life of the drone. The same drone with uncoated propeller blades rapidly lost the ability to maintain flight. These tests are expected to satisfy the Transport Canada requirement for anti-icing equipment. The current regulations for civilian drone operations in Canada as per Transport Canada regulations state that no pilot shall operate a remotely piloted aircraft system when icing conditions are observed, are reported to exist or are likely to be encountered along the route of flight unless the aircraft is equipped with de-icing or anti-icing equipment and equipment designed to detect icing.

The Company is currently consulting with Transport Canada to propose the Company's passive ice accretion technology as a potential means of compliance to satisfy the requirements as well as working to find a collaborator that could provide equipment designed to detect icing.

On May 30, 2023, the Company announced a collaboration with Pattern Energy Group LP to optimize, test and validate the Company's icephobic coating for the wind turbine industry. The partnership is being supported financially by both the Natural Sciences and Engineering Research Council of Canada and PRIMA Quebec - Advanced Materials Moving Forward.

The Company continues to consider and seek partners to commercialize this technology, including drone companies and companies specializing in elastomer production. Because the NRC has been testing a variety of coatings, the Company has been able to participate in the NRC testing process thus far at no cost to the Company. However, the Company anticipates additional testing and development to cost approximately $150,000.

Fire-Retardant Additive

The Company announced on March 28, 2022, that it had filed a provisional patent with the United States Patent and Trademark Office for an innovative Graphene Oxide-Metal-Organic Framework ("GO-MOF") compound for use in fire retardant products. The provisional patent application has since been filed as an international (PCT) patent application with the World Intellectual Property Office on March 27, 2023, and entered national phase in the United States on September 25, 2024. Management of the Company considers the manufacturing of the GO-MOF compound as relatively easily scalable and efficient, due to the patent-pending facile synthesis process. The Company believes the fire-retardant GO-MOF additive could potentially be placed in a variety of coating products, such as latex, epoxies or included in polymers. When integrated into a polymer, it could potentially create a fire-resistant plastic that could be used in electric vehicles, providing a fire-resistant non-metal casing for the batteries. Management currently expects that GO-MOF production could be achieved on the existing *Z*enGUARD™ industrial scale production facility with minimal additional capital expense.

Dr. van der Kuur, the Company's Chief Scientific Officer, is the primary overseer of the project. The Company has spent approximately $129,300 on this research and development project, and intends to conduct further testing, which it currently estimates will cost approximately $12,000. In the financial year ended March 31, 2025, optimizations to the formulations were performed at the Company's lab prior to a testing program with a commercial partner. Testing and optimization work remains ongoing as of March 31, 2025.

Battery Technology

The Company has been collaborating with Dr. Michael Pope at the University of Waterloo since 2017, developing battery technology to improve anode performance. One highly studied area for lithium-ion battery development is to improve the anode material. Currently, electric vehicle anodes are composed of graphite, which has a limited theoretical specific capacity of ~372 mAhg-1. Silicon has attracted significant attention as a replacement material, mainly due to its high specific capacity of 4,200 mAhg-1, but also due to its low working potential, low price and availability. However, silicon has an enormous volumetric fluctuation (greater than 300% in all dimensions) when charging and discharging. This feature is the root cause behind the issues of poor cycle lifetime, irreversible capacity loss, and destruction and reformation of the solid electrolyte interface.

Using silicon in the anode material, Dr. Pope has attempted to address these issues and has created a patent-pending graphene-wrapped silicon anode material. On February 18, 2022, the Company announced the filing of a provisional patent with the United States Patent and Trademark Office relating to a graphene-wrapped silicon anode material. Since April, Dr. Pope's team has optimized the anode material, which now has a specific capacity of over 1,000 mAh/g and retains over 80% of its capacity over 320 charge-discharge cycles. The specific capacity of this material is a significant improvement over common graphite anodes; however, the cycle life still requires improvement compared to typical electric vehicle batteries, which lose about 4% capacity over 1,000 charge-discharge cycles. The Company intends to continue to work with Dr. Pope's team to develop this technology with the goal of improving performance to meet industry requirements. The Company filed a patent application under the Patent Cooperation Treaty on May 17, 2022.

On October 28, 2022, the Company announced the commencement of a four-year, $1,600,000 research project in collaboration with Professors Mohini Sain and Ning Yan from the University of Toronto and Ford Powertrain Engineering Research and Development Centre. Funding for the project includes $1,200,000 from the Mitacs Accelerate program. The project seeks to assess novel concepts for the purpose of inventing multifunctional materials to be used in automotive battery components including anode, cathode, electrolyte, and separator. The Company will be working in tandem with University of Toronto researchers providing and testing advanced graphene materials including the Company's patent-pending anode material developed by Dr. Michael Pope.

On August 8, 2024, the Company announced preliminary battery testing results and the commencement of a three- year $441,000 project in collaboration with Professors Mohini Sain and Ning Yan from the University of Toronto. Funding for the project is provided by a NSERC Mission Alliance Grant. The Company announced that promising preliminary results have already been achieved from this research with pouch cell batteries featuring engineered Albany graphite by the University of Toronto with a minimum 17% increase in capacity over batteries using commercial grade anode material. The project seeks to characterize and optimize the Albany graphite by exploring various pathways to purify, increase capacity, enhance cycle life, and engineer the graphite to meet or exceed commercial standards for anode material in the EV market. The results achieved are preliminary and will be verified through further testing or at an independent third-party facility.

Corrosion Protection

On February 8, 2023, the Company announced the development of ZenARMOR™, a novel corrosion protection technology based on functionalized GO, for potential use in naval and marine infrastructure, bridges, buildings, pipelines, and other industries. ZenARMOR™ could be produced in the ZenGUARD™ facility. Third-party testing on ZenARMOR™ yielded excellent corrosion resistance with no blisters or other signs of corrosion after 1,500 hours of ASTM B-117 Salt Spray Test with ZenARMOR™, and ZenARMOR™ qualified for the Innovative Solutions Canada ("ISC") Testing Stream - Military Call for Prototypes. The Company has filed an International Patent Application on this corrosion protection technology, which was filed in Canada and the United States, as well as a trademark for ZenARMOR™.

On October 4, 2023, the Company announced that it had prepared and shipped the first corrosion paint samples to the NRC for the first round of testing as part of the ISC - Testing Stream - Military Call for Proposals. NRC's Aerospace Research Centre's Aerospace Manufacturing Technologies Centre tested the Company's nano pigment in military-grade chromate-free paints for evaluation in its first of three rounds of testing. ZenARMOR™ was evaluated in commercial non-chromate aviation paint systems developed by PPG Industries Inc. and Akzo Nobel N.V. Three rounds of corrosion testing were completed from September 2023 to July 2024. Testing followed ASTM B117 (salt spray) and ASTM D5894 (cyclical corrosion) standards. The Company announced on April 16, 2025, that the tests were successful in demonstrating the effectiveness of ZenARMOR™ nano-pigments in inhibiting corrosion of the aluminum alloy AA2024-T3. Additionally, the Company announced that it has begun a collaboration with Jazeera Paints, headquartered in Riyadh, Saudi Arabia to evaluate ZenARMOR™ in their existing product lines.

Other Use-Cases for ZenGUARD™

Therapeutic and Pharmaceutical Applications

The Company was exploring the potential to use the ZenGUARD™ compound in therapeutic or pharmaceutical applications. In testing by Dr. Tony Mazzulli from Mount Sinai Hospital in Toronto, the active ingredient in ZenGUARD™ showed low minimum inhibitory concentrations against several bacteria. On February 4, 2021, and March 2, 2021, the Company announced results of the Phase 2 cytotoxicity testing by Nucro-Technics testing laboratory and included cytotoxicity testing that noted no adverse effects after seven days of repeated dosing. MRSA-related skin infection testing was performed on animals with inconclusive results. Cytotoxicity studies with Nucro-Technics and positive anecdotal results of various human skin infections including acne, warts and toenail fungal infections showed no adverse effects recorded during these anecdotal trials. These human anecdotal cases form part of the Company's patent application filed on December 21, 2021, under the Patent Cooperation Treaty entitled "*Graphene-Silver Nanocomposites and Uses for Same as a Broad-Spectrum Antimicrobial* " which was published on June 30, 2022. The patent has been issued in Canada.
The Company has spent approximately $93,500 on this project during the period January 1, 2022, to March 31, 2025.

Other

On December 12, 2024, the Company announced that it had entered into a Memorandum of Understanding ("MOU") with Al-Ramez International Group, through Saudi Excellence Holding Company, establishing a framework to develop a strategic partnership to drive innovation and commercialization in advanced technologies, across the Kingdom of Saudi Arabia ("KSA") and the Middle East and North Africa ("MENA") regions. The MOU outlines a collaborative framework pursuant to which the Company intends to contribute intellectual property, product licensing, and research and development expertise, which Al-Ramez International Group intends to provide marketing support, investor relations, financing, and access to the KSA and MENA markets. Together, the parties aim to achieve several key objectives, including developing a graphene production facility in the KSA, to focus on the distribution of ZenGUARD™ technologies in the KSA and across the MENA region, support local research and production initiatives by advancing and commercializing the Company's other technologies including its aptamer platform, and sourcing financing to further develop the Company's various projects. The Company also announced that it had been accepted into the World Trade Centre Toronto's Trade Accelerator Program (TAP)/Life Sciences Commercialization for Global Success.

The Company is also continuing to work with a number of research institutions developing processes to synthesize graphene, GO and graphene quantum dots, along with other possible applications for graphene-based materials. Potential markets for graphene-based materials include composites (e.g., concrete, rubber, plastic polymers, and ceramics), sensors, water purification and filtration, coatings and solid-state lubricants, silicon-graphene and graphene aerogel anode material for next-generation batteries along with aerospace applications.

The Company has other research projects commenced or contemplated including applications in aluminum alloys, corrosion protection, battery technology, conductive polymers, and others. The Company will report on these if and when it is appropriate to do so.

Albany Graphite Project

The Company owns 100% of the issued and outstanding shares of AGC which owns the Albany Graphite Project in Northern Ontario, Canada. The unusual nature of the formation of graphite in the Albany Graphite Project and its potential chemical and economic significance motivated additional exploration drilling from 2011 to 2013. The current claims require a total of $197,200 worth of assessment work per year to keep them in good standing and the Company has a total of approximately $7.1M in available assessment work credits in reserve. On October 18, 2021, the TSXV changed the Company's classification from a "mining issuer" to an "industrial, technology, or life sciences issuer." The change of classification was approved by the shareholders of the Company on September 27, 2021, in accordance with the rules and policies of the TSXV.

On May 19, 2023, the Company transferred to AGC the ownership of the Albany Graphite Project, including the mining claims and all related chattel, drill core, and applicable contracts, in consideration for the issuance by AGC to the Company of 59,999,900 common shares of AGC.

On July 26, 2023, the Company published an updated mineral resource estimate for the Albany Graphite Project, prepared by SLR Consulting (Canada) Ltd. ("SLR"). The updated mineral resource estimate is set out in the report entitled "Technical Report on the Albany Graphite Project, Ontario, Canada - Report for NI 43-101" dated July 31, 2023 (effective date of April 30, 2023), prepared by SLR, and filed on SEDAR+ on September 1, 2023.

More recently, AGC is investigating if Albany graphite has the required characteristics and performance to develop an ideal anode material for the electric vehicle market. Test work has initially focused on the purification of Albany flotation concentrate to produce a consistent high-purity (>99.95%) material. On July 17, 2024, the Company announced that AGC has achieved a five nines purity of 99.99915% for a graphite sample from the Albany Graphite Project. A sample of the homogenized bulk flotation concentrate produced by SGS Canada Inc. in the 2017 flotation pilot plant campaign was upgraded from approximately 85% to >99% using a simple hydrometallurgical process. A 100g sample of the >99% feed was subsequently thermally purified in a fixed-bed furnace at a temperature of 2,700C for five minutes in an argon atmosphere. A 10g sample of the purified material was then shipped to Eurofins EAG Laboratories for a full 72 element GDMS analysis. The concentrations of all elements above the detection limits (22 of the 72 total) were summed to yield the total concentration of the detectable impurity elements that remained in the purified sample at 8.48 ppm wt. or 0.00085% wt. The boron concentration in the sample was 0.42 ppm wt.

On January 8, 2025, the Company announced that AGC had achieved a preliminary five-nines purity of 99.9991% directly from a second larger Albany graphite deposit flotation concentrate sample utilizing an operational pilot- scale fluidized bed reactor ("FBR"). The second sample of the homogenized bulk flotation concentrate produced by SGS Canada Inc. during the 2017 flotation pilot plant campaign was upgraded from approximately 85% total graphic carbon ("TGC") to over 96% TGC using a small pilot hydrometallurgical process with standard metallurgical equipment. A 100g sample of the >96% TGC feed was then thermally purified in a fixed-bed furnace under the same conditions as before (2,700°C for five minutes in an argon atmosphere). A 10g sample of the purified material was subsequently shipped to Eurofins EAG Laboratories for a full 72 element GDMS analysis. The concentrations of all elements above the detection limits (25 of the 72 total) were summed to yield the total concentration of the detectable impurity elements that remained in the purified sample at 11.61 ppm wt. or 0.00116 % wt. yielding a purity of 99.99884 % wt. The boron concentration in the sample was 1.8 ppm wt.

Additionally, the Company contracted a highly reputable North American manufacturing company specializing in industrial graphite and carbon to explore the direct purification of Albany flotation concentrate (~85% TGC) using its proprietary continuous processing equipment. The Company supplied a 1kg sample of the homogenized bulk flotation concentrate which was characterized, aggregated into 3-D particles, and then run in a pilot-scale FBR. The feed material was thermally purified utilizing their proprietary process. A platinum crucible LOI analysis conducted at 950°C on a sample of the purified material indicated an ash content of 0.0009 % wt corresponding to a purity of 99.9991 % wt. Notably, the manufacturing company reported that the Albany material was easily purified to an ultra-high purity level without the use of chlorine gas or any other halogen gases that are commonly used for graphite purification when 5N nuclear purity levels need to be achieved.

On February 14, 2025, the Company reported that as part of the characterization process, an elemental analysis (59 elements) was performed to identify the impurity elements. In its report, the manufacturing company noted that the feed material contained concentrations of rare earth elements ("REE") and other potential elements of value that could be recovered as part of the thermal purification process. Impurity elements, including the REEs, that were removed from the graphite during the purification process were collected and concentrated in a scrubber that handles all the FBR exhaust products. The Company intends to continue to investigate the REE potential of the Albany graphite deposit and send samples of unprocessed mineralization and tailings material for additional elemental analyses to verify their REE content and determine if there is any consistency within the two pipes, which REEs are enriched, and also provide an estimate of their average concentrations. Additional detailed sampling and verification would include analyzing the pulps and core from representative drill holes and the insertion of certified reference materials into the sample stream.

During the three-month period ended March 31, 2025, approximately $89,000 (2024 - $33,000) and approximately $183,000 during the financial year ended March 31, 2025 (2024 - $272,000) was spent by AGC on the Albany Graphite Project including professional fees and geologist wages. The financial year ended March 31, 2024, included consulting fees paid on the NI 43-101 report of $83,000. These costs have been capitalized in accordance with the Company's accounting policy on Exploration and Evaluation Assets.

Business Objectives and Milestones

As at March 31, 2025, the Company had working capital of $882,892 (2024-$4,429,949) defined as current assets less current liabilities.

On January 4, 2022, the Company completed a bought-deal prospectus offering raising gross proceeds of $23,005,060 and a concurrent non-brokered private placement raising additional gross proceeds of $10,009,022, for total gross proceeds of $33,014,082. The Company disclosed in its final prospectus dated December 23, 2021 (the "Prospectus") that it expected the net proceeds of the financing to be (excluding any exercise of the overallotment option) $28,813,158 after deducting the payment of the commission to the underwriters.

The following table sets out the uses that the Company planned for such proceeds over the thirty-six-month period following the financing, as disclosed in the Prospectus, and an update on the actual expenditures using such funds:

Use of Available Funds	Expected Amount as at date of Prospectus ($)	Approximate Actual Amount spent as at March 31, 2025 ($)
General and administrative costs	4,000,000	15,324,000
Acquisition of GO supply [1]	1,300,000	2,117,000
Construction of *Z*enGUARD™ production facility [2]	1,500,000	2,791,000
Purchase of coating equipment [2]	1,900,000	2,000,000
Construction of GO production plant [3]	7,500,000	Nil
Potential strategic acquisition	1,500,000	Nil
Development of rapid detection technology [4]	2,500,000	2,409,100
Building inventory of rapid detection tests	3,000,000	Nil
Research and development [5]	2,000,000	4,075,000
Purchase of research and development facility [5]	2,000,000	2,065,000
Estimated offering costs	300,000	292,000
Unallocated funds added to working capital	1,313,158	Nil
Total	**28,813,158**	**28,813,158**

Notes:

(1) See "Current Business - ZenGUARD™ Anti-Microbial Compound - Personal Protective Equipment".

(2) See "Current Business - Construction of ZenGUARD™ Industrial Scale Production and Coating Facility".

(3) See "Current Business - Proposed Construction of Graphene Oxide Production Facility".

(4) See "Business in Development - Aptamer-Based Rapid Detection Technology".

(5) See "Current Business - ZenGUARD™ and Other".

From January 4, 2022, to March 31, 2025, the Company spent approximately $28,813,158 that was expected to be available. General and administrative costs have been proportionally higher in the approximately thirty-eight months since the Prospectus, as the Company hired additional staff including regulatory staff, marketing staff and additional management personnel. Recent general and administrative costs include certain non-recurring expenses such as costs related to the Trebor receivership, costs relating to obtaining a Nasdaq listing and severance payments. The Company expended more than expected for the acquisition of GO, as its supplier experienced delays as a result of global shipping issues, and the Company decided to mitigate the supply chain risk and ordered more than originally planned of GO. Under the purchase terms of physical receipt and quality control, the Company recognizes inventory for the GO acquisition when inventory is shipped, and title passes and/or when credit has been pulled from the Company's prepaid account.

Overall Performance

During the financial year ended March 31, 2025, the Company was mainly involved in working towards commercialization of HVAC. The Company also continued its graphene R&D activities which led to two Patent Cooperation Treaty patent filings and one licensed-in provisional patent application during this year. Overall, during the financial year ended March 31, 2025, the Company had cash expenditures consisting mainly of mortgage payments, research and development costs, professional and consulting fees and general operating expenses offset by the private placement funds raised of $3,069,950 netting approximately $2,548,500.

Results of Operations

Net loss

The Company recorded a net loss of $1,839,671 with basic and diluted net loss per share of $0.02 for the three-month period ended March 31, 2025 (2024 - loss of $2,457,639 and $0.03). The loss for the financial year ended March 31, 2025, was $10,039,658 with basic and diluted loss per share of $0.10 (2024 - loss of $11,703,990 and $0.12).

Net Sales

Consolidated net sales for the three-month period ended March 31, 2025, was $813,596 (2024 - $5,757). Consolidated net sales generated from operations for the financial year ended March 31, 2025, was $872,495 (2024 - $29,816).

		Intellectual Property Development	Biotech	Albany Project	Total
Net Sales	**2025**	$79,995	$792,500	$Nil	$872,495
	2024	$ 29,816	$Nil	$Nil	$ 29,816

Net sales recognized in the three-month period ended March 31, 2025, includes both the sale of products and services including *Z*enGUARD™ coated masks of $21,096 and service revenue of $792,500. This compares to net sales recognized in the three-month period ended March 31, 2024, which was for the sale of *Z*enGUARD™ coated masks only.
Net sales recognized in the financial year ended March 31, 2025, includes both the sale of products and services including ZenGUARD™ coated masks of $79,995 and service revenue of $792,500. This compares to net sales recognized in the financial year ended March 31, 2024, which was for the sale of *Z*enGUARD™ coated masks only.

Cost of Sales

Consolidated cost of sales for the three-month period ended March 31, 2025, was $256,226 (2024 - $124,162) and $644,610 for the financial year ended March 31, 2025 (2024 - $289,011). Cost of sales includes the allowance for impairment of inventory in the amount of $136,447 (2024 - $203,553).

		Intellectual Property Development	Biotech	Albany Project	Total
Cost of sales	2025	$578,419	$66,191	$Nil	$644,610
	2024	$289,011	$Nil	$Nil	$289,011

Expenses

Depreciation and amortization expense was $139,554 for the three-month period ended March 31, 2025 (2024 - $160,602) and $600,322 for the financial year ended March 31, 2025 (2024 - $613,714). Amortization is taken on the capitalized cost of the Company's building, computers, equipment, leasehold improvements, and right-of-use assets.

Consulting fees were $5,479 for the three-month period ended March 31, 2025 (2024 - $199,142) and $127,480 for the financial year ended March 31, 2025 (2024 - $629,655). The most significant component of the consulting costs incurred was for consultants working on regulatory and government matters. Less fees were paid to outside consultants in fiscal 2025 as this work was moved internally.

Directors' fees expense was $63,125 for the three-month period ended March 31, 2025 (2024 - $63,125) and $252,500 for the financial year ended March 31, 2025 (2024 - $173,125). This expense relates to compensation paid to the Company's independent Directors. Director's fees are up year-over-year as the number of independent directors have increased from 2 to 3.

Insurance expense was $76,884 for the three-month period ended March 31, 2025 (2024 - $100,185) and $354,186 for the financial year ended March 31, 2025 (2024 - $396,657). These expenses relate to the costs required to adequately insure the Company's assets, operations and directors and officers. Overall insurance expense has decreased both in the three-month and financial year ended March 31, 2025 compared to the same periods of the prior year even though insurance coverage and programs have remained the same year-over-year as a result of reduced premiums.

Investor relations and promotion expenses were $16,017 for the three-month period ended March 31,2025 (2024 - $50,293) and $94,411 for the financial year ended March 31, 2025 (2024 - $199,131). These expenses consist primarily of the costs of consultants, marketing trips and other costs such as attending industry conferences. Year- over-year the Company reduced their spend on consultants and performed the required work internally.

Listing and filing fees were $44,580 for the three-month period ended March 31, 2025 (2024 - $23,534) and $222,945 for the financial year ended March 31, 2025 (2024 - $180,495). These expenses consist primarily of the costs of maintaining registered status on various stock listing exchanges. Additional costs were incurred year-over-year in relation to at-the-market offering agreement in the US and the private placements.

Office expenses were $25,264 for the three-month period ended March 31, 2025 (2024 - $33,584) and $106,698 for the financial year ended March 31, 2025 (2024 - $142,822). Expenses have decreased as a result of the reduction head count, year-over-year.

Professional fees were $927,795 for the three-month period ended March 31, 2025 (2024 - $204,250) and $2,288,633 for the financial year ended March 31, 2025 (2024 - $1,380,611). These fees consist primarily of the amounts charged for services provided by the Company's lawyers, auditors, and accountants. Q4 2025 included additional legal fees of approximately $300,000 for the legal proceedings relating to claims involving a former director and officer of the Company. See further discussion under "Legal proceedings and regulatory actions". Additionally, Q4 2025 and for the financial year ended March 31, 2025, professional fees included additional legal fees related to the at-the market offering and the non-brokered private placements.

Rent expense was $77,100 for the three-month period ended March 31, 2025 (2024 - $72,916) and $311,556 for the fiscal year ended March 31, 2025 (2024 - $359,651). During May 2023, the GO storage was consolidated and moved to a more economical storage facility.

Research and development expenses were $203,304 for the three-month period ended December 31, 2024 (2024 - $1,229,782) and $465,653 for financial year ended March 31, 2025 (2024 - $1,775,495). These expenses mainly related to continued research and development activities regarding graphene use and development. A request for a refund of a deposit of $225,000 made in December 2021 for a research project that was cancelled in December 2022, was recorded as a reduction in research and development expenses in Q1 2025. 2024 included additional costs that were incurred on testing for the PMRA submission for *Z*enGUARD™-coated HVAC filter media and work towards the FDA submission for *Z*enGUARD™-coated masks.

Salaries and benefits expense was $674,095 for the three-month period ended March 31, 2025 (2024 - $814,566) and $3,023,656 for the financial year ended March 31, 2025 (2024 - $3,819,843). These expenses relate to staffing costs required to operate the business. Currently, there are 18 employees on payroll versus 25 during the same period of the prior year. Salaries and benefits expense for Q1 2025, includes severance payments of approximately $50,000 with an annual savings of approximately $65,000.

Share-based compensation costs were $279,680 for the three-month period ended March 31, 2025 (2024 - $220,977) and $1,529,934 for the financial year ended March 31, 2025 (2024 - $1,786,453). Share-based compensation was based on the fair value of the options described in Note 12(c) of the audited consolidated financial statements as calculated using the Black-Scholes option pricing model. Share-based compensation is recognized over the vesting period of the underlying options. In May and June 2024, 2,005,000 options were issued to Directors, Officers, employees and a consultant at $1.52. For the comparative period, most of the share-based compensation expense relates to an April 2023 grant of 600,000 at a strike price of $2.12, resulting in a higher option value to be recognized.

Supplies and materials expense was $11,278 for the three-month period ended March 31, 2025 (2024 - $6,722) and $35,400 for the financial year ended March 31, 2025 (2024 - $42,069). These expenses mainly related to supplies and materials purchased to continue graphene development. Q1 2024 included a prepaid adjustment that flowed through supplies of approximately $80K, creating a credit balance in Q1 2024 and reducing the overall spend year- to-date.

Travel expense was $43,811 for the three-month period ended March 31, 2025 (2024 - $35,008) and $165,741 for the financial year ended March 31, 2025 (2024 - $137,833). This increase reflects additional travel by staff compared to the same period a year prior for trade shows and to the middle east.

Other expenses excluding office and travel expenses were $70,883 for the three-month period ended March 31, 2025 (2024 - $77,587) and $254,183 for the financial year ended March 31, 2025 (2024 - $504,680). The following table details the material components of the Company's other expenses for the financial years ended March 31, 2025, and 2024.

	Financial Year Ended March 31, 2025	**Financial Year Ended March 31, 2024**
Automotive	27,149	22,540
Bank fees	4,781	4,698
Dues and subscriptions	37,215	49,590
Freight and delivery	11,038	176,423
Meals and entertainment	33,293	49,591
Other expenses	22,081	41,826
Property taxes	34,030	31,862
Repairs and maintenance	48,158	83,795
Telephone	20,325	23,507
Utilities	16,113	20,848
Total	**254,183**	**504,680**

The decrease in freight and delivery was a result of repositioning and consolidating of inventory of GO in storage to a more economical leased facility in 2024. These additional costs were recouped with rental savings in 2025. Additional freight and delivery costs were incurred in 2024 for the movement of international masks from Turkey to India.

The decrease in repairs and maintenance was a result of increased repairs at the Corporate Crt. location in financial year ended 2024.

Interest income for the three-month period ended March 31, 2025, was $3,557 (2024 - $59,675) and $101,613 for the financial year ended March 31, 2025 (2024 - $405,483). The Company continues to earn interest on cashable guaranteed investment certificates. Interest rates have increased since fiscal 2023; however, $Nil was held in cashable guaranteed investment certificates at March 31, 2025, compared to $3,000,000 held at March 31, 2024, resulting in less interest income during the quarter and financial year ended March 31, 2025.

Interest expense for the three-month period ended March 31, 2025, was ($181,419) (2024 - $26,678) and ($91,323) for the financial year ended March 31, 2025 (2024 - $107,373). During the three-month period ended March 31, 2025, an adjustment was made to reverse the estimated interest as a result of the estimated Part XII.6 tax and indemnification liability owing from the Canada Revenue Agency ("CRA) audit.

Other income (expense) of $91,376 for the three-month period ended March 31, 2025 (2024 - ($10,074)) and ($429,991) for the financial year ended (2024 - $37,863).

In January 2025, the Canada Revenue Agency ("CRA") completed its CRA audit of the Company's 2018 and 2019 renunciation of Canadian exploration expenses ("CEE") in favour of subscribers of flow-through share private placements that closed on December 21, 2018, and December 20, 2019 (the "Flow-Through Financings") for aggregate proceeds of $4,210,000.

In February 2025, the Company received a Notice of Reassessment ("NOR) from CRA in respect of its 2018 Flow- Through Financing. This NOR assessed a reduction in amounts previously renounced and resulted in additional Part XII.6 tax of $59,693.

The Company has not yet received a NOR for the amounts renounced in the 2019 Flow-Through Financing. As a result, further amendments to the flow-through share expenditures renounced for the period from March 31, 2019 to March 31, 2022, may occur.

The Company has estimated its potential Part XII.6 liability as a result of the CRA audit to be $93,000. The reduction in previously provided renunciations may also result in an additional obligation for the Company to indemnify certain flow-through shareholders due to reductions in previously flowed through CEE deductions. Management has estimated this indemnification obligation to be $427,000.

A provision of $520,000 has been recognized for this liability and included in accounts payable and accrued liabilities. $93,000 of this liability consists of management's estimate of Part XII.6 tax owing and $427,000 consists of management's estimate of the Company' indemnification obligation.

The Company recognized $Nil in government grants for the three-month period ended March 31, 2025 (2024- $75,000) and $Nil for the financial year ended March 31, 2025 (2024 - $418,213). The Company was successful in securing funding in the financial year ended March 31, 2025, of $Nil (2024 - $46,322) with the National Research Council for the Industrial Research Assistance Program for an HVAC project which included funding to offset both labour and third-party testing costs. The Company has also secured funding for ZENArmor Pigment Synthesis, Substrate Preparation and coating from Public Works and Government Services Canada in the financial year ended March 31, 2025, of $Nil (2024 - $304,391). Lastly the Company secured funding from Downsview Aerospace Innovation & Research Centre ("DAIR") Green Fund for passive icephobic coating testing in the financial year ended March 31, 2025, of $Nil (2024 - $67,500).

Cash Flows

During the financial year ended March 31, 2025, cash decreased overall by $3,399,939 (2024 - $6,835,897). Operating activities resulted in a decrease in cash of $6,282,441 (2024 -$8,051,589) due to continued spending on consulting and professional fees, research and development, salaries and benefits and other expenses. Investing activities resulted in an increase in cash of $358,651 (2024 - increase of $1,881,162) with the final repayment of $548,850 including principal of $500,000, received against the loan receivable in November 2024 and $2,500,000 received as a partial payment in June 2023. Financing activities resulted in an increase in cash of $2,523,851 (2024 - decrease of $665,470) with gross proceeds from the non-brokered private placement of $3,069,950 offset by repayments of long-term debt, the lease liability and shares repurchased for cancellation.

Mineral Exploration and Development

Albany Graphite Project

The claims comprising the Albany Graphite Project are presently held in good standing by AGC and there are sufficient assessment credits available to keep all the 4F claims in good standing for approximately 30 years. There are no environmental liability issues related to any previous exploration work on the claims. Neither the Company nor AGC have received from any government authority any communication or notice concerning any actual or alleged breach of any environmental laws, regulations, policies or permits. The claims are located in the traditional territory of the CLFN. In July 2011, the Company and CLFN signed an exploration agreement (assigned to AGC as part of the property transfer of the Albany Graphite Project) for a mutually beneficial and co-operative relationship regarding exploration and pre-feasibility activities on the Albany Graphite Project. Under this agreement, the Company committed to establishing a joint implementation committee and conveying preferential opportunities for employment and contracting as well as contributing to a social fund for the benefit of CLFN children, youth and elders. In 2018, the parties signed a new Memorandum of Understanding under which a project partnership structure

will be created in support of the development of the Albany Graphite Project. Subsequent to 2015, most of the Albany Graphite Project work has been focused on metallurgical process development, environmental baseline studies, market studies, and research and development to determine the most attractive market opportunities for the Albany Graphite Project.

As described above under "Company Overview and Discussion of Operations - Albany Graphite Project", the Company transferred the Albany Graphite Project to AGC with the purpose of moving the Albany Graphite Project forward with a separate corporate entity and management team dedicated exclusively to its development. The Company is not dependent on materials extracted from the Albany Graphite Project for its current business plans.

Administration and Capitalization

Effective May 1, 2024, Dr. Dube resigned as Chief Operating Officer of the Company and ceased to be a director of the Company as of September 26, 2024.

On May 3, 2024, Brian Bosse resigned as a director of the Company and was appointed to the Company's advisory board. The Company granted Mr. Bosse stock options to purchase 40,000 common shares of the Company at a price of $1.42 per common share for a term of three years.

On May 3, 2024, a consultant was granted stock options to purchase 25,000 common shares of the Company at a price of $1.42 per common share for a term of three years. In addition, this same consultant was granted stock options to purchase 5,000 common shares of Triera Biosciences Ltd. at an exercise price of $1.00.

On May 21, 2024, a total of 250,000 stock options were exercised at $0.40 per option resulting in proceeds of $100,000 to the Company.

On June 14, 2024, 300,000 stock options were exercised using a "cashless" exercise method whereby 80,000 fewer shares were issued than options exercised as compensation for the $120,000 in cash that traditionally would have been received by the Company upon exercise.

On June 20, 2024, 1,935,000 stock options were issued to a number of directors, officers and employees of the Company. The stock options have an exercise price of $1.52 per common share. The options granted to the directors and officers, will vest one third on the date of grant, one third on the first anniversary of the grant, and one third on the second anniversary of the grant. For employees, the options will vest one quarter on the date of grant, and one quarter on each anniversary thereafter.

On July 17, 2024, 650,000 stock options were exercised using a "cashless" exercise method whereby 193,597 fewer shares were issued than options exercised as compensation for the $260,000 in cash that traditionally would have been received by the Company upon exercise.

On August 14, 2024, the Company announced a normal course issuer bid for up to 5,084,319 common shares of the Company over a period of one year, being approximately 5% of the Company's issued and outstanding common shares, with up to 2,033,727 common shares of the Company purchasable over any 30-day period, being 2% of the Company's issued and outstanding common shares. The bid commenced on August 16, 2024, and will continue until the earlier of August 15, 2025, or the date by which the Company has acquired the maximum number of common shares which may be purchased under the bid.

On August 19, 2024, the Company closed a non-brokered private placement of units (the "Units") through the issuance of 2,361,500 Units at a price of $1.30 per Unit for gross proceeds of $3,069,950. Net proceeds of the offering will be used for working capital and general corporate purposes. Each Unit consists of one common share and one-half of one common share purchase warrant. Each whole warrant entitles the holder thereof to purchase one common share at a price of $3.00 for a period of 24 months from the closing date of the offering. In connection with the closing of the offering, the Company paid certain eligible persons a cash commission of $29,499 in the aggregate.

All securities issued in connection with the offering are subject to a hold period of four months plus a day from the date of issuance and the resale rules of applicable securities legislation.

On September 9, 2024, 25,000 stock options were exercised using a "cashless" exercise method whereby 8,065 fewer shares were issued than options exercised as compensation for the $10,000 in cash that traditionally would have been received by the Company upon exercise.

On September 11, 2024, the Company received a notification from the Nasdaq that the Company is not in compliance with the Nasdaq Listing Rule 5550(a)(2), as the minimum bid price of the Company's common shares has been below US $1.00 per share for 31 consecutive business days. In accordance with the Nasdaq Listing Rule 5810(c)(3)(A), the Company had a period of 180 calendar days, or until March 10, 2025, in which to regain compliance with the minimum bid price requirement. To regain compliance, the closing bid price of the Company's shares must meet or exceed US $1.00 for at least ten consecutive business days during this 180-calendar day period. On December 9, 2024, the Company announced that it had received written confirmation from Nasdaq that the Company had regained compliance with the Nasdaq Listing rule 5550(a)(2).

On November 14, 2024, 50,000 stock options were exercised at $0.40 per option resulting in proceeds of $20,000 to the Company.

On December 20, 2024, 50,000 stock options were exercised using a "cashless" exercise method whereby 15,873 fewer shares were issued than options exercised as compensation for the $20,000 in cash that traditionally would have been received by the Company upon exercise.

On January 17, 2025, 150,000 stock options were exercised at $0.75 per option resulting in proceeds of $112,500 to the Company.

On January 29, 2025, 25,000 stock options were exercised using a "cashless" exercise method whereby 6,289 fewer shares were issued than options exercised as compensation for the $10,000 in cash that traditionally would have been received by the Company upon exercise.

On March 3, 2025, the Company announced an at-the-market offering in the United States, pursuant to which the Company proposes to issue and sell such number of common shares through an "at-the-market offering" as defined in Rule 415(a)(4) promulgated under the U.S. Securities Act of 1933, as amended, made directly on Nasdaq up to gross sales proceeds of US$30,000,000, unless terminated prior to such time. Sales of common shares, if any, will be made at or related to then prevailing market prices and, as a result, prices may vary. Any common shares issued will be pursuant to a prospectus supplement dated March 3, 2025 to the base prospectus included in the Company's existing U.S. registration statement on Form F-3 (File No. 333-278886) dated April 23, 2024, as amended on April 24, 2024, and April 30, 2024, and declared effective by the United States Securities and Exchange Commission on May 3, 2024.

During the year ended March 31, 2025, the Company sold 0 Common Shares under the 2025 ATM Program.

Subsequent Events

On April 9, 2025, the Company announced that it had closed a non-brokered private placement (the "Offering") of 2,000 debenture units (the "Debenture Units") through the issuance of 2,000 Debenture Units for gross proceeds of $2,000,000. Each Debenture Unit consists of (i) $1,000 principal amount of 5% secured convertible debentures of the Company (each a "Convertible Debenture"); and (ii) 454 warrants (the "Warrants") to purchase common shares in the capital of the Company (the "Common Shares"). Each Convertible Debenture will mature on April 9, 2028, (the "Maturity Date") and bears interest at a rate of 5% per annum payable as a balloon payment on the Maturity Date. Each Convertible Debenture is convertible at the option of the holder, in whole or in part, into Common Shares, at any time prior to the Maturity Date at a conversion of the Convertible Debentures into Common Shares at the Conversion Price at any time after the second anniversary of closing and prior to the Maturity Date in the event that the volume weighted average trading price of the Common Shares on the TSX Venture Exchange (the "TSXV") for the preceding 30 business days exceeds $4.40.

The Convertible Debentures are secured by the Company's interest in the 521 mining claims held by the Company's subsidiary Albany Graphite Corp., with a first ranking above all other creditors or loans by the Company.

908,000 Warrants were issued pursuant to the Offering, each entitling the holder to purchase one Common Share at the Conversion Price until the Maturity Date. The Warrants will only vest and be exercisable: (i) in the event, and from the date, that the Company completes a sale or otherwise transfers all of its rights, title and interests in the Secured Assets to a third party; and (ii) in such number equal to the result of dividing the outstanding principal amount of Convertible Debentures held by the holder at the time of exercise by the Conversion Price.

Net proceeds from the Offering will be used for working capital and general corporate purposes.

On April 17, 2025, the Company announced that it had entered into an agreement of purchase and sale dated April 15, 2025 for the sale of its property located at 24 Corporate Court in Guelph, ON (the "Property") which houses the Company's corporate office and laboratory space. On May 15, 2025, the Company announced the completed sale for $2,500,000 and will lease back the property from the purchaser until January 31, 2026.

On April 30, 2025, 250,000 stock options were exercised using a "cashless" exercise method whereby 55,555 fewer shares were issued than options exercised as compensation for the $100,000 in cash that traditionally would have been received by the Company upon exercise.

On May 12, 2025, 100,000 stock options were exercised at $0.40 per option resulting in proceeds of $40,000 to the Company.

On May 28, 2025, 33,334 stock options were exercised using a "cashless" exercise method whereby 10,446 fewer shares were issued than options exercised as compensation for the $22,667 in cash that traditionally would have been received by the Company upon exercise.

On June 9, 2025, 8,750 stock options were exercised using a "cashless" exercise method whereby 6,552 fewer shares were issued than options exercised as compensation for the $13,300 in cash that traditionally would have been received by the Company upon exercise.

Selected Annual Information

The following table sets forth selected financial information with respect to the Company as at and for the end of the three most recently completed financial years of the Company. The selected financial information has been derived from the audited consolidated financial statements of the Company for the financial years indicated. The following should be read in conjunction with the said consolidated financial statements related notes thereto.

	Year ended March 31,	**Year ended March 31,**	**Year ended March 31,**
	2025	**2024**	**2023**
Net Sales	$872,495	$29,816	$72,855
Total Other Income (expense)	$(434,245)	$697,439	557,492
Net Loss	$(10,039,658)	$(11,703,990)	$(14,414,266)
# Shares Outstanding	104,390,928	100,819,577	99,533,982
Net Loss per Share (Basic)	$(0.10)	$(0.12)	$(0.14)
Net Loss per Share (Diluted)	$(0.10)	$(0.12)	$(0.14)
Total Assets	$18,396,185	$22,585,056	$33,288,876
Total non-current liabilities	$161,737	$592,841	$484,856
Total Equity	$14,749,447	$20,173,211	$30,384,202

Summary of Quarterly Results

The following table sets out selected quarterly information for the eight most recently completed quarters, for which consolidated financial statements are prepared.

	Mar. 31, 2025 ($)	Dec. 31, 2024 ($)	Sept. 30, 2024 ($))	Jun. 30, 2024 ($)	Mar. 31, 2024 ($)	Dec. 31, 2023 ($)	Sept. 30, 2023 ($)	Jun. 30, 2023 ($)	Mar. 31, 2023 ($)
Net Sales	813,596	37,718	15,692	5,489	5,757	12,418	11,641	-nil	nil
Other income (expense)	261,808	695	(711,143)	14,395	90,734	279,219	110,153	217,333	329,232
Net Loss	1,839,671	2,601,769	3,045,029	2,553,189	2,457,639	2,685,060	3,405,251	3,156,040	2,731,107
Net Loss per Share (basic and diluted)	0.02	0.02	0.03	0.03	0.03	0.03	0.03	0.03	0.02

Discussion of Interim Period Results

The Company continued to generate limited revenue during the eight most recently completed quarters. The quarterly net loss figure for the quarter ended March 31, 2025 was less as a direct result of an increase in net sales during the period. Government grants are recognized when there is reasonable assurance that the Company will comply with the terms and conditions associated with the grants and the grants will be received. The Company continues to apply for different grant programs, but no revenue was recognized during the financial year ended March 31, 2025, increasing the loss for these quarters. The quarter ended September 30, 2024, included some one-time costs for the contingent liability as a result of the Canada Revenue Agency flow-through share audit of $720,000. The quarter ended September 30, 2023, included some one-time costs as additional freight was incurred to reposition and consolidate inventory of GO in storage to a more economical leased facility (costing approximately $100,000) and a decision to not move forward with some research and development programs, resulting in payments to consultants of approximately $300,000.

Liquidity and Capital Resources

As at March 31, 2025, the Company had working capital of $882,892 (March 31, 2024 - $4,429,949) and cash and cash equivalents of $121,481 (March 31, 2024 - $3,521,420). As at March 31, 2025, the Company had not yet achieved profitable operations and had an accumulated deficit of $83,853,121 and expects to incur further losses in the development of its business. These events or conditions indicate that a material uncertainty exists that may cast substantial doubt on the Company's ability to continue as a going concern. The ability to continue as a going concern is dependent on obtaining continued financial support, obtaining financing, or generating profitable operations in the future. Management is committed to raising additional capital to meet its obligations; however, additional debt and/or equity financing is subject to the global financial markets and economic conditions. Additional financing may not be available on terms favourable to the Company or at all. If the Company does not receive future financing, it may not be possible for the Company to advance its business plans.

On August 19, 2024, the Company completed a non-brokered private placement of units (the "Units") through the issuance of 2,361,500 Units at a price of $1.30 per Unit (the "Offering") for gross proceeds of $3,069,950. Net proceeds of the Offering will be used for working capital and general corporate purposes but may require additional financing in the future. The availability of equity capital, and the price at which additional equity could be issued, is dependent upon the success of the Company's activities, and upon the state of the capital markets generally.

Transactions with Related Parties

The remuneration of key management personnel during the financial year ended March 31, 2025, and 2024 were as follows:
a) Directors' fees - $252,500(2024 - $173,125)
b) Salaries and benefits - $1,010,201 (2024 - $1,441,458)
c) Share-based compensation - $1,191,219 (2024 - $1,408,778)

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company directly or indirectly, including any directors (executive and non-executive) of the Company.

Current and Future Changes in Accounting Policy

Statement of Compliance

The audited consolidated financial statements for the year ended March 31, 2025, including comparatives for the financial year ended March 31, 2024, have been prepared, using accounting policies in compliance with IFRS Accounting Standards as issued by IASB.

New Standards, Interpretations and Amendments Adopted from April 1, 2024

Certain IFRS pronouncements were issued that were mandatory for accounting periods beginning on or after April 1, 2024, or later periods. Many have been excluded as management does not expect them to have a material effect. The following amendments are effective for the year beginning April 1, 2024:

IAS 1 - Classification of Liabilities as Current or Non-Current and Non-current Liabilities with Covenants. The amendments require that an entity's right to defer settlement of a liability for at least twelve months after the reporting period must have substance and must exist at the end of the reporting period. Classification of a liability is unaffected by the likelihood that the entity will exercise its right to defer settlement for at least twelve months after the reporting period. In addition, if an entity's right to defer is subject to the entity complying with specified conditions, such conditions affect whether that right exists at the end of the reporting period, if the entity is required to comply with the condition on or before the end of the reporting period and not if the entity is required to comply with the conditions after the reporting period. The amendments also provide clarification on the meaning of "settlement" for the purpose of classifying a liability as current or non-current.

New Standards, Interpretations and Amendments not yet Effective

There are a number of standards, amendments to standards, and interpretations which have been issued by the IASB that are effective in future accounting periods that the Company has decided not to adopt early.

The following amendments are effective for the year beginning April 1, 2025:

Lack of Exchangeability (Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates)

The following amendments are effective for the year beginning April 1, 2026:

Classification and Measurement of Financial Instruments (Amendments to IFRS 7 Financial Instruments: Disclosures and IFRS 9 Financial Instruments)

The following amendments are effective for the year beginning April 1, 2027:

IFRS 18 Presentation and Disclosure in Financial Statements (New)

The Company is currently assessing the impact of these new accounting standards and amendments.

Critical Judgments and estimation uncertainties

The areas which require management to make significant judgments, estimates and assumptions in determining carrying values include, but are not limited to:

Inventory

Judgement is required in determining whether net realizable value should be evaluated on a product-by-product basis or if products cannot be evaluated separately from other products in inventory and should be grouped with similar products.

Expected credit loss allowance and provision

The Company determines an expected credit loss allowance for trade receivables based on the estimated expected lifetime credit loss, considering the actual credit loss in prior years and forward-looking estimates of expected collections. This estimate varies depending on the nature of the trade receivables, the majority of which are associated with the health sciences business; however, also includes receivables from government agencies. The loss allowance is reviewed on a quarterly basis and any change in estimate is accounted for prospectively. The Company also assesses the expected credit loss of non-trade financial assets, such as the loan receivable, which is secured by property mortgages, to determine if an allowance is required.

Impairment (impairment reversal) of exploration and evaluation assets

While assessing whether any indications of impairment or impairment reversal exist for exploration and evaluation assets, consideration is given to both external and internal sources of information. Information the Company considers includes changes in the market, economic and legal environment in which the Company operates that are not within its control that could affect the recoverable amount of exploration and evaluation assets. Internal sources of information include the manner in which exploration and evaluation assets are being used or are expected to be used and indications of expected economic performance of the assets.

Impairment (impairment reversal) of property and equipment

Judgements are required to assess when internal or external indicators of impairment or impairment reversal exist, and impairment testing is required. Management considers internal and external sources of information including forecasted sales, cashflows and expected production volumes. Judgement is required to assess these internal and external factors when determining if the carrying amount of an asset is impaired, or in the case of a previously impaired asset, whether the carrying amount of the asset has been restored.

Share-based payments

Management determines costs for share-based payments using market-based valuation techniques. The fair value of the market-based and performance-based share awards are determined at the date of grant using generally accepted valuation techniques. Assumptions are made and judgment used in applying valuation techniques. These assumptions and judgments include estimating the future volatility of the stock price, expected dividend yield, future employee turnover rates and future employee stock option exercise behaviours and corporate performance. Such judgments and assumptions are inherently uncertain. Changes in these assumptions affect the fair value estimates.

Contingencies

By their nature, contingencies will only be resolved when one or more future events transpire. The assessment of contingencies inherently involves estimating the outcomes of future events. The Company has disclosed its disputes and was required to exercise judgement in assessing the recorded amounts.

Financial Instruments and Other Instruments

The Company's financial instruments consist of cash and cash equivalents, accounts and other receivables, accounts payable and accrued liabilities, lease liability and long-term debt. Unless otherwise noted, the Company does not expect to be exposed to significant interest, currency or credit risks arising from these financial instruments. The Company estimates that the fair value of these financial instruments approximates carrying values.

As at March 31, 2025, the Company does not have any financial instruments recorded at fair value and that require classification within the fair value hierarchy.

Fair value estimates are made at the balance sheet date based on relevant market information and information about the financial instrument. These estimates are subjective in nature and involve uncertainties in significant matters of judgment and therefore cannot be determined with precision. Changes in assumptions could significantly affect these estimates.

Disclosure of Outstanding Share Data

The Company is authorized to issue an unlimited number of shares, of which 104,390,928 (March 31,2024 - 100,819,577) shares were issued and outstanding as fully paid and non-assessable as at March 31, 2025.

Refer to Note 12(c) to the consolidated financial statements for details regarding stock options issued and exercisable as at March 31, 2025.

As at the date hereof, the Company had 104,710,459 common shares issued and outstanding as fully paid and non- assessable, and stock options exercisable for an aggregate of 5,531,250 common shares outstanding.

Risks and Uncertainties

The operations of the Company are speculative due to the high-risk nature of its business, which includes the development of certain intellectual property and the manufacturing of graphene related products, and which may include the future acquisition, financing, and development of the Albany Graphite Project. These risk factors could materially affect the Company's future operating results and could cause actual events to differ materially from those described in forward-looking information relating to the Company. Accordingly, any investment in securities of the Company is speculative and investors should not invest in securities of the Company unless they can afford to lose their entire investment.

The Company assesses and attempts to minimize the effects of these risks through careful management and planning of its operations and hiring qualified personnel but is subject to a number of limitations in managing risk resulting from its early stage of development. Below is a non-exhaustive summary of the principal risks and related uncertainties that may impact the Company. Such risk factors, as well as additional risks and uncertainties set out elsewhere in the Company's publicly filed documents, and additional risks and uncertainties not presently known to Company or that the Company currently deems immaterial, could have a material adverse effect on the Company's business, financial condition and results of operations or the trading price of the common shares.

Negative Operating Cash Flow

During the financial year ended March 31, 2025, the Company had negative operating cash flow because its revenues did not exceed its operating expenses. In addition, as a result of the Company's business plans for the development of its products, the Company expects cash flow from operations to be negative until revenues improve to offset its operating expenditures. The Company's cash flow from operations may be affected in the future by expenditures incurred by the Company to continue to develop its products. To the extent the Company has negative cash flow in any future period, the Company may be required to allocate funds to fund such negative cash flow from operating activities. In order to stay in business, in the absence of cash flow from operations, the Company will have to raise funding through financing activities. However, there is no certainty the Company will be able to raise funds at all or on terms acceptable to the Company in the event it needs to do so. Furthermore, additional funds raised by the Company through the issuance of equity or convertible debt securities would cause the Company's current shareholders to experience dilution. Such securities also may grant rights, preferences or privileges senior to those of the Company's shareholders. The Company does not have any contractual restrictions on its ability to incur debt and, accordingly, the Company could incur significant amounts of indebtedness to finance its operations. Any such indebtedness could contain restrictive covenants, which likely would restrict the Company's operations.

Uncertainties Relating to the Company's Business Plans

There is no assurance that broad successful commercial applications may be feasible for the Company. The Company is continuing to explore, develop, and test its current products and new products, and there can be no assurance that new uses of existing products or new products will be fully developed for commercial application, that test results will be successful, if completed at all, that any necessary permits or approvals required in order to market such products will be obtained by the Company, or that existing technology or products will become profitable. Furthermore, there is no assurance that the Company will complete any acquisitions or acquire any know-how or trade secrets to carry out certain of its future objectives. Should the Company fail to achieve any of the foregoing, this could have a material adverse impact on the business and planned business of the Company.

The Company's business is in part dependent on patents, trade secret and other intellectual property laws of Canada, and potentially foreign jurisdictions. The Company may be unable to prevent third parties from using its intellectual property without its authorization. Some of the Company's current or future technologies and trade secrets may not be covered by any patent or patent application, and the Company's issued and pending patents may not provide the Company with any competitive advantage and could be challenged by third parties. The Company's inability to secure issuance of pending patent applications may limit its ability to protect the intellectual property rights these pending patent applications were intended to cover. The Company's competitors may attempt to design around its patents to avoid liability for infringement and, if successful, could adversely affect the Company's market share. Furthermore, the expiration of the Company's patents may lead to increased competition.

Additionally, the Company plans to construct facilities for some of its operations and business activities. There can be no assurance that locations will be secured on terms favourable to the Company or at all, that engineering plans will be completed or will be satisfactory for the intended business activities of the Company, that any required permitting will be obtained, that construction of such facilities will be completed, or that such facilities will ever become operational. If such facilities are not constructed, or do not become operational, or do not operate at the capacity required or anticipated, there could be a material adverse effect of the Company's planned business and operations.

Economic and Political Conditions

Worldwide financial and economic cycles or conditions are uncertain, and recovery from a business downturn or recession could be very slow and have a significant impact on the Company's business. The Company's business is sensitive to changes in economic and political conditions, including interest rates, currency issues, energy prices, trade issues including the potential imposition of tariffs by the United States or other nations, international or domestic conflicts or political crises, and epidemics or pandemics.

The credit and financial markets have experienced extreme volatility and disruptions due to the current conflicts in the Middle East and between Ukraine and Russia. The conflicts are expected to have further global economic consequences, including but not limited to the possibility of severely diminished liquidity and credit availability, declines in consumer confidence, declines in economic growth, increases in inflation rates and uncertainty about economic and political stability. In addition, the United States and other countries have imposed sanctions on Russia which increases the risk that Russia, as a retaliatory action, may launch cyberattacks against the United States, its government, infrastructure and businesses. Any of the foregoing consequences, including those we cannot yet predict, may cause our business, financial condition, results of operations and the price of our ordinary shares to be adversely affected.

Revenue from Graphene-related Products Sales; Long and Complex Sales Cycle

To date, the Company has recorded minimal revenue from its graphene enhanced products sales. There can be no assurance that significant losses will not occur in the near future or that the Company will be profitable in the future. The Company's operating expenses, and capital expenditures may increase in subsequent years. The Company expects to continue to incur losses unless and until such time as it enters into long-term and large-volume supply agreements and generates sufficient revenues to fund its continuing operations.

Intellectual Property

The Company relies on the patent, trade secret and other intellectual property laws of Canada, and foreign jurisdictions. The Company may be unable to prevent third parties from using its intellectual property without its authorization. The unauthorized use of the Company's intellectual property could reduce any competitive advantage that it has developed, reduce its market share or otherwise harm its business. In the event of unauthorized use of the Company's intellectual property, litigation to protect and enforce the Company's rights could be costly, and the Company may not prevail.

Some of the Company's current or future technologies and trade secrets may not be covered by any patent or patent application, and the Company's issued and pending patents may not provide the Company with any competitive advantage and could be challenged by third parties. The Company's inability to secure issuance of pending patent applications may limit its ability to protect the intellectual property rights these pending patent applications were intended to cover.

The Company's competitors may attempt to design around its patents to avoid liability for infringement and, if successful, could adversely affect the Company's market share. Furthermore, the expiration of the Company's patents may lead to increased competition.

In addition, effective patent, trade secret and other intellectual property protection may be unavailable or limited in some foreign countries. In some countries, the Company may not apply for patent or other intellectual property protection. The Company also relies on unpatented technological innovation and other trade secrets to develop and maintain its competitive position. Although the Company generally enters into confidentiality agreements with its employees and third parties to protect its intellectual property, these confidentiality agreements are limited in duration, could be breached and may not provide meaningful protection of its trade secrets. Adequate remedies may not be available if there is an unauthorized use or disclosure of the Company's trade secrets and manufacturing expertise. In addition, others may obtain knowledge about the Company's trade secrets through independent development or by legal means. The failure to protect the Company's processes, technology, trade secrets and proprietary manufacturing expertise, methods and compounds could have a material adverse effect on its business by jeopardizing critical intellectual property.

Where a product formulation or process is kept as a trade secret, third parties may independently develop or invent and patent products or processes identical to such trade secret products or processes. This could have a material adverse effect on the Company's ability to make and sell products or use such processes and could potentially result

in costly litigation in which the Company might not prevail. The Company could face intellectual property infringement claims that could result in significant legal costs and damages and impede its ability to produce key products, which could have a material adverse effect on its business, financial condition, and results of operations.

Product Development and Technological Change

There is no assurance that broad successful commercial applications for the Company's products may be feasible. Most, if not all, of the scientific and engineering data related to the Company's products has been generated by the Company's own laboratories or laboratory environments of the Company's partners, such as universities. There can be no assurance that laboratory data translates to or is representative in commercial applications.

Additionally, the industries in which the Company seeks to operate are characterized by rapid technological change and frequent new product introductions. Part of the Company's business strategy is to monitor such changes and take steps to remain technologically current, but there is no assurance that such a strategy will be successful. If the Company is not able to adapt to new advances in materials sciences, or if unforeseen technologies or materials emerge that are not compatible with the Company's or that could replace its products, the Company's revenues and business would likely be adversely affected.

Market Development and Growth

Failure to further develop the Company's key markets and existing geographic markets or to successfully expand its business in the future into new markets could have an adverse impact on sales growth and operating results. The Company's ability to further penetrate its key markets and the existing geographic markets in which it competes and/or aims to compete, and to successfully expand its business into other countries, is subject to numerous factors, many of which are beyond its control. There can be no assurance that efforts to increase market penetration in the Company's key markets and existing geographic markets will be successful. Failure to achieve these goals may have a material adverse effect on the Company's operating results.

Unpredictable Sales Cycles

The sales cycle for graphene products may range considerably from one to multiple years from the time a customer begins testing the Company's product until the time that they could be used in a commercial product. Timing of product introduction could vary significantly based on the target market.

Additionally, any demand for the Company's products based in whole or in part on the coronavirus (COVID-19) pandemic could materially change in the event the pandemic ends or decreases in severity. The Company has demonstrated little track record of success in completing customer development projects, which makes it difficult to evaluate the likelihood of future success. The sales and development cycles for the Company's products are subject to customer budgetary constraints, internal acceptance procedures, competitive product assessments, scientific and development resource allocations, and other factors beyond the Company's control. If the Company is not able to successfully accommodate these factors to achieve commercial success, the Company may be unable to achieve sufficient sales to reach profitability.

Government Regulation and Import/Export Controls

The Company's future operations, including development, and commencement and continuation of commercial production, require licenses, permits or other approvals from various federal, provincial, local and potentially foreign governmental authorities, and such operations are or will be governed by laws and regulations relating to production, exports, taxes, labor standards, occupational health and safety, waste disposal, toxic substances, prospecting, development, mining, land use, water use, environmental protection, land claims of indigenous people and other matters. Furthermore, in certain foreign jurisdictions, these regulatory requirements may be more stringent than those in Canada. Certain export control laws or economic sanctions laws may include restrictions or prohibitions on the sale or supply of certain products and services to embargoed or sanctioned countries, governments, persons and entities.

In addition, various countries regulate the import of certain technology, including import and export permitting and licensing requirements, and have enacted or could enact laws that could limit the Company's ability to distribute its products. Changes in the Company's products, or future changes in export and import regulations may prevent any potential international customers from utilizing the Company's products globally or, in some cases, prevent the export or import of the Company's products to certain countries, governments, or persons altogether.

Additionally, the United States government has taken certain actions that could negatively impact trade with the United States, including imposing tariffs on certain imported goods and prohibiting certain imports into the United States. In retaliation, Canada, Mexico and China continue to evaluate imposing tariffs on a wide range of American products. There is also a concern that the imposition of additional tariffs by the United States could result in the adoption of tariffs by other countries as well, potentially leading to a global trade war. Such tariffs and prohibitions, if expanded to other categories, could have a significant impact on the Company's business, particularly on the importation of certain equipment manufactured in other countries and the sale of the Company's products in other countries.

Any change in export or import regulations, economic sanctions, or related legislation, or change in the countries, governments, persons, or technologies targeted by such regulations, could result in decreased use of the Company's products in the future by, or in the Company's decreased ability to export or sell its products to, potential international customers. Any limitation on the Company's ability to export or sell its products would likely adversely affect the Company's future business, results of operations, and financial results.

Large volume production of graphene requires permits and approvals from various government authorities, and is subject to extensive federal, provincial, state, and local laws and regulations governing development, production, exports, taxes, labour standards, occupational health and safety, environment, and other matters. As graphene is a new chemical substance, production and sale of graphene may be subject to specific occupational health and safety and environment regulatory approvals in different jurisdictions including, without limitations, under the *Canadian Environmental Protection Act* (Canada), the *Food and Drug Act* (Canada), the *Toxic Substances Control Act* (USA), the *Food Drug and Cosmetic Act* (USA) and the *Registration, Evaluation, Authorization and Restriction of Chemicals* (Europe).

Health Canada also regulates certain markets into which the Company intends to supply products or license its intellectual property. There is no assurance that Health Canada or any other body will grant license for sales into markets it regulates. Each foreign jurisdiction for the Company's products is regulated and no assurance exists that sales of graphene-related products will be permitted. Any inability by the Company to obtain approval from Health Canada and/or international bodies could have a material adverse impact of the business of the Company.

The Company is also subject to consumer protection laws that may impact its sales and marketing efforts. These laws, as well as any changes in these laws, could make it more difficult for the Company to sell and market its products. These laws and regulations are subject to change over time and thus the Company must continue to monitor and dedicate resources to ensure continued compliance. Non-compliance with applicable regulations or requirements could subject the Company to investigations, sanctions, enforcement actions, disgorgement of profits, fines, damages, civil and criminal penalties, or injunctions. If any governmental sanctions are imposed, or if the Company does not prevail in any possible civil or criminal litigation, its business, operating results, and financial condition could be materially adversely affected.

Additionally, in order for the Company to carry out its activities, any required licenses and permits must be obtained and kept current. There can be no assurance, however, that the Company will obtain on reasonable terms or at all the permits and approvals, and the renewals thereof, which it may require for the conduct of its future operations or that compliance with applicable laws, regulations, permits and approvals will not have an adverse effect on the Company's business plans. Possible future environmental and mineral tax legislation, regulations and actions could cause additional expense, capital expenditures, restrictions and delay on the Company's planned exploration and operations, the extent of which cannot be predicted.

Failure to comply with applicable laws, regulations and permitting requirements may result in enforcement actions thereunder, including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed, and may include corrective measures requiring capital expenditures, installation of additional equipment, or remedial actions. Parties engaged in mining operations may be required to compensate those suffering loss or damage by reason of the mining activities and may have civil or criminal fines or penalties imposed for violations of applicable laws or regulations.

Industry Competition

The Company seeks to compete with other graphene and manufacturing companies, in highly competitive markets. Some of the Company's competitors have substantially greater financial, marketing and other resources and higher market share than the Company has in certain products or geographic areas. As the markets for the Company's products expand, additional competition may emerge, and competitors may commit more resources to products which directly compete with the Company's products. There can be no assurance that the Company will be able to compete successfully with existing competitors or be able to develop any market for its products, or that its business will not be adversely affected by increased competition or by new competitors.

There is no assurance that the Company will continue to be able to compete successfully with its competitors in acquiring such properties or prospects and any such inability could have a material adverse effect on the Company's business and financial condition.

Lack of Trading Market for Graphene

Unlike commodity minerals such as copper, gold or silver, industrial minerals such as graphene precursor graphene materials and graphite do not have a metals exchange or an open market upon which to trade and therefore prices are not set in an open market or publicly traded market, and there can be no assurance that certain items can be sold or purchased at any time. As prices are set with private suppliers and private customers, it is difficult to predict what market prices may be at the time of any transaction. There can be no guarantees that the Company will be able to sell its graphene products in a profitable manner, or at all.

Shortages

The Company will be dependent on various supplies, equipment, parts and labour, and the services of contractors to carry out its business objectives. The availability and cost of such supplies, equipment, parts or labour or the services of contractors could have a material adverse effect on the Company's ability to successfully carry out its exploration and development activities.

Liquidity Concerns and Future Financing

The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As of Marchr 31, 2025, the Company had a cash balance of $121,481 (March 31, 2024 - $3,521,420) to settle current liabilities of $3,457,264 (2024 - $1,819,004). On August 19, 2024, the Company closed a Non-Brokered Private Placement of units (the "Units") through the issuance of 2,361,500 Units at a price of $1.30 per Unit for gross proceeds of $3,069,950. Net proceeds of the Offering will be used for working capital and general corporate purposes. On April 9, 2025, the Company closed a non-brokered private placement of debenture units through the issuance of 2,000 Debenture Units for gross proceeds of $2,000,000. Net proceeds of the Offering will be used for working capital and general corporate purposes. On May 15, 2025, the Company completed the sale of 24 Corporate Crt. in Guelph, Ontario for $2,500,000 which currently is the registered head office of the Company. On May 15, 2025, the proceeds from the closing of the sale were used to fully repay and discharge the mortgage. The Company will lease back the property from the purchaser until January 31, 2026. However, the Company is ultimately dependent on the commercial sales of its products. Any delay in the sales of such products could require additional financing. There can be no assurance that the Company will be successful in obtaining the required financing as and when needed. Volatile markets may make it difficult or impossible for the Company to obtain debt financing or equity financing on favourable terms, if at all. Failure to obtain additional financing on a timely basis may cause the Company to postpone or slow down its development plans or reduce or terminate some or all of its activities.

Reliance on Key Personnel

The Company's development to date has depended, and in the future, will depend largely on the efforts of key management and other key personnel. Loss of any of these people, particularly to competitors, could have a material adverse effect on the Company's business. Further, with respect to the future development of the Company's projects, it may become necessary to attract both international and local personnel for such development. The marketplace for key skilled personnel is becoming more competitive, which means the cost of hiring, training, and retaining such personnel may increase. Factors outside the Company's control, including competition for human capital and the high- level of technical expertise and experience required to execute this development will affect the Company's ability to employ the specific personnel required. The failure to retain or attract a sufficient number of key skilled personnel could have a material adverse effect on the Company's business, results of operations, and financial condition. The Company has not taken out and does not intend to take out "key man insurance" in respect of any directors, officer, or other employees.

Qualified Employees

Recruiting and retaining qualified personnel is critical to the Company's success. Especially if it relates to its graphene operations, finding skilled scientists and a sales team familiar with the subject matter is difficult. As the Company grows further, the need for skilled labour will increase. The number of persons skilled in the high-tech manufacturing business is limited and competition for this workforce is intense. This may adversely affect the business of the Company if it is unable to recruit and retain qualified personnel as and when required.

Cybersecurity Threats

The reliability and security of the Company's information technology ("IT") systems are important to the Company's business and operations. Although the Company has established and continues to enhance security controls intended to protect the Company's IT systems and infrastructure, there is no guarantee that such security measures will be effective in preventing unauthorized physical access or cyberattacks. A significant breach of the Company's IT systems could, among other things, cause disruptions in the Company's manufacturing operations (such as operational delays from production downtime, inability to manage the supply chain or produce products for customers, disruptions in inventory management), lead to the loss, destruction, corruption or inappropriate use of sensitive data, including employee information or intellectual property, result in lost revenues due to theft of funds or due to a disruption of activities, including remediation costs, or from litigation, fines and liability or higher insurance premiums, the costs of maintaining security and effective IT systems, which could negatively affect results of operations and the potential adverse impact of changing laws and regulations related to cybersecurity or result in theft of the Company's, its customers' or suppliers' intellectual property or confidential information. If any of the foregoing events (or other events related to cybersecurity) occurs, the Company may be subject to a number of consequences, including reputational damage, a diminished competitive advantage and negative impacts on future opportunities which could have a material adverse effect on the Company.

Share Price Fluctuations

The market price of securities of many companies, particularly development stage companies, experience wide fluctuations in price that are not necessarily related to the operating performance, underlying asset values or prospects of such companies. There can be no assurance that fluctuations in the Company's share price will not occur. In particular, the fluctuations may be exaggerated if the trading volume of the Company's common shares is low.

Cost Absorption and Purchase Orders

Especially as it relates to its activities in the transportation industry, and given the current trends in that industry, the Company is under continuing pressure to absorb costs related to product design and development, engineering, program management, prototypes and validation. In particular, OEMs are requesting that suppliers pay for the above costs and recover these costs through the piece price of the applicable component. Contract volumes for customer programs not yet in production are based on the Company's customers' estimates of their own future production levels. However, actual production volumes may vary significantly from these estimates due to a reduction in consumer demand or new product launch delays, often without any compensation to the supplier by its OEM customer. Typical purchase orders issued by customers do not require that they purchase a minimum number of the Company's products. For programs currently under production, the Company is generally unable to request price changes when volumes differ significantly from production estimates used during the quotation stage. If estimated production volumes are not achieved, the product development, design, engineering, prototype and validation costs incurred by the Company may not be fully recovered. Similarly, future pricing pressure or volume reductions by the Company's customers may also reduce the amount of amortized costs otherwise recoverable in the piece price of the Company's products. Either of these factors could have an adverse effect on the Company's profitability. While it is generally the case that once the Company receives a purchase order for products of a particular vehicle program it would continue to supply those products until the end of such program, customers could cease to source their production requirements from the Company for a variety of reasons, including the Company's refusal to accept demands for price reductions or other concessions.

Acquisitions

The Company could seek to acquire complementary businesses, assets, technologies, services or products, at competitive prices. The Company could pursue acquisitions in those product areas which were identified as key to the Company's long-term business strategy. However, as a result of intense competition in these strategic areas, the Company may not be able to acquire the targets needed to achieve its strategic objectives. The completion of such transactions poses additional risks to the Company's business.

Acquisitions are subject to a range of inherent risks, including the assumption of incremental regulatory/compliance, pricing, supply chain, commodities, labor relations, litigation, environmental, pensions, warranty, recall, IT, tax or other risks. Although the Company seeks to conduct appropriate levels of due diligence on acquisition targets, these efforts may not always prove to be sufficient in identifying all risks and liabilities related to the acquisition, including as a result of limited access to information; time constraints for conducting due diligence; inability to access target company facilities and/or personnel; or other limitations in the due diligence process. Additionally, the Company may identify risks and liabilities that cannot be sufficiently mitigated through appropriate contractual or other protections. The realization of any such risks could have a material adverse effect on the Company's operations or profitability. The benefit to the Company of previous and future acquisitions is highly dependent on the Company's ability to integrate the acquired businesses and their technologies, employees and products into the Company, and the Company may incur costs associated with integrating and rationalizing the facilities (some of which may need to be closed in the future).

The Company cannot be certain that it will successfully integrate acquired businesses or that acquisitions will ultimately benefit the Company. Any failure to successfully integrate businesses or failure of the businesses to benefit the Company could have a material adverse effect on its business and results of operations. Such transactions may also result in additional dilution to the Company's shareholders or increased debt. Such transactions may involve partners, and the formula for determining contractual sale provisions may be subject to a variety of factors that may not be easily quantified or estimated until the time of sale (such as market conditions and determining fair market value).

Launch and Operational Costs

The launch of new business, in an existing or new facility, is a complex process, the success of which depends on a wide range of factors, including the production readiness of the Company and its suppliers, as well as factors related to tooling, equipment, employees, initial product quality and other factors. A failure to successfully launch material new or takeover business could have an adverse effect on profitability. The Company's manufacturing processes are vulnerable to operational problems that can impair its ability to manufacture its products in a timely manner, or which may not be performing at expected levels of profitability. The Company's facilities and proposed facilities contain complex and sophisticated equipment that is used in its manufacturing processes. The Company could experience equipment failure in the future due to wear and tear, design error or operator error, among other things, which could have an adverse effect on profitability. From time to time, the Company may have some operating divisions which are not performing at expected levels of profitability. Significant underperformance of one or more operating divisions could have a material adverse effect on the Company's profitability and operations.

Material and Commodity Prices

Prices for key raw materials and commodities used in the production of graphene-based products, as well as energy prices, have proven to be volatile at certain times. To the extent that the Company is unable to fully mitigate its exposure to price change of key raw materials and commodities, particularly through engineering products with reduced content, by passing price increases to customers, or otherwise, such additional costs could have a material adverse effect on profitability. Increased energy prices could also have an impact on production or transportation costs which in turn could affect competitiveness.

Uninsured Risks

The Company maintains insurance to cover normal business risks. In the course of its manufacturing businesses, certain risks and, in particular, unexpected or unusual catastrophic events including explosions and fire may occur. It is not always possible to fully insure against such risks as a result of high premiums or other reasons. Should such liabilities arise, they could reduce or eliminate any future profitability and result in increasing costs and a decline in the value of the common shares of the Company.

Litigation

The Company has entered into legally binding agreements with various third parties, including supply, license, distribution, non-disclosure, consulting and partnership agreements. The interpretation of the rights and obligations that arise from such agreements is open to interpretation and the Company may disagree with the position taken by the various other parties resulting in a dispute that could potentially initiate litigation and cause the Company to incur legal costs in the future. Given the speculative and unpredictable nature of litigation, the outcome of any such disputes could have a material adverse effect on the Company's business.

Credit Risk

As at March 31, 2025, the Company's credit risk was primarily attributable to cash, accounts and other receivables. The Company issued a loan receivable during the year ended March 31, 2022, further increasing its exposure to credit risk. In June 2023, a partial payment of $2.5M was received against the loan receivable, decreasing credit risk. On November 5, 2024, the remaining balance of $531,479 was collected and no further amounts are owing related to this loan financial instruments included in accounts and other receivables consisted of trade receivables generated through sales as well as recoverable Harmonized Sale Tax. The Company's cash is held with reputable financial institutions. Management believes that the credit risk with respect to financial instruments included in accounts and other receivables is remote.

Interest Rate Risk

The Company has cash and cash equivalent balances at federally regulated Canadian banks. The Company periodically monitors the investments it makes, the security of such investments and is satisfied with the credit ratings of its banks. The Company closely monitors interest rates to determine the appropriate course of action to be taken by the Company.

Price Risk

The Company is exposed to price risk with respect to commodity prices. The Company closely monitors commodity prices to determine the appropriate course of action to be taken by the Company.

Financial Capability and Additional Financing

The Company has limited financial resources and there is no assurance that sufficient additional funding will be available to enable it to fulfill its business objectives or obligations, on acceptable terms or at all. Unanticipated expenses and other developments could cause existing funds to be depleted sooner than expected. In the event that its existing cash resources are inadequate to fund operational expenses, and in order to fund the planned business objectives of the Company, the Company will be required to raise additional financing from external sources, such as debt financing, equity financing or joint ventures. The Company's ability to raise additional equity financing may be affected by numerous factors beyond the Company's control, including, but not limited to, adverse market conditions, commodity price changes and an economic downturn. Failure to obtain additional funding on a timely basis could result in delay or indefinite postponement of the development of the Company's business and could cause the Company to reduce or terminate its operations. Additional funds raised by the Company from treasury share issuances may result in significant dilution to existing shareholders, a depressive effect on the price of the common shares and/or a change of control.

Permits and Government Regulation

Although the Company believes it has all of the necessary permits to carry out the proposed business programs, the operations of the Company may require licenses and permits from time to time from various governmental authorities to carry out exploration and development at its projects or locations. Obtaining permits can be a complex, time- consuming process. There can be no assurance that the Company will be able to obtain the necessary licenses and permits on acceptable terms, in a timely manner or at all. The costs and delays associated with obtaining permits and complying with these permits and applicable laws and regulations could stop or materially delay or restrict the Company from continuing or proceeding with existing or future operations or projects. Any failure to comply with permits and applicable laws and regulations, even if inadvertent, could result in the interruption or closure of operations or material fines, penalties or other liabilities. In addition, the requirements applicable to sustain existing permits and licenses may change or become more stringent over time and there is no assurance that the Company will have the resources or expertise to meet its obligations under such licenses and permits.

Fluctuating Prices

The profitability of the Company's operations will be dependent upon the market price of the ZenGUARD™ masks and other products, their global acceptance and demand along with their regulatory approvals in other jurisdictions. The level of interest rates, rate of inflation, production costs, healthcare and consumer demand, and stability of exchange rates can all cause significant fluctuations in revenue. Such external economic factors are in turn influenced by changes in international purchasing patterns, COVID-19 pandemic situation, monetary systems and political developments.

Environmental Regulation

AGC's Albany Graphite Project is subject to environmental laws and regulations which may materially and adversely affect its future operations. These laws and regulations control the exploration and development of the Albany Graphite Project and their effects on the environment, including air and water quality, waste handling and disposal, the protection of different species of plant and animal life, and the preservation of lands. These laws and regulations will require AGC to acquire permits and other authorizations for certain activities. There can be no assurance that AGC will be able to acquire such necessary permits or authorizations on a timely basis, if at all.

Further, environmental legislation is evolving in a manner which will require stricter standards and enforcement, increased fines and penalties for non-compliance, more stringent environmental assessments of proposed projects and a heightened degree of responsibility for companies and their officers, directors and employees. There is no assurance that future changes in environmental regulation, if any, will not adversely affect AGC's operations.

AGC is not currently insured against most environmental risks. Without such insurance, and if AGC becomes subject to environmental liabilities, the payment of such liabilities would reduce or eliminate its available funds or could exceed the funds AGC has to pay such liabilities and result in bankruptcy.

Economic Dependence on Supply Agreements

Currently, the Company has entered into a limited number of supply or sales agreements for the sale of its products. Until additional supply agreements are executed by the Company, the Company's revenues will be completely dependent on such agreements. If such agreements are terminated, or if less of the Company's product than anticipated is purchased pursuant to such agreements, this could have a material adverse impact on the Company's business, operations and results.

Legal proceedings and regulatory actions

Other than as set out below, the Company was not subject to any material legal proceedings during its most recently completed financial year, nor is the Company or any of its properties a party to or the subject of any such proceedings, and no such proceedings are known to be contemplated. The Company may be involved in routine, non-material litigation arising in the ordinary course of business, from time to time.

There were no penalties or sanctions imposed against the Company by a court relating to provincial and territorial securities legislation or by a securities regulatory authority during its most recently completed financial year, nor have there been any other penalties or sanctions imposed by a court or regulatory body against the Company, and the Company has not entered into any settlement agreements before a court relating to provincial and territorial securities legislation or with a securities regulatory authority.

The Company is involved in legal proceedings relating to claims involving a former director and officer of the Company. The claim was commenced in the Ontario Superior Court of Justice on September 26, 2018, by Aubrey Eveleigh and Eveleigh Geological Consulting. Mr. Eveleigh seeks damages in excess of $5,000,000 in connection with an employment dispute. The Company is defending the claim, and the proceedings remain ongoing, though the Company believes that the risk of significant loss in respect of the litigation is remote.
The Company subsequently commenced a claim against Mr. Eveleigh and Eveleigh Geological Consulting on March 24, 2020, in the Ontario Superior Court of Justice (Commercial List), in connection with past breaches of Mr. Eveleigh's fiduciary duties. Mr. Eveleigh has defended the claim, and the Company submits that it continues to defend the action and maintains that the allegations as set out in the claim are frivolous and without merit.

On November 28, 2022, following the discovery process, the Company amongst other things, amended its claim to: (i) seek an order that Mr. Eveleigh disgorge any benefits obtained as a result of his misconduct; (ii) seek an order cancelling certain common shares of the Company held by Mr. Eveleigh; (iii) seek an order declaring that Mr. Eveleigh has no entitlement to any royalty payments or success fees in connection with the Albany Graphite Project; and (iv) seek an order that declares a constructive trust in favour of the Company over any and all monies received, directly or indirectly. The trial commenced on October 21, 2024, and closing submissions were held on January 17, 2025.

On January 29, 2021, the Company was served with a statement claim issued by Graphene Composites Ltd. and is in the process of defending the action, which it considers frivolous and without merit.

The Company has considered the allegations as set out in the claim and, in light of the facts, the lack of clarity in the claim, and, based on discussions with the Company's litigation counsel, the assessment of the merits of the claim and the defenses available to the Company, and the Company's conclusion is that the risk of the Company suffering loss in respect of the claim is remote, and therefore the Company determined the claim not to be material or constituting "significant litigation" pursuant to the policies of the TSXV. The Company continues to view this claim as frivolous and will continue to vigorously defend itself against these allegations.

Proposed Transactions

As is typical of rapidly growing companies, the Company is continually reviewing partnerships, potential merger, acquisition, investment and joint venture transactions and opportunities.

Employment Agreements

The Company has an employment agreement with its Chief Executive Officer. During the period ended March 31, 2025, the salary level for the individual pursuant to the employment agreement is $325,000 annually.

The Company had an employment agreement with its former Executive Chairman and Chief Operating Officer, which was terminated effective May 1, 2024. The salary level for the individual pursuant to the employment agreement was $300,000 annually.

The Company has an employment agreement with its Chief Financial Officer. During the period ended March 31, 2025, the salary level for the individual pursuant to the employment agreement is $240,000 annually.

Contingent Liabilities

In September 2018, the Company received a statement of claim from a former employee, Aubrey Eveleigh and Eveleigh Geological Consulting. The Company is in the process of defending the claim but views the claim as unmeritorious. On March 24, 2020, the Company commenced an action claim against the former employee for relief relating to contracts and transactions between that employee and the Company, seeking to set aside those agreements and, where applicable, seeking disgorgement of unspecified amounts relating to benefits obtained under those agreements. Although there can be no assurance that any particular claim will be resolved in the Company's favour, management does not believe that the outcome of any claim or potential claims of which it is currently aware will have a material adverse effect on the Company.

Significant Accounting Policies

A detailed summary of all of the Company's significant accounting policies is included in Note 2 to the March 31, 2025, audited annual consolidated financial statements.

Internal Control over Financial Reporting

Management is responsible for the design of internal controls over financial reporting to provide reasonable assurance regarding the reliability of financial reporting and the preparation of the consolidated financial statements in accordance with IFRS Accounting Standards. Based on regular reviews of its internal control procedures an evaluation of the effectiveness of the Company's internal control over financial reporting was conducted as of March 31, 205, based on the criterial described in "Internal Control - Integrated Framework (213)" issued by the Committee of Sponsoring Organizations of the Treadway Commission. Based on this assessment, management has determined that its internal controls and procedures are effective in providing reasonable assurance that financial information is recorded, processed, summarized and reported in a timely manner.

Changes to Internal Control over Financial Reporting

The Company is required to disclose herein any change in the Company's internal control over financial reporting that occurred during the quarter and year ended March 31, 2025, that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting. During the quarter and year ended March 31, 2025, there have been no changes to the Company's internal controls over financial reporting that occurred, that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

Disclosure Controls

Management is also responsible for the design and effectiveness of disclosure controls and procedures to provide reasonable assurance that material information related to the Company is made known to the Company's certifying officers. The Company's Chief Executive Officer and Chief Financial Officer have concluded that the disclosure controls and procedures were effective as of March 31, 2025.

EXHIBIT 99.4
CERTIFICATION

I, Greg Fenton, Chief Executive Officer of Zentek Ltd., certify that;

1. I have reviewed this Annual Report on Form 40-F of Zentek Ltd.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this Annual Report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the period covered by the annual report that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officers and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent functions):

   a) All significant deficiencies and material weaknesses in the design or operation of internal controls over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: June 26, 2025

By: /s/ ***Greg Fenton***
Name: **Greg Fenton**
Title: **Chief Executive Officer**

EXHIBIT 99.5
CERTIFICATION

I, Wendy Ford, Chief Financial Officer of Zentek Ltd., certify that;

1. I have reviewed this Annual Report on Form 40-F of Zentek Ltd.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this Annual Report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the period covered by the annual report that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officers and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent functions):

   a) All significant deficiencies and material weaknesses in the design or operation of internal controls over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: June 26, 2025

By: /s/ ***Wendy Ford***
Name: **Wendy Ford**
Title: **Chief Financial Officer**

EXHIBIT 99.6

CERTIFICATION OF CHIEF EXECUTIVE OFFICER
PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

I, Greg Fenton, Chief Executive Officer of Zentek Ltd. (the "Company"), hereby certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to the best of my knowledge:

a. the Annual Report on Form 40-F of the Company for the fiscal year ended March 31, 2025 (the "Annual Report") fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and

b. the information contained in the Annual Report fairly presents in all material respects the financial condition and results of operations of the Company.

Date: June 26, 2025

By:

/s/ Greg Fenton
Name: **Greg Fenton**
Title: **Chief Executive Officer**

EXHIBIT 99.7

CERTIFICATION OF CHIEF FINANCIAL OFFICER
PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

I, Wendy Ford, Chief Financial Officer of Zentek Ltd. (the "Company"), hereby certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to the best of my knowledge:

a. the Annual Report on Form 40-F of the Company for the fiscal year ended March 31, 2025 (the "Annual Report") fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and

b. the information contained in the Annual Report fairly presents in all material respects the financial condition and results of operations of the Company.

Date: June 26, 2025

By:

/s/ Wendy Ford
Name: **Wendy Ford**
Title: **Chief Financial Officer**

Consent of Independent Registered Public Accounting Firm

We hereby consent to the use of our report dated June 26, 2025 relating to the consolidated financial statements of Zentek Ltd. (the "Company") appearing in this Annual Report on Form 40-F for the year ended March 31, 2025. Our report contains an explanatory paragraph regarding the Company's ability to continue as a going concern.

We also consent to the incorporation by reference of such report in the Registration Statement on Form F-3 (File No. 333-278886) of the Company.

/s/ *BDO Canada LLP*
Vancouver, Canada
June 26, 2025