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**G6 MATERIALS CORP.**  
**CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED NOVEMBER 30, 2023 AND 2022**  
**(Unaudited – Expressed in US Dollars)**

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## **NOTICE TO READER**

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

The accompanying unaudited condensed interim consolidated financial statements of G6 Materials Corp. (“Corporation”) have been prepared by and are the responsibility of the Corporation’s management.

The Corporation’s independent auditor has not performed a review of these unaudited condensed interim consolidated financial statements in accordance with standards established by the Canadian Institute of Chartered Accountants for a review of interim financial statements by an entity’s independent auditor.

**G6 MATERIALS CORP.**

## CONDENSED INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

(Expressed in US Dollars)

As at,	Notes	November 30, 2023 (Unaudited)	May 31, 2023 (Audited)
<b>ASSETS</b>		\$	\$
<b>Current</b>			
Cash and cash equivalents		48,827	390,440
Accounts receivable and other	5	55,832	55,270
Inventory	6	412,789	574,326
Prepaid expenses and deposits	14	95,762	118,588
		613,210	1,138,624
Equipment	8	101,473	111,587
Right-of-use asset	7	8,556	59,890
Intangible assets	4	109,082	130,902
Total assets		832,321	1,441,003
<b>LIABILITIES</b>			
<b>Current</b>			
Accounts payable and accrued liabilities	9	644,717	408,910
Current portion of lease liability	7	8,793	60,635
		653,510	469,545
<b>SHAREHOLDERS' EQUITY</b>			
Share capital	10	16,487,601	16,487,601
Warrant reserve		-	-
Contributed surplus		3,672,642	3,593,663
Accumulated other comprehensive loss		(172,109)	(164,383)
Deficit		(19,809,323)	(18,945,423)
Total shareholders' equity		178,811	971,458
Total liabilities and shareholders' equity		832,321	1,441,003

**Going Concern** (Note 1)**Subsequent Events** (Note 16)

Approved on behalf of the Board of Directors on January 29, 2024:

"Guy Bourgeois" Director  
Guy Bourgeois

"John Gary Dyal" Director  
John Gary Dyal

**G6 MATERIALS CORP.****CONDENSED INTERIM CONSOLIDATED STATEMENTS OF LOSS AND COMPREHENSIVE LOSS**

FOR THE SIX MONTH PERIOD ENDED NOVEMBER 30, 2023 AND 2022

(Unaudited – Expressed in US Dollars)

	Notes	Three months November 30, 2023	Three months November 30, 2022	Six months November 30, 2023	Six months November 30, 2022
		\$	\$	\$	\$
<b>REVENUE</b>		298,022	490,527	618,929	848,927
<b>COST OF GOODS SOLD</b>		(307,264)	(289,056)	(540,611)	(514,526)
		\$ (9,242)	\$ 201,471	\$ 78,318	\$ 334,401
<b>EXPENSES (Note 15)</b>					
Depreciation and amortization	4,7,8	43,867	67,002	87,615	134,179
Foreign exchange loss (gain)		(3)	124	182	171
Marketing and investor relations	15	57,616	112,159	114,931	179,771
General and administrative expenses		295,646	880,426	678,572	1,439,850
Research and development		30,586	53,646	60,918	140,203
		\$ (427,712)	\$ (1,113,357)	\$ (942,218)	\$ (1,894,174)
<b>NET LOSS</b>		\$ (436,954)	\$ (911,886)	\$ (863,900)	\$ (1,559,773)
<b>OTHER COMPREHENSIVE LOSS</b>					
Items that may be reclassified subsequently to loss:					
Foreign currency translation loss		(748)	(24,694)	(7,726)	(63,790)
<b>LOSS AND COMPREHENSIVE LOSS</b>		\$ (437,702)	\$ (936,580)	\$ (871,626)	\$ (1,623,563)
<b>LOSS PER SHARE - BASIC AND DILUTED</b>		\$ (0.03)	\$ (0.06)	\$ (0.05)	\$ (0.10)
<b>WEIGHTED AVERAGE NUMBER OF COMMON SHARES OUTSTANDING</b>		16,367,919	16,367,919	16,367,919	16,367,919

**G6 MATERIALS CORP.**

CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS  
FOR THE SIX MONTH PERIOD ENDED NOVEMBER 30, 2023 AND 2022  
(Unaudited – Expressed in US Dollars)

	Notes	2023	2022
		\$	\$
<b>OPERATING ACTIVITIES</b>			
Net loss		(863,900)	(1,559,773)
Non-cash items:			
Lease interest	7	911	1,707
Amortization of intangible asset	4	21,820	21,820
Amortization of right-of-use asset	7	51,334	96,171
Depreciation of equipment	8	14,459	16,188
Share-based compensation	10	78,979	116,064
Foreign exchange loss		182	171
		(696,215)	(1,307,652)
Changes in non-cash working capital items:			
Accounts receivable		(562)	1,724
Inventory		161,537	186,956
Prepaid expenses and deposits		22,826	125,965
Accounts payable and accrued liabilities		235,807	60,007
Cash used in operating activities		(276,607)	(933,000)
<b>INVESTING ACTIVITIES</b>			
Purchase of equipment	8	(4,345)	(28,000)
Cash used in investing activities		(4,345)	(28,000)
<b>FINANCING ACTIVITIES</b>			
Principal payments on lease	7	(52,753)	(98,831)
Cash used in financing activities		(52,753)	(98,831)
<b>Change in cash and cash equivalents</b>		(333,705)	(1,059,831)
<b>Effect of exchange rate changes on cash</b>		(7,908)	(63,961)
<b>Cash and cash equivalents, beginning</b>		390,440	2,119,429
<b>Cash and cash equivalents, ending</b>		48,827	995,637

**G6 MATERIALS CORP.**

## CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

FOR THE PERIOD ENDED NOVEMBER 30, 2023 AND 2022

(Unaudited – Expressed in US Dollars)

		Common Shares		Warrants Reserve		Contributed Surplus	Accumulated Other Comprehensive Loss	Deficit	Total
	Notes	#	\$	#	\$	\$	\$	\$	\$
<b>Balance, May 31, 2022</b>		<b>16,367,919</b>	<b>16,487,601</b>	<b>14,476,000</b>	<b>125,605</b>	<b>3,203,059</b>	<b>(94,044)</b>	<b>(16,222,315)</b>	<b>3,499,906</b>
Share-based compensation	10	-	-	-	-	116,064	-	-	116,064
Foreign currency translation loss		-	-	-	-	-	(63,790)	-	(63,790)
Net loss for the period		-	-	-	-	-	-	(1,559,773)	(1,559,773)
<b>Balance, November 30, 2022</b>		<b>16,367,919</b>	<b>16,487,601</b>	<b>14,476,000</b>	<b>125,605</b>	<b>3,319,123</b>	<b>(157,834)</b>	<b>(17,782,088)</b>	<b>1,992,407</b>
<b>Balance, May 31, 2023</b>		<b>16,367,919</b>	<b>16,487,601</b>	<b>-</b>	<b>-</b>	<b>3,593,663</b>	<b>(164,383)</b>	<b>(18,945,423)</b>	<b>971,458</b>
Share-based compensation	10	-	-	-	-	78,979	-	-	78,979
Foreign currency translation loss		-	-	-	-	-	(7,726)	-	(7,726)
Net loss for the period		-	-	-	-	-	-	(863,900)	(863,900)
<b>Balance, November 30, 2023</b>		<b>16,367,919</b>	<b>16,487,601</b>	<b>-</b>	<b>-</b>	<b>3,672,642</b>	<b>(172,109)</b>	<b>(19,809,323)</b>	<b>178,811</b>

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## **G6 MATERIALS CORP.**

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED NOVEMBER 30, 2023 AND 2022  
(Unaudited – Expressed in US Dollars)

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### **1. NATURE OF OPERATIONS**

G6 Materials Corp. (“G6” or the “Company”), formerly Graphene 3D Lab Inc., was incorporated pursuant to the British Columbia Business Corporations Act on January 17, 2011. On August 8, 2014, through a reverse acquisition transaction, the Company acquired Graphene 3D Lab (U.S.) Inc. which was deemed to be the continuing entity for financial reporting purposes. Graphene 3D Lab (U.S.) Inc. was incorporated on September 3, 2013 in the State of Delaware, U.S.A. On January 23, 2020, the Company changed its name from Graphene 3D Lab Inc. to G6 Materials Corp. The Company’s shares continue to trade on the TSX Venture Exchange under the same ticker symbol (“GGG”).

The Company currently has seven US patents granted and three patent applications filed. The patent applications and the granted patents cover technology for graphene manufacturing and applications as well as for non-graphene related technology.

The address of the Company’s head office and principal place of business is at Suite 2, 760 Koehler Avenue, Ronkonkoma, New York.

#### *Going Concern*

These unaudited condensed interim consolidated financial statements have been prepared on a going concern basis which assumes that the Company will, in the foreseeable future realize on its assets and discharge its liabilities in the normal course of business as they come due. Accordingly, the condensed interim consolidated financial statements do not give effect to adjustments that would be necessary should the Company be unable to continue as a going concern and, therefore be required to realize its assets and liquidate its liabilities and commitments in other than the normal course of business and at amounts different from those in these condensed interim consolidated financial statements. Such adjustments could be material. As at November 30, 2023, the Company had working capital deficit of \$40,300 (May 31, 2023 – working capital of \$669,079). Net loss for the period ended November 30, 2023 was \$863,900. The accumulated deficit as at November 30, 2023 was \$19,809,323 and negative cash flows from operations of \$276,607. The Company anticipates it will have sufficient cash-on-hand to service its liabilities and fund operating costs as they come due. However, there is uncertainty with respect to the Company’s ability to generate sufficient earnings to fully fund its operating activities without raising additional capital. The application of the going concern assumption is dependent upon the Company’s ability to continue to generate future profitable operations and/or obtain additional financing. The above events and conditions indicate there is a material uncertainty that casts significant doubt about the Company’s ability to continue as a going concern.

### **2. BASIS OF PREPARATION AND CONTINUING OPERATIONS**

#### a) Basis of Presentation and Statement of Compliance

The condensed interim consolidated financial statements are prepared in accordance with International Accounting Standard (“IAS”) 34 - Interim Financial Reporting under International Financial Reporting Standards (“IFRS”) issued by the International Accounting Standards Board (“IASB”). The accounting policies followed in these condensed interim financial statements are the same as those applied in the Company’s most recent annual financial statements for the year ended May 31, 2022. These condensed interim consolidated financial statements do not include all disclosures normally provided in the annual financial statements and should be read in conjunction with the Company’s audited financial statements for the year ended May 31, 2023. In management’s opinion, all adjustments necessary for fair presentation have been included in these condensed interim consolidated financial statements. Interim results are not necessarily indicative of the results expected for the year ended May 31, 2024.

#### b) Basis of Consolidation

These condensed interim consolidated financial statements incorporate the accounts of the Company and its wholly owned subsidiaries Graphene 3D Lab (U.S.) Inc., Graphene Laboratories Inc and GX Technologies LLC. All significant intercompany transactions and balances have been eliminated on consolidation.

These condensed interim consolidated financial statements were approved and authorized for issuance in accordance with resolution from the Board of Directors on January 29, 2024.

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**G6 MATERIALS CORP.**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED NOVEMBER 30, 2023 AND 2022(Unaudited – Expressed in US Dollars)

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**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

In preparing these condensed interim consolidated financial statements, the significant accounting policies and the significant judgments made by management in applying the Company's significant accounting policies and key sources of estimation uncertainty were the same as those that applied to the Company's audited consolidated financial statements for the year ended May 31, 2023.

**4. INTANGIBLE ASSETS**

On December 8, 2015, as part of the acquisition of Graphene Laboratories Inc., the Company acquired intangible assets comprised of certain intellectual property, including a provisional patent relating to technology enabling cost efficient industrial scale manufacture and processing of graphene. As at November 30, 2023, the Company's intangible assets consist of intellectual property relating to technology for the manufacture and processing of graphene.

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	\$
<b>Cost:</b>	
Balance, May 31, 2023 and November 30, 2023	436,382
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<b>Accumulated Amortization:</b>	
Balance, May 31, 2022	261,840
Amortization	43,640
Balance, May 31, 2023	305,480
Amortization	21,820
Balance, November 30, 2023	327,300
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<b>Net Book Value:</b>	
May 31, 2023	130,902
November 30, 2023	109,082

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**5. ACCOUNTS RECEIVABLE**

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	November 30, 2023	May 31, 2023
	\$	\$
Trade accounts receivable	35,528	42,565
Tax receivable	20,304	12,705
Total	55,832	55,270

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As at November 30, 2023, the expected credit loss was \$1,720 (May 31, 2023 - \$1,720) and all of the Company's trade receivables were outstanding less than 60 days.

**6. INVENTORY**

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	November 30, 2023	May 31, 2023
	\$	\$
Raw materials	139,026	-
Finished goods	273,763	574,326
Total	412,789	574,326

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The cost of inventory is recognized as an expense and included in cost of goods sold when sold. For the period ended November 30, 2023, the amount of inventory recognized in cost of goods sold was \$323,602 (November 30, 2022 - \$449,230).



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**G6 MATERIALS CORP.**

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS  
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**7. RIGHT-OF-USE ASSET AND LEASE LIABILITY**

The Company entered into a three-year lease agreement for the Company's facilities in Ronkonkoma, New York, USA beginning on January 1, 2018 and ending on December 31, 2020, which required monthly payments of \$8,000. Subsequently the Company renewed another three-year lease agreement for the Company's facilities beginning on January 1, 2021 and ending on December 31, 2023, which requires monthly payments of \$8,240. Upon adoption of IFRS 16 effective in fiscal 2020, the Company recognized a right-of-use asset and a lease liability of \$145,382. On November 22, 2021, the Company amended the lease agreement by increasing the monthly payment from \$8,240 to \$8,487 during the periods from January 1, 2022 to December 31, 2022. As a result, the Company made an adjustment on the lease liability of \$186,848 in connection with the amendments of the lease agreement for the Company's facilities in Ronkonkoma, New York, USA. The Company's internal borrowing rate was 6%. On December 2, 2022, the Company amended the lease agreement by increasing the monthly payment to \$8,793. As a result, the Company increased the lease liability of \$102,670 in connection with the amendments of the lease agreement for the Company's facilities in Ronkonkoma, New York, USA.

On November 23, 2021, the Company entered into another 12-month lease agreement for the expansion of Company's facilities in Cerritos, California, USA beginning on January 1, 2022 and ending on December 31, 2022, which required monthly payments of \$7,985. The Company recognized a right-of-use asset and a lease liability of \$192,341. The Company used a 6% discount rate, its incremental borrowing rate, to calculate the present value of the future lease payments and the lease interest expense.

**RIGHT-OF-USE ASSET**

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	\$
<b>Cost:</b>	
Balance, May 31, 2022	609,934
Addition	102,670
Balance, May 31, 2023 and November 30, 2023	712,604
<b>Accumulated Amortization:</b>	
Balance, May 31, 2022	497,735
Amortization	154,979
Balance, May 31, 2023	652,714
Amortization	51,334
Balance, November 30, 2023	704,048
<b>Net Book Value:</b>	
May 31, 2023	59,890
November 30, 2023	8,556

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**G6 MATERIALS CORP.**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED NOVEMBER 30, 2023 AND 2022(Unaudited – Expressed in US Dollars)

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**7. RIGHT-OF-USE ASSET AND LEASE LIABILITY (CONTINUED)****LEASE LIABILITY**

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	\$
Balance, May 31, 2021	237,262
Lease interest expense	10,878
Addition	192,341
Payments	(140,039)
Adjustment on the renewal of contract	(186,846)
Balance, May 31, 2022	113,596
Lease interest expense	3,636
Addition	102,670
Payments	(159,267)
Balance, May 31, 2023	60,635
Lease interest expense	911
Payments	(52,753)
Balance, November 30, 2023	8,793
<b>Current portion of lease liability</b>	<b>8,793</b>
<b>Long-term portion of lease liability</b>	<b>-</b>

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As at November 30, 2023, the Company will have future undiscounted lease payments totaling \$8,793 in December 2023. Upon the expiry of the lease on December 31, 2023, the Company extended the lease for three additional years until December 31, 2026. Pursuant to the extension the Company is required to pay rent of \$9,400.00 per month.

**8. EQUIPMENT**

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	<b>Laboratory Equipment</b>
<b>Cost:</b>	\$
Balance, May 31, 2022	670,381
Additions	27,998
Balance, May 31, 2023	698,379
Additions	4,345
Balance, November 30, 2023	702,724
<b>Accumulated Depreciation:</b>	
Balance, May 31, 2022	555,422
Depreciation expense	31,370
Balance, May 31, 2023	586,792
Depreciation expense	14,459
Balance, November 30, 2023	601,251
<b>Net Book Value:</b>	
May 31, 2023	111,587
November 30, 2023	101,473

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**G6 MATERIALS CORP.**

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS  
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**9. RELATED PARTY TRANSACTIONS AND BALANCES**

Key management includes directors and officers of the Company. The Company incurred the following key management compensation charges during the period ended November 30, 2023 and 2022:

	<b>2023</b>	<b>2022</b>
	\$	\$
Salaries, bonuses, fees and benefits	221,939	158,538
Share-based compensation	53,982	60,555
	<b>275,921</b>	<b>219,093</b>

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The Company had the following transactions with related parties:

As at November 30, 2023, the Company owed \$315,465 (May 31, 2023 – \$94,759) to related parties. The amounts due are unsecured, non-interest bearing and have no fixed terms of repayment.

Transactions with related parties are incurred in the normal course of operation and recorded at fair value.

The amounts due to related parties are included in accounts payable and accrued liabilities.

**10. SHARE CAPITAL****Authorized:**

Unlimited number of common shares without par value.

**Issued and outstanding common stock:**

- a) During the period ended November 30, 2023, the Company did not issue any common stock.
- b) On July 12, 2023, the Company consolidated all of its issued and outstanding common shares on the basis of every 10 old common shares into one new common share. Unless otherwise noted, all share, option, loss per share and warrant information have been retroactively adjusted to reflect this consolidation.

**Escrow shares:**

On August 25, 2021, the Company acquired a 100% interest in GX Technologies, LLC (“GX Technologies”) an arm’s length party. Pursuant to the terms of the agreement, as payment, the Company issued 2,500,000 common shares (“Consideration Shares”) to the shareholders of GX Technologies. As at November 30, 2023, there are 500,000 (May 31, 2023 – 1,000,000) common shares subject to an escrow agreement. The Consideration Shares will be released from escrow over a period of 28 months from the Closing Date, shown below.

<b>Vesting Date</b>	<b>Consideration shares</b>
4 - months from Closing date (December 25, 2021)	500,000
10 - months from Closing date (June 25, 2022)	500,000
16 - months from Closing date (December 25, 2022)	500,000
22 - months from Closing date (June 25, 2023)	500,000
28 - months from Closing date (December 25, 2023)	500,000
<b>Total</b>	<b>2,500,000</b>

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**G6 MATERIALS CORP.**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED NOVEMBER 30, 2023 AND 2022(Unaudited – Expressed in US Dollars)

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**10. SHARE CAPITAL (CONTINUED)****Stock options:**

The Company has adopted a stock option plan (the “Plan”), providing the Board of Directors with the discretion to issue an equivalent number of options of up to 10% of the issued and outstanding share capital of the Company. Stock options are granted with an exercise price of not less than the closing share price of the day preceding the date of grant.

Continuity of stock options:

	<b>Number of options</b>	<b>Exercise price</b>
Options outstanding– May 31, 2022	1,345,000	C\$1.00
Expired during the year	(265,000)	C\$1.20
Options outstanding– May 31, 2023	1,080,000	C\$0.90
Issued during the period	720,000	C\$0.16
Expired during the period	(550,000)	C\$0.93
Options outstanding – November 30, 2023	1,250,000	C\$0.48

The fair value of the stock options granted is estimated using the Black-Scholes option pricing model. Option pricing models require the input of highly subjective assumptions, including the expected volatility. Changes in the assumptions can materially affect the fair value estimate, and therefore, the existing models do not necessarily provide a reliable measure of the fair value of the Company’s stock options.

On August 16, 2023, the Company granted 720,000 stock options to certain directors, officers and consultants of the Company. The options are exercisable at C\$0.16 per share for a period of five years from the date of grant. Among these options granted, 135,000 are subject to a 3-year vesting schedule, where 25% of the options will vest immediately, and 25% will vest at each anniversary.

On March 16, 2022, the Company granted 690,000 stock options to certain directors, officers and consultants of the Company with a fair value of C\$0.96 at the date of grant. The options are exercisable at C\$1.00 per share for a period of five years from the date of grant. Among these options granted, 200,000 are subject to a 3-year vesting schedule, where 25% of the options will vest immediately, and 25% will vest at each anniversary.

The fair value of the stock options granted is estimated using the Black-Scholes option pricing model. Option pricing models require the input of highly subjective assumptions, including the expected volatility. Changes in the assumptions can materially affect the fair value estimate, and therefore, the existing models do not necessarily provide a reliable measure of the fair value of the Company’s stock options.

The weighted average assumptions used in the Black-Scholes option pricing model are as follows:

	<b>2023</b>	<b>2022</b>
Share price	C\$0.16	C\$1.11
Risk-free interest rate	3.83%	1.29%
Expected volatility	213.60%	132.48%
Expected dividend yield	\$nil	\$nil
Expected forfeiture rate	0%	0%
Expected life	5 years	5 years

Based on the Black-Scholes option pricing model and the assumptions outlined above, the Company recorded share-based compensation of \$78,979 for the period ended November 30, 2023 (2022 - \$116,064).

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**G6 MATERIALS CORP.**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS  
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**10. SHARE CAPITAL (CONTINUED)****Stock options (Continued):**

Details of stock options outstanding:

<b>Expiry date</b>	<b>Exercise price</b>	<b>Remaining life (years)</b>	<b>Number of stock options outstanding</b>	<b>Number of stock options vested and exercisable</b>
October 14, 2025	C\$0.80	1.87	210,000	210,000
March 16, 2027	C\$1.10	3.29	320,000	290,000
August 16, 2028	C\$0.16	4.71	720,000	618,750

**Share purchase warrants:**

The Company uses the residual approach when allocating the fair value of the share purchase warrants issued in conjunction with the offering of units through a private placement. The Company determines the fair value of the common share, and the residual value is allocated to the share purchase warrant for unit offerings that contain a common share and a share purchase warrant.

Continuity of share purchase warrants:

	<b>Number of warrants</b>	<b>Weighted average exercise price</b>
Warrants outstanding – May 31, 2021	2,443,314	C\$2.23
Warrants expired during the year	(995,714)	C\$1.20
Warrants outstanding – May 31, 2022	1,447,600	C\$2.93
Warrants expired during the year	(1,447,600)	C\$(2.93)
Warrants outstanding – May 31, 2023 and November 30, 2023	-	-

**11. MANAGEMENT OF CAPITAL**

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern to pursue the the development and production of innovative graphene-based solutions. The Company does not have any externally imposed capital requirements to which it is subject. As of November 30, 2023, the Company had cash of \$48,827 (May 31, 2023 - \$390,440)

The Company defines its capital as all components of shareholders' equity. The Company manages the capital structure and adjusts it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue common shares or dispose of assets or adjust the amount of cash.

**12. FINANCIAL INSTRUMENTS**

The Company's financial instruments consist of cash and cash equivalents, trade accounts receivable, accounts payable and accrued liabilities and loan payable.

The Company classifies its fair value measurements in accordance with an established hierarchy that prioritizes the inputs in valuation techniques used to measure fair value as follows:

Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities

Level 2 – Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly, and

Level 3 – Inputs that are not based on observable market data

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**G6 MATERIALS CORP.**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS  
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**12. FINANCIAL INSTRUMENTS (CONTINUED)**

The following table sets for the Company's financial assets measured at fair value on a recurring basis by level within the fair value hierarchy:

	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
Cash and cash equivalents	48,827	-	-	48,827

The Company has determined that the carrying values of its accounts receivable, accounts payable and accrued liabilities and loan payable approximate their fair value due to the short-term maturities of these financial instruments.

## i) Credit risk

Credit risk is the risk of financial loss to the Company if counterparty to a financial instrument fails to meet its contractual obligations. The Company manages credit risk by investing its cash and cash equivalents with large United States and Canadian chartered banks. The Company manages credit risk for accounts receivable through established credit monitoring activities. As at November 30, 2023, the Company's maximum exposure to credit risk is the carrying value of cash and cash equivalents and accounts receivable.

## ii) 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. Financial assets and liabilities with variable interest rates expose the Company to interest rate risk with respect to its cash flow. As at November 30, 2023 and May 31, 2023, the Company is not exposed to significant interest rate risk.

## iii) Currency risk

The Company has transactions internationally and is exposed to foreign exchange risk from the Canadian Dollar. Foreign exchange risk arises from financing and purchase transactions that are denominated in currency other than the US Dollar, which is the functional currency of the Company. As at November 30, 2023, the Company held C\$2,406 (May 31, 2023 - C\$206,711) in Canadian dollar cash and cash equivalents. A 10% increase or decrease in the Canadian dollar would increase or decrease comprehensive income by \$28,919 (2022 - \$36,814).

## iv) 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 and financial leverage as outlined above. As at November 30, 2023, the Company has cash and cash equivalents of \$48,827 and a working capital deficit of \$40,300.

<b>As at November 30, 2023</b>	<b>Up to 1 year</b>	<b>1 - 5 years</b>	<b>Total</b>
Accounts payable and accrued liabilities	644,717	-	644,717
Current portion of lease liability	8,793	-	8,793
	653,510	-	653,510

  

<b>As at May 31, 2023</b>	<b>Up to 1 year</b>	<b>1 - 5 years</b>	<b>Total</b>
Accounts payable and accrued liabilities	408,910	-	408,910
Current portion of lease liability	60,635	-	60,635
	469,545	-	469,545

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**G6 MATERIALS CORP.**

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED NOVEMBER 30, 2023 AND 2022  
(Unaudited – Expressed in US Dollars)

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**13. SEGMENT DISCLOSURES**

The Company operates in one reportable segment – the development, manufacturing and sale of graphene-enhanced materials. Substantially all of the Company’s revenue was generated in the U.S. and all long-lived assets are located in the U.S.

**14. PREPAID EXPENSES AND DEPOSITS**

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	November 30, 2023	May 31, 2023
	\$	\$
Deposits and expenses	21,708	10,179
Inventory	74,054	108,409
Total	95,762	118,588

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**15. NATURE OF EXPENSES**

The nature of the Company’s corporate and administrative expenses is as follows:

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	For the Three Months Ended		For the Three Months Ended	
	November 30, 2023	November 30, 2022	November 30, 2023	November 30, 2022
	\$	\$	\$	\$
Lease interest	916	490	267	1,707
Office and administrative	95,390	301,450	44,503	380,436
Professional fees	186,932	224,164	73,888	319,137
Regulatory fees	34,393	34,383	17,305	34,842
Salaries and benefits	280,536	260,469	154,078	582,329
Share-based compensation	78,979	56,816	5,407	116,064
Travel expenses	1,426	2,654	198	5,335
Total	678,572	880,426	295,646	1,439,850

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**16. SUBSEQUENT EVENTS**

On December 14, 2023, the Company proposed a non-brokered equity financing to raise up to \$1,000,000 through the offering of up to 10,000,000 units at a price of \$0.10 per unit. Each unit is comprised of one common share in the capital of the Company and one common share purchase warrant. Each warrant will entitle the holder thereof to purchase one additional share of the Company at an exercise price of \$0.25 for a period of three years from the closing date of the offering. As of the date of these condensed interim consolidated financial statements, the offering has not been completed.

On December 12, 2023, the resolution to authorize and approve the 10% rolling stock option plan of the Company was approved by a majority of votes cast by the shareholders who voted in respect of the resolution at the Company’s annual general and special meeting of shareholders.