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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

(Mark One)

☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended March 31, 2026

or

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from _____ to _____

Commission File Number: 001-42252

TERRESTRIAL ENERGY INC.
(Exact name of registrant as specified in its charter)

Delaware	**98-1785406**
(State or other jurisdiction of incorporation or organization)	**(I.R.S. Employer Identification Number)**

2730 W. Tyvola Road
Suite 100
Charlotte, NC 28217
(Address of Principal Executive Offices)

(646) 687-8212
(Registrant's telephone number)

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

Title of Each Class	Trading symbol	Name of Exchange on which registered
Common Stock, par value $0.0001 per share	IMSR	The Nasdaq Stock Market LLC
Redeemable Warrants, each whole warrant exercisable for one Common Stock at a price of $11.50 per share	IMSRW	The Nasdaq Stock Market LLC

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 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 every Interactive Data File required to be submitted 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 such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	☐	Accelerated filer	☐		
Non-accelerated filer	☒	Smaller reporting company	☒	Emerging growth company	☒

If an emerging growth company, 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. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

As of May 6, 2026, there were 105,935,254 of the registrant's ordinary shares outstanding.

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CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

This Quarterly Report on Form 10-Q (this "Quarterly Report") of Terrestrial Energy Inc. ("Terrestrial Energy," the "Company," "we," "our," and "us") contains certain forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended (the "Securities Act"), and Section 21E of the Securities Exchange Act of 1934, as amended (the "Exchange Act"). Forward-looking statements relate to future events or future performance and include, without limitation, statements concerning our business strategy, future revenues, market growth, capital requirements, product introductions, expansion plans and the adequacy of our funding. Other statements contained in this Quarterly Report that are not historical facts are also forward-looking statements. We have tried, wherever possible, to identify forward-looking statements by terminology such as "may," "will," "could," "should," "expects," "anticipates," "intends," "plans," "believes," "seeks," "estimates," "continue," "might," "possible," "potential," "predict," "project," "goal," "would," "commit," and other stylistic variants denoting forward-looking statements.

We caution investors that any forward-looking statements presented in this Quarterly Report, or that we may make orally or in writing from time to time, are based on information currently available, as well as our beliefs and assumptions. The actual outcome related to forward-looking statements will be affected by known and unknown risks, trends, uncertainties, and factors that are beyond our control or ability to predict. Although we believe that our assumptions are reasonable, they are not guarantees of future performance, and some will inevitably prove to be incorrect. As a result, our actual future results can be expected to differ from our expectations, and those differences may be material. Accordingly, investors should use caution in relying on forward-looking statements, which are based only on known results and trends at the time they are made, to anticipate future results or trends.

The forward-looking statements contained in this Quarterly Report are based on current expectations and beliefs concerning future developments and their potential effects on us. There can be no assurance that future developments affecting us will be those that we have anticipated. These forward-looking statements involve a number of risks, uncertainties (some of which are beyond our control), or other assumptions that may cause actual results or performance to be materially different from those expressed or implied by these forward-looking statements.

The discussion in this Quarterly Report should be read in conjunction with the condensed consolidated financial statements and notes thereto included in Item 1 of this Quarterly Report. Should one or more of these risks or uncertainties materialize, or should any of our assumptions prove incorrect, actual results may vary in material respects from those projected in these forward-looking statements, whether as a result of new information, future events or otherwise, except as may be required under applicable securities laws.

This Quarterly Report and all subsequent written and oral forward-looking statements attributable to us or any person acting on our behalf are expressly qualified in their entirety by the cautionary statements contained or referred to in this section. We do not undertake any obligation to release publicly any revisions to our forward-looking statements to reflect events or circumstances after the date of this Quarterly Report, except as may be required by law.

PART I —FINANCIAL INFORMATION

Item 1. Financial Statements

Terrestrial Energy Inc.
Condensed Consolidated Balance Sheets
(in thousands, except share data)
(Unaudited)

	March 31, 2026	December 31, 2025
ASSETS		
Current assets		
Cash and cash equivalents	$ 76,946	$ 97,164
Short-term investments	198,018	200,626
Prepaid expenses and other current assets	1,779	1,769
Total current assets	276,743	299,559
Property and equipment, net	831	835
Long-term investments	14,898	—
Intangible assets, net	699	708
Right-of-use assets	1,919	1,814
Other assets	78	64
Total Assets	$ 295,168	$ 302,980
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities		
Accounts payable and accrued expenses	$ 4,495	$ 5,501
Operating lease liabilities, current	520	383
Finance lease liabilities, current	33	33
Total current liabilities	5,048	5,917
Operating lease liabilities, noncurrent	1,478	1,601
Finance lease liabilities, noncurrent	46	56
Total liabilities	6,572	7,574
Commitments and Contingencies (Note 10)		
Stockholders' Equity		
Common shares, $0.0001 par value; 500,000,000 authorized shares; 82,242,434 and 81,771,422 shares issued and outstanding as of March 31, 2026 and December 31, 2025, respectively	8	8
Exchangeable shares, $0.0001 par value; 23,692,820 and 24,011,017 shares issued and outstanding as of March 31, 2026 and December 31, 2025	2	2
Additional paid-in-capital	421,734	418,815
Accumulated deficit	(135,128)	(124,625)
Accumulated other comprehensive income	1,980	1,206
Total stockholders' equity	288,596	295,406
Total liabilities and stockholders' equity	$ 295,168	$ 302,980

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

Terrestrial Energy Inc.
Condensed Consolidated Statements of Operations and Comprehensive Loss
(in thousands, except share data)
(Unaudited)

	Three months ended March 31,	
	2026	**2025**
OPERATING EXPENSES		
Research and development costs	$ 4,566	$ 1,408
General and administrative	7,304	3,289
Depreciation and amortization	61	181
Total Operating Expenses	11,931	4,878
OPERATING LOSS	(11,931)	(4,878)
OTHER INCOME (EXPENSE)		
Government grants	48	23
Interest expense	(2)	(1,231)
Interest expense – related party	—	(140)
Interest and dividend income	1,453	4
Foreign exchange loss	(34)	(30)
OTHER INCOME (EXPENSE)	1,465	(1,374)
Net loss before income tax	(10,466)	(6,252)
Income tax expense	(37)	—
Net loss	(10,503)	(6,252)
Loss per common share, basic and diluted	$ (0.10)	$ (0.10)
Weighted-Average Shares of Common Shares Outstanding, Basic and diluted	105,861,986	63,170,918
Net loss	$ (10,503)	$ (6,252)
Other comprehensive (loss) income net of tax:		
Foreign currency translation adjustments	(64)	(827)
Change in net unrealized gains on short-term and long-term investments	838	—
Comprehensive loss	$ (9,729)	$ (7,079)

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

Terrestrial Energy Inc.
Condensed Consolidated Statements of Changes in Stockholders' Equity (Deficit)
(in thousands, except share data)
(Unaudited)

	Common Shares		Exchangeable Shares		Additional Paid-In-Capital	Accumulated Other Comprehensive Income	Accumulated Deficit	Total Stockholders' Equity
	Shares	Amount	Shares	Amount				
Balance as of January 1, 2026	81,771,422	$ 8	24,011,017	$ 2	$ 418,815	$ 1,206	$ (124,625)	$ 295,406
Stock-based compensation	—	—	—	—	2,761	—	—	2,761
Shares issued upon exercise of options	140,815	—	—	—	158	—	—	158
Conversion of exchangeable shares to common shares	318,197	—	(318,197)	—	—	—	—	—
Issuance of shares for private placement	12,000	—	—	—	—	—	—	—
Currency translation adjustments	—	—	—	—	—	(64)	—	(64)
Change in unrealized gains on short-term and long-term investments	—	—	—	—	—	838	—	838
Net loss	—	—	—	—	—	—	(10,503)	(10,503)
Balance, March 31, 2026	82,242,434	$ 8	23,692,820	$ 2	$ 421,734	$ 1,980	$ (135,128)	$ 288,596

	Common Shares		Exchangeable Shares		Additional Paid-In-Capital	Accumulated Other Comprehensive Income (Loss)	Accumulated Deficit	Total Stockholders' Deficit
	Shares*	Amount	Shares*	Amount				
Balance as of January 1, 2025, as recast	39,159,901	$ 4	24,011,017	$ 2	$ 82,774	$ 337	$ (96,608)	$ (13,491)
Stock-based compensation	—	—	—	—	180	—	—	180
Issuance of warrants in connection with convertible notes, net of tax	—	—	—	—	2,595	—	—	2,595
Currency translation adjustments	—	—	—	—	—	(827)	—	(827)
Net loss	—	—	—	—	—	—	(6,252)	(6,252)
Balance, March 31, 2025	39,159,901	$ 4	24,011,017	$ 2	$ 85,549	$ (490)	$ (102,860)	$ (17,795)

* The shares of the Company's common stock prior to the Recapitalization have been retrospectively recast to reflect the change in the capital structure as a result of the Recapitalization as described in Note 1.

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

Terrestrial Energy Inc.
Condensed Consolidated Statements of Cash Flows
(in thousands)
(Unaudited)

	Three months ended March 31,	
	2026	**2025**
Cash flows from operating activities		
Net loss	$ (10,503)	$ (6,252)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation and amortization	61	181
Amortization of debt discount	—	517
Interest income and accretion of discount on investments, net	(55)	—
Stock-based compensation	2,761	180
Unrealized foreign currency transaction gain	(378)	(96)
Noncash lease expense	99	62
Changes in operating assets and liabilities		
Prepaid expenses and other current assets	27	(150)
Accounts payable and accrued expenses	(908)	2,023
Accrued interest	—	663
Accrued interest - related party	—	143
Operating lease payments	(197)	(31)
Net cash used in operating activities	(9,093)	(2,760)
Cash flows from investing activities		
Purchases of intangible assets	—	(21)
Purchases of property and equipment	(53)	(163)
Purchase of investments	(73,146)	—
Proceeds from redemptions of investments	61,693	—
Net cash used in investing activities	(11,506)	(184)
Cash flows from financing activities		
Proceeds from issuance of convertible notes	—	9,335
Proceeds from issuance of convertible notes – related parties	—	1,650
Proceeds from the exercise of stock options for common shares	158	—
Repayment of finance lease liabilities	(9)	(40)
Net cash provided by financing activities	149	10,945
Effect of exchange rate changes on cash and cash equivalents	232	295
(Decrease) increase in cash and cash equivalents during the period	(20,218)	8,296
Cash and cash equivalents, beginning of period	97,164	3,022
Cash and cash equivalents, end of period	$ 76,946	$ 11,318
Supplemental noncash investing and financing activities		
Recognition of warrants in connection with convertible notes, net of tax	$ —	$ 2,595
Operating lease liabilities obtained in exchange for operating lease assets	$ 228	$ —

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

Terrestrial Energy Inc.
Notes to Condensed Consolidated Financial Statements
(in thousands, except share data or otherwise stated)
(Unaudited)

1. Organization and Description of Business

Terrestrial Energy Inc. (the "Company" or "TEI"), a Company incorporated under the laws of the State of Delaware, is a Company developing Generation IV nuclear technology, as defined by the Generation IV International Forum. The Company is committed to delivering reliable, resilient, emission-free, and cost-competitive energy by developing and deploying its patented Integral Molten Salt Reactor ("IMSR") for commercial operation.

On October 28, 2025 (the "Closing Date"), Terrestrial Energy Inc. (formerly HCM II Acquisition Corp. "HCM II") consummated the transactions set forth by the Business Combination Agreement dated March 26, 2025 with Terrestrial Energy Development Inc. (formerly Terrestrial Energy, Inc.) ("TEDI") and HCM II Merger Sub Inc. (the "Business Combination"). Upon closing, Merger Sub merged with and into TEDI, with TEDI surviving as a wholly owned subsidiary of Terrestrial Energy Inc. (collectively, the "Transactions"). Under the terms of the Agreement, TEDI's outstanding shares of common stock and convertible notes were exchanged for shares in Terrestrial Energy Inc. at an exchange ratio specified in the Business Combination Agreement.

The Business Combination was accounted for as a reverse recapitalization in accordance with generally accepted accounting principles in the United States of America ("U.S. GAAP"). Under this method of accounting, TEDI was deemed to be the accounting acquirer for financial reporting purposes.

The Business Combination closed on Tuesday, October 28, 2025, with trading commencing on the Nasdaq Stock Market LLC ("Nasdaq") on Wednesday, October 29, 2025.

Upon closing of the transaction, the combined company became known as Terrestrial Energy Inc. and its securities and warrants were listed on Nasdaq under the symbols "IMSR" and "IMSRW", respectively.

Liquidity and Going Concern

Historically, the Company's primary sources of liquidity have been cash flows from private fundraising offerings to related parties or other investors and other financing activities to fund operations. For the three months ended March 31, 2026 and 2025, the Company reported operating losses of $11,931 and $4,878, respectively, and negative cash flows from operations of $9,093 and $2,760, respectively. As of March 31, 2026, the Company had $76,946 in cash and cash equivalents and $198,018 in short-term investments. The Company had net working capital of $271,695 and an accumulated deficit of $135,128.

The Company believes that it has sufficient liquidity to support operations for at least the next twelve months following the date of issuance of the condensed consolidated financial statements. This projection is based on the Company's current expectations regarding cost structure, cash burn rate and other operating assumptions.

Terrestrial Energy Inc.
Notes to Condensed Consolidated Financial Statements
(in thousands, except share data or otherwise stated)
(Unaudited)

2. Significant Accounting Policies

Basis of Presentation and Principles of Consolidation

The accompanying unaudited condensed consolidated financial statements and accompanying notes are prepared in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP") for interim financial reporting.

The accompanying unaudited condensed consolidated financial statements have been prepared in accordance with the instructions to Form 10-Q and Articles 8 and 10 of Regulation S-X of the U.S. Securities and Exchange Commission ("SEC"). Certain information or footnote disclosures normally included in financial statements prepared in accordance with U.S. GAAP have been condensed or omitted, pursuant to the rules and regulations of the SEC for interim financial reporting. Accordingly, it does not include all the information and footnotes necessary for a complete presentation of financial position, results of operations, or cash flows. The information herein should be read in conjunction with the audited consolidated financial statements and notes thereto included in the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2025, which was filed on March 30, 2026. In the opinion of management, the accompanying unaudited condensed consolidated financial statements include all adjustments, consisting of a normal recurring nature, which are necessary for a fair statement of the financial position, operating results, and cash flows for the periods presented.

Use of Estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make certain estimates, judgments and assumptions. The Company believes that the estimates, judgments and assumptions made when accounting for items and matters such as, but not limited to, determination of deferred income for government assistance, useful life of property and equipment and intangible assets, fair value of stock options granted, recognition of deferred income tax assets, determination of incremental borrowing rate used to measure lease liabilities, and warrants, are reasonable based on information available at the time they are made. These estimates, judgments and assumptions can affect the reported amounts of assets and liabilities as of the date of the condensed consolidated financial statements, as well as amounts reported on the statements of operations during the periods presented. Actual results could differ from those estimates.

Foreign Currency

The Company's reporting currency is the United States dollar ("USD"). The functional currency of each subsidiary is determined by the currency of the primary economic environment in which the entity operates. The functional currency of Terrestrial Energy Ontario Inc. ("TEON") is the Canadian dollar ("CAD"), that of Terrestrial Energy Limited, a company incorporated under the laws of England and Wales, the Pound Sterling and that of Terrestrial Energy USA, Inc., the USD. Assets and liabilities of the operating subsidiaries are translated at the spot rate in effect at the applicable reporting date. Revenues and expenses of the operating subsidiaries are translated at the average exchange rates in effect during the applicable period. The resulting foreign currency translation adjustment is recorded as Accumulated other comprehensive income (loss), which is reflected as a separate component of Stockholders' Equity (Deficit). The functional currency is translated into U.S. dollars for balance sheet accounts using currency exchange rates in effect as of the balance sheet date, and for revenue and expense accounts using a weighted-average exchange rate during the respective reporting period. The transactions in foreign currency (that is a different currency than the functional currency of the entity) are converted at the exchange rate prevailing to the date of the transaction. The assets and liabilities denominated in foreign currencies are evaluated in the current period on the date of the closing or at the opening rate, when applicable. The translation adjustments are deferred as a separate component of equity in "Accumulated other comprehensive income (loss)". Gains or losses resulting from transactions denominated in foreign currencies and intercompany debt that is not of a long-term investment nature are included in foreign exchange gain (loss) in the condensed consolidated statements of operations and comprehensive loss.

Terrestrial Energy Inc.
Notes to Condensed Consolidated Financial Statements
(in thousands, except share data or otherwise stated)
(Unaudited)

Concentration of Credit Risks

The Company's cash accounts in a financial institution may at times exceed the Federal Depository Insurance coverage of $250,000. No losses have been incurred to date on any deposit balance.

Fair Value Measurements

Fair value is defined as the exit price, or the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants as of the measurement date. The authoritative guidance establishes a hierarchy for inputs used in measuring fair value that maximizes the use of observable inputs and minimizes the use of unobservable inputs by requiring that the most observable inputs be used when available. Observable inputs are from sources independent of the Company. Unobservable inputs reflect the Company's assumptions about the factors market participants would use in valuing the asset or liability developed based upon the best information available in the circumstances. The categorization of financial assets and liabilities within the valuation hierarchy is based upon the lowest level of input that is significant to the fair value measurement. The hierarchy is broken down into three levels:

- Level 1: Inputs are quoted prices in active markets for identical assets or liabilities.
- Level 2: Inputs include quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active, and inputs (other than quoted prices) that are observable for the asset or liability, either directly or indirectly.
- Level 3: Inputs are unobservable for the asset or liability.

The carrying amounts of certain financial instruments, such as cash equivalents, prepaid expenses and other current assets, accounts payable and accrued expenses, approximate fair value due to their relatively short maturities. The Company's investments are classified as Level 1 or Level 2 assets (as described in Note 3). The valuation techniques used to measure the fair values of the Company's Level 2 financial instruments, which generally have counterparties with high credit ratings, are based on quoted market prices or model-driven valuations using significant inputs derived from and corroborated by observable market data.

Warrants

The Company reviews the terms of warrants to purchase its common stock to determine whether warrants should be classified as liabilities or stockholders' equity (deficit) in its condensed consolidated balance sheets. In order for a warrant to be classified in stockholders' equity (deficit), the warrant must be (i) indexed to the Company's equity and (ii) meet the conditions for equity classification.

If a warrant does not meet the conditions for stockholders' equity (deficit) classification, it is carried on the condensed consolidated balance sheets as a warrant liability measured at fair value, with subsequent changes in the fair value of the warrant recorded in other income (expense) in the condensed consolidated statements of operations and comprehensive loss. If a warrant meets both conditions for equity classification, the warrant is initially recorded, at its relative fair value on the date of issuance, in stockholders' deficit in the condensed consolidated balance sheets, and the amount initially recorded is not subsequently remeasured at fair value.

Stock-Based Compensation

The Company accounts for stock-based compensation arrangements granted to employees in accordance with Accounting Standards Codification ("ASC") 718, "Compensation: Stock Compensation", by measuring the grant date fair value of the award and recognizing the resulting expense over the period during which the employee is required to perform service in

exchange for the award. Equity-based compensation expense is only recognized for awards subject to performance conditions if it is probable that the performance condition will be achieved. The Company accounts for forfeitures when they occur.

The Company uses the Black-Scholes option pricing model to determine the grant date fair value of its stock-based compensation. This model requires the Company to estimate the expected volatility and the expected term of the stock options, which are highly complex and subjective variables. The Company uses an expected volatility of its stock price during the expected life of the options that is based on the historical performance of the Company's stock price as well as including an estimate using similar companies. The expected term is computed using the simplified method as the Company's best estimate given its lack of actual exercise history. The Company has selected a risk-free rate based on the implied yield available on U.S. Treasury securities with a maturity equivalent to the expected exercise term of the stock option.

Prior to the Closing of the Business Combination, there was no public market for the Company's common stock. Therefore, the Company determined the fair value of common stock at the time of each grant of stock options by considering a number of objective and subjective factors in accordance with applicable elements of the practice aid issued by the American Institute of Certified Public Accountants titled, "Valuation of Privately Held Company Equity Securities Issued as Compensation." Stock options granted by the Company have exercise prices equal to the fair value of the Company's common stock, as determined by the Company on the date of grant. After the Closing of the Business Combination, the closing price of the common stock on Nasdaq is used as the fair value of the Company's common stock.

The Company grants restricted stock units ("RSUs") to employees and non-employee directors as part of its equity-based compensation program. RSUs represent the right to receive shares of the Company's common stock upon vesting, subject to specified service. RSUs do not have voting or dividend rights prior to the issuance of shares, except for dividend equivalents if and when declared, as applicable under the terms of the award agreements.

The Company accounts for RSUs in accordance with ASC 718, Compensation—Stock Compensation. Compensation expense for RSUs is measured at the grant-date fair value, which is equal to the closing market price of the Company's common stock on the date of grant. For RSUs subject solely to service-based vesting conditions, compensation expense is recognized on a straight-line basis over the requisite service period, which is generally the vesting period of the award. The Company accounts for forfeitures as they occur.

Upon vesting, each RSU is converted into one share of the Company's common stock. The Company may withhold shares to satisfy statutory tax withholding requirements. The issuance of shares upon vesting results in an increase to common stock and additional paid-in capital.

Government Grants

Government grants are recognized where there is reasonable assurance that the grant will be received, and all attached conditions will be complied with. When the grant relates to an expense item, the grant is recognized in other income as government grants deferred over the period necessary to match the grant on a systematic basis to the costs that it is intended to compensate. Where the grant relates to an asset, it is recognized as deferred income, and then recognized as income over the useful life of the related depreciable asset.

Net Loss Per Share

Basic and diluted net loss per share attributable to common stockholders is presented in conformity with the two-class method required for participating securities. The two-class method determines net income (loss) per share for each class of common and participating securities according to dividends declared or accumulated and participation rights in undistributed earnings. The two-class method requires income (loss) available to common stockholders for the period to be allocated between common and participating securities based upon their respective rights to shares in undistributed

earnings as if all income (loss) for the period had been distributed. The Company's preferred stock does not contractually require the holders of such stock to participate in losses of the Company. Accordingly, in periods in which the Company reports a net loss attributable to common stockholders, such losses are not allocated to such participating securities.

Basic net loss per share is calculated by dividing the net loss attributable to common stockholders by the weighted-average number of common stock outstanding during the period, without consideration of potentially dilutive securities. Diluted net loss per share is computed by dividing the net loss attributable to common stockholders by the weighted-average number of common stock and potentially dilutive securities outstanding for the period. For purposes of this calculation, stock options, warrants, and restricted stock units have been excluded from the calculation of diluted net loss per share attributable to common stockholders as their effect is anti-dilutive for all periods presented.

Segment reporting

The Company has a single operating and reportable segment. The Company's Chief Executive Officer ("CEO") is its Chief Operating Decision Maker ("CODM"), who reviews financial information presented on a consolidated basis for the purposes of making operating decisions, allocating resources and evaluating financial performance.

Emerging Growth Company Status

The Company is an emerging growth company, as defined in Section 2(a) of the Securities Act of 1933, as amended, (the "Securities Act"), as modified by the Jumpstart Our Business Startups Act of 2012 ("JOBS Act"). Under the JOBS Act, emerging growth companies can delay adopting new or revised accounting standards issued subsequent to the enactment of the JOBS Act, until such time as those standards apply to private companies. The Company has elected to use this extended transition period for complying with new or revised accounting standards that have different effective dates for public and private companies until the earlier of the date that the Company (i) is no longer an emerging growth company or (ii) affirmatively and irrevocably opt out of the extended transition period provided in the JOBS Act. As a result, these condensed consolidated financial statements may not be comparable to companies that comply with the new or revised accounting pronouncements as of public company effective dates.

Recent Accounting Pronouncements

The Company has assessed the adoption impacts of recently issued accounting standards by the Financial Accounting Standards Board on the Company's condensed consolidated financial statements as well as material updates to previous assessments, if any, to the Company's annual audited consolidated financial statements and notes thereto included in our Form 10-K for the year ended December 31, 2025.

3. Financial Instruments

The following table shows the Company's cash, cash equivalent and investments by significant investment category as of March 31, 2026:

Terrestrial Energy Inc.
Notes to Condensed Consolidated Financial Statements
(in thousands, except share data or otherwise stated)
(Unaudited)

	As of March 31, 2026						
	Amortized Cost	**Unrealized Gains**	**Unrealized Losses**	**Fair Value**	**Cash and Cash Equivalents**	**Short-Term Investments**	**Long-Term Investments**
Cash	$ —	$ —	$ —	$ —	$ 4,252	$ —	$ —
Level 1:	—	—	—	—	—	—	—
Money market funds	—	—	—	—	72,694	—	—
U.S. Treasury securities	196,039	1,979	—	198,018	—	198,018	—
Level 2:	—	—	—	—	—	—	—
Government securities	14,910	—	(12)	14,898	—	—	14,898
Total	**$ 210,949**	**$ 1,979**	**$ (12)**	**$ 212,916**	**$ 76,946**	**$ 198,018**	**$ 14,898**

	As of December 31, 2025						
	Amortized Cost	**Unrealized Gains**	**Unrealized Losses**	**Fair Value**	**Cash and Cash Equivalents**	**Short-Term Investments**	**Long-Term Investments**
Cash	$ —	$ —	$ —	$ —	$ 3,267	$ —	$ —
Level 1:	—	—	—	—	—	—	—
Money market funds	—	—	—	—	93,897	—	—
U.S. Treasury securities	199,497	1,129	—	200,626	—	200,626	—
Level 2:	—	—	—	—	—	—	—
Government securities	—	—	—	—	—	—	—
Total	**$ 199,497**	**$ 1,129**	**$ —**	**$ 200,626**	**$ 97,164**	**$ 200,626**	**$ —**

As of March 31, 2026, accrued interest earned of $55 related to investments were included in prepaid expenses and other current assets on the condensed consolidated balance sheets. There was no allowance for expected credit losses on available-for-sale debt securities included as of March 31, 2026 as the unrealized losses were deemed to be temporary in nature.

The following table shows the fair value of the Company's investments, by contractual maturity, as of March 31, 2026:

Due within 1 year	$ 198,018
Due after 1 year through 5 years	14,898
Total fair value	**$ 212,916**

Terrestrial Energy Inc.
Notes to Condensed Consolidated Financial Statements
(in thousands, except share data or otherwise stated)
(Unaudited)

4. Related Party Balances and Transactions

The following table summarizes the Company's related party transactions for:

	Three months ended March 31,	
	2026	2025
Professional fees and expenses paid to companies controlled by officers included in general and administrative	$ —	$ 109
Research and development expenses paid to companies controlled by officers included in general and administrative	—	18

These transactions are in the normal course of operations and are measured at fair value, which is the amount of consideration established and agreed to by the related parties.

5. Stockholders' Equity (Deficit)

Preferred Stock

The Company has authorized 1,000,000 shares of preferred stock, par value $0.0001 per share. The Company's board of Directors is authorized, without further stockholder action, to issue preferred stock in one or more series and to establish the designations, powers, preferences and rights of each such series and the qualifications, limitations and restrictions thereof. As of March 31, 2026 and December 31, 2025, no shares of Preferred Stock were issued and outstanding.

Common Stock

The Company's Board of Directors has authorized 500,000,000 shares of common stock, par value $0.0001. As of March 31, 2026 and December 31, 2025, the Company had 82,242,434 and 81,771,422 shares of common stock issued and outstanding.

Common Stock Warrants

As of March 31, 2026 and December 31, 2025, the Company had 30,276,119 outstanding warrants to purchase common stock at a weighted average exercise price of $8.24 per share.

Call Options

Pursuant to various call option agreements entered into with certain stockholders prior to the Company's Business Combination, the Company retains the right to repurchase up to an aggregate of 6,124,297 shares of its outstanding common stock at fixed exercise prices ranging from $1.12 CAD to $2.24 per share. These call options are exercisable at the Company's discretion and expire at various dates ranging from December 31, 2035, through March 7, 2043. The call options are not subject to any service, performance, or market-based vesting conditions and are not transferable without Company consent. The Company has not exercised any of these call options to date.

The call options continue to be valid and enforceable following the consummation of the business combination. These instruments are presented within stockholders' equity (deficit) at the original consideration price per share and are not remeasured unless exercised.

Terrestrial Energy Inc.
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Exchangeable Shares

As of March 31, 2026 and December 31, 2025, the Company had 23,692,820 and 24,011,017 exchangeable shares outstanding. These shares are legally issued by Terrestrial Energy Canada (Exchange) Inc., a wholly-owned subsidiary of the Company ("ExchangeCo"). Each exchangeable share is convertible on a 1-for-1 basis into the Company's common shares, either at the option of the holder or upon the occurrence of certain events. The exchangeable shares carry economic rights and dividend entitlements equivalent to the Company's corresponding equity instruments and participate in Company-level voting through a special voting mechanism. Exchangeable shares hold limited economic rights with respect to ExchangeCo and are not entitled to dividends of ExchangeCo; provided that holders of exchangeable shares are entitled to dividends paid on Company shares.

The Company has entered into a support and exchange agreement with ExchangeCo and a trustee to guarantee all obligations associated with the exchangeable shares and ensure that holders receive equivalent rights that are intended to be substantively equivalent to direct shareholders of the Company. As such, these instruments are treated as equity of the Company and not reported as noncontrolling interests. During the three months ended March 31, 2026 and 2025, 318,197 and zero exchangeable shares, respectively, were exchanged for common shares.

6. Net Loss per Share of Common Share

Prior to the Business Combination, the Company used the two-class method required for participating securities. The two-class method determines net income (loss) per share for each class of common and participating securities according to dividends declared or accumulated and participation rights in undistributed earnings. The two-class method requires income (loss) available to common stockholders for the period to be allocated between common and participating securities based upon their respective rights to shares in undistributed earnings as if all income (loss) for the period had been distributed. The Company's preferred stock that was outstanding prior to the Business Combination contractually entitled the holders of such stock to participate in dividends but did not contractually require the holders of such stock to participate in losses of the Company. Accordingly, in periods in which the Company reported a net loss attributable to common stockholders, such losses were not allocated to the preferred stock. The Company may be required to issue additional common shares pursuant to contingent value rights ("CVRs") issued in connection with the Business Combination. The number of shares issuable is contingent upon the Company's future stock price performance over a specified measurement period. As the contingency has not been met as of March 31, 2026, these shares have not been included in the calculation of basic or diluted net loss per share.

After the Business Combination, the Company applied the treasury stock method to determine the dilutive effect of potentially dilutive securities, and the if-converted method to determine the dilutive effect of any potentially dilutive convertible securities, as post-merger, the Company's only participating securities were shares of the Company's common stock, and any dividends declared on the common stock would be forfeitable if not vested.

Basic net loss per share is calculated by dividing the net loss attributable to common stockholders by the weighted average number of common stock outstanding during the period, without consideration of potentially dilutive securities. There are no potentially dilutive securities included in the Company's diluted net loss per share calculation for the three months ended March 31, 2026 and 2025, as the effect of any potentially dilutive security is anti-dilutive due to the net losses in those periods.

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The table below sets forth the computation of basic and dilutive net loss per share:

	For the three months ended March 31,	
	2026	2025
Numerator:		
Net loss	$ (10,503)	$ (6,252)
Denominator:		
Weighted-average shares outstanding, basic and diluted	105,861,986	63,170,918
Net loss per share, basic and diluted	$ (0.10)	$ (0.10)

The weighted-average shares outstanding above include both common shares and exchangeable shares outstanding at March 31, 2026 and 2025 as these shares are exchangeable on a one-for-one basis into the Company's common shares and are therefore economically equivalent to common shares outstanding.

The table below sets forth a listing of potentially dilutive securities that were excluded from the calculation of diluted net loss per share attributable to common shareholders because the impact of including them would have been anti-dilutive or out-of-the-money. Potentially dilutive securities include stock options, restricted stock units, warrants, and other share-settled instruments:

	For the three months ended March 31,	
	2026	2025
Stock options	17,550,369	19,198,254
RSUs	1,232,794	—
Warrants (public and private)	30,276,119	12,670,143
Total	49,059,282	31,868,397

7. Stock-Based Compensation

In 2014, the Company adopted the amended and restated Terrestrial Energy Inc. 2014 Stock Options Plan ("the 2014 Plan"). In connection with the Company's redomestication to Delaware, outstanding awards under the 2014 Plan were assumed by the Terrestrial Energy Delaware Inc. 2024 Stock Option Plan, which was most recently amended and restated in October 2024, as the Terrestrial Energy Inc. Second Amended and Restated 2024 Stock Option Plan. In October 2025, the Company adopted the 2025 Equity Incentive Plan, effective immediately prior to the closing of the (the "Current Plan"). As of March 31, 2026, the Current Plan authorizes the Company to award equity awards resulting in the issuance of up to 38,741,269 shares of common stock. The Current Plan provides for grants of incentive stock options, non-qualified stock options, restricted stock awards, restricted stock unit awards, stock appreciation rights and other awards to employees, non-employee directors, consultants and advisors of the Company. The Current Plan is designed to promote the interests of the Company using equity investment interests to attract, motivate, and retain individuals. The Plan is administered by the Board of Directors. The Board determines the type, number, vesting requirements and other features and conditions of such awards. Generally, stock options granted from the Current Plan have a contractual term of ten years from the date of the grant and vest over one to three years, subject to the discretion of the Compensation Committee.

The Company has recorded stock-based compensation expense for options of $440 and $180 for the three months ended March 31, 2026 and 2025, respectively. As of March 31, 2026, total compensation expense related to awards not yet recognized was approximately $1,532 which is expected to be recognized over a weighted average period of 0.9 years.

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The Company recorded stock-based compensation expense for RSU awards of $2,321 and $0 for the three months ended March 31, 2026 and 2025, respectively. The total unrecognized RSU expense as of March 31, 2026 was $8,952 with a weighted-average period over which it is to be recognized of 1.3 years.

8. Income Taxes

The Company is subject to United States federal and state taxes as well as other foreign income taxes.

During the three months ended March 31, 2026 and 2025, the Company recorded a provision for income taxes of $37 and $0, which represented an effective tax rate of (0.4%) and 0%, respectively. The effective income tax rates for both the three months ended March 31, 2026 and 2025 are different from the U.S. federal statutory rate of 21.0% due to the valuation allowance.

9. Segment Information

ASC Topic 280, "Segment Reporting," establishes standards for companies to report in their financial statement information about operating segments, products, services, geographic areas, and major customers. Operating segments are defined as components of an enterprise that engage in business activities from which it may recognize revenues and incur expenses, and for which separate financial information is available that is regularly evaluated by the Company's chief operating decision maker, or group, in deciding how to allocate resources and assess performance.

The Company's chief operating decision maker ("CODM") has been identified as the Chief Executive Officer in accordance with ASC 280-10-50-5, who reviews the assets, operating results, and financial metrics for the Company as a whole to make decisions about allocating resources and assessing financial performance. Accordingly, management has determined that there is only one reportable segment.

The CODM assesses performance for the single segment and decides how to allocate resources based on net income or loss that also is reported on the consolidated statement of operations as net income or loss. The measure of segment assets is reported on the consolidated balance sheet as total assets when evaluating the Company's performance and making key decisions regarding resource allocation the CODM reviews several key metrics, which include the following:

	Three months ended March 31,	
	2026	2025
Research and development costs	$ 4,566	$ 1,408
General and administrative expenses	7,304	3,289
Other significant non-cash items:		
Depreciation and amortization	61	181
Total Operating Expenses	$ 11,931	$ 4,878

As the Company has not earned significant revenue yet, the key measures of segment profit or loss reviewed by the Company's CODM are research and development costs and general and administrative expenses to monitor, manage and forecast cash to ensure enough capital is available for working capital needs. The CODM also reviews research and development costs and general and administrative costs to manage, maintain and enforce all contractual agreements to ensure costs are aligned with all agreements and budget.

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The geographic location of long-lived assets is as follows:

	March 31, 2026	December 31, 2025
United States	$ 1,372	$ 1,191
Canada	2,077	2,166
Total	$ 3,449	$ 3,357

10. Commitments and Contingencies

Litigation and loss contingencies

From time to time, the Company may be subject to other legal proceedings, claims, investigations, and government inquiries (collectively, legal proceedings) in the ordinary course of business. It may receive claims from third parties asserting, among other things, infringement of their intellectual property rights, defamation, labor and employment rights, privacy, and contractual rights. There are no currently pending legal proceedings that the Company believes will have a material adverse impact on the business or condensed consolidated financial statements.

11. Subsequent Events

The Company evaluated subsequent events from March 31, 2026, the date of these condensed consolidated financial statements, through May 14, 2026, the issuance date of these condensed consolidated financial statements for events requiring recognition or disclosure in the condensed consolidated financial statements. The Company concluded that no events have occurred that would require recognition or disclosure in the condensed consolidated financial statements.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

Unless the context otherwise requires, all references in this section to "we", "us", "our", its", "Terrestrial Energy", or the "Company" refer to Terrestrial Energy Inc. and its subsidiaries.

The following discussion and analysis of our financial condition and results of operations for the three months ended March 31, 2026 and 2025, should be read together with our unaudited condensed consolidated financial statements and related notes included elsewhere in this Quarterly Report and in conjunction with the audited consolidated financial statements and notes thereto included in our Annual Report on Form 10-K for the fiscal year ended December 31, 2025, which was filed on March 30, 2026. The following discussion contains "forward-looking statements" that reflect our future plans, estimates, beliefs and expected performance. Our actual results may differ materially from those currently anticipated and expressed in such forward-looking statements as a result of a number of factors. We caution that assumptions, expectations, projections, intentions or beliefs about future events may, and often do, vary from actual results and the differences can be material. All amounts in the below discussion and analysis are in thousands except share and per share data or where otherwise noted.

Overview

Terrestrial Energy Inc. is an advanced nuclear technology company developing the Integral Molten Salt Reactor nuclear plant, which uses the Company's proprietary design of Generation IV reactor technology. The IMSR Plant is designed to offer large improvements in affordability and utility of nuclear plants and by extension the cost competitiveness of nuclear energy supply when compared to plants built using Light Water Reactor technology as well as other Generation IV technology.

The IMSR Plant uses molten salt reactor technology, which is characterized by its distinctive use of a molten salt eutectic that acts as both nuclear fuel and reactor coolant. This approach enables stable, high-temperature reactor operation, which supports high-efficiency electricity generation using steam turbines as well as direct use as a supply of thermal energy for industrial plant operators seeking clean energy alternatives to fossil fuel combustion in industrial processes.

The Company estimates that the operational advantages accruing from reactor technology and plant design choices place the IMSR Plant competitively in a large and growing serviceable addressable market valued at $1.4 trillion today in Organization for Economic Co-operation and Development (OECD) countries. This market includes both clean, firm, and high-temperature thermal energy, and grid-based electric power supply, across a wide range of industrial and grid applications.

The Company believes that its choice of long-proven molten salt reactor technology for the IMSR Plant, designed within a pragmatic and market-focused innovative process that includes the use of standard nuclear fuel, delivers a market-competitive product in a compelling time frame. The IMSR Plant is scheduled for first commercial operation by the mid-2030s, and fleet operation commencing in the late 2030s.

The Company believes that timing of IMSR Plant development is aligned with changes in market demand for nuclear energy and nuclear reactor innovation. These are driven by major industrial innovations in other industrial sectors, by national energy supply insecurity, elevated by the conflict in Ukraine and the conflict in Iran, by national energy policy objectives particularly in the US, and by a broad realization that net-zero is not feasible without a massive expansion in nuclear energy supply as evidenced by declarations at COP28 in Dubai.

Corporate History

HCM II Acquisition Corp. ("HCM II") was a special purpose acquisition company incorporated on April 4, 2024, as a Cayman Islands exempted corporation for the purpose of effecting a merger, share exchange, asset acquisition, stock purchase, reorganization, or similar business combination with one or more businesses. On October 23, 2025, HCM II domesticated as a Delaware corporation and changed its name to "Terrestrial Energy Inc." (the "Company"). On October 28, 2025, pursuant to the Business Combination Agreement, dated as of March 26, 2025, as amended, the Company completed the Business Combination with Terrestrial Energy Development Inc., ("TEDI"), a Delaware corporation, with

TEDI surviving as a wholly owned subsidiary of the Company. Following the Business Combination, the Company became a holding company whose operations are conducted through TEDI and whose primary asset is its equity interest in TEDI. For accounting and financial reporting purposes, the Business Combination was accounted for as a reverse recapitalization, with TEDI treated as the accounting acquirer and HCM II treated as the accounting acquiree.

Recent Developments

DOE Other Transaction Authority ("OTA") Agreements

In December 2025 and January 2026, the Company executed two OTA agreements with the DOE under programs established by Executive Order 14301. The first agreement, for Project TETRA under the DOE's Advanced Reactor Pilot Program, provides for the construction and operation of a pilot reactor utilizing the Company's IMSR technology and SALEU fuel, enabling the Company to advance from design to operation under DOE authorization outside traditional federal contracting constraints. The second agreement, for Project TEFLA under the DOE's Fuel Line Pilot Program, provides for a pilot production facility to demonstrate the Company's proprietary IMSR Fuel Salt production technology using SALEU feedstock. Fuel produced under Project TEFLA will support the Company's Project TETRA test reactor project, being developed under DOE's Advanced Reactor Pilot Program. Together, these agreements are intended to support the commercialization of the Company's IMSR Plant.

Results of Operations

For the three months ended March 31, 2026 and 2025

The following tables set forth our condensed consolidated statement of operations for the three month periods ended March 31, 2026 and 2025, and the dollar and percentage change between the two periods:

	Three months ended March 31,			
(in thousands)	2026	2025	Change $	Change %
Operating expenses:				
Research and development costs	$ 4,566	$ 1,408	3,158	224 %
General and administrative	7,304	3,289	4,015	122 %
Depreciation and amortization	61	181	(120)	(66)%
Total Operating Expenses	11,931	4,878	7,053	145 %
Operating loss	(11,931)	(4,878)	(7,053)	145 %
Other income (expense):				
Government grants	48	23	25	109 %
Interest expense	(2)	(1,231)	1,229	(100)%
Interest expense - related party	—	(140)	140	(100)%
Interest and dividend income	1,453	4	1,449	36,225 %
Foreign exchange gain (loss)	(34)	(30)	(4)	13 %
Other income (expense):	1,465	(1,374)	2,839	(207)%
Net loss before income taxes	(10,466)	(6,252)	(4,214)	67 %
Income tax expense	(37)	—	(37)	— %
Net Loss	(10,503)	(6,252)	(4,251)	68 %

Operating Expenses

Research and development expense

R&D expenses represent costs incurred for designing and engineering the IMSR Plant, including the costs of developing design tools. All research and development costs related to product development are expensed as incurred.

R&D expense for the three months ended March 31, 2026 and 2025 was $4,566 and $1,408, respectively. The increase is attributed to an increase in R&D activities performed relating to the IMSR project, compared to 2025, as the Company continues to increase its fuel and graphite testing along with headcount additions to support commercialization activities.

General and administrative expense

General and administrative expenses consist of costs, such as rent or lease costs, legal, audit and accounting services, and other professional fees, marketing costs, stock compensation, as well as personnel-related expenses for employees, executives and contractors.

General and administrative expense for the three months ended March 31, 2026 and 2025 was $7,304 and $3,289, respectively. The increase is primarily attributable to additional stock-based compensation expense associated with stock options and restricted stock units issued, along with overall operational growth including headcount as part of the business growth strategy.

Depreciation and amortization

Depreciation and amortization consists primarily of depreciation of our computer software and equipment and amortization of our patents and trademarks.

Depreciation and amortization expense for the three months ended March 31, 2026 and 2025 was $61 and $181, respectively. The decrease is attributed to a reduction in total net depreciable fixed assets, as the Company had assets which were fully depreciated in fiscal 2025.

Other Income and Expenses

Interest expense and Interest expense — Related parties

Interest expense and interest expense — related parties decreased by $1,369, or 100%, when comparing the results for the three months ended March 31, 2026 and 2025. The decrease was primarily due to conversion of convertible notes by the Company in the fourth quarter of 2025, resulting in no debt outstanding or accruing interest in the first quarter of 2026.

Interest and Dividend Income

Interest and dividend income increased by $1,449 for the three months ended March 31, 2026 when compared to the same period in 2025 as a result of higher short-term investment and long-term investment balances.

Liquidity and Capital Resources

Historically, the Company's primary sources of liquidity have been cash flows from private fundraising offerings to related parties or other investors and other financing activities to fund operations. For the three months ended March 31, 2026 and 2025, the Company reported operating losses of $11,931 and $4,878, respectively, and negative cash flows from operations of $9,093 and $2,760, respectively. As of March 31, 2026, the Company had $76,946 in cash and cash equivalents and $198,018 in short-term investments. The Company had net working capital of $271,695 and an accumulated deficit of $135,128. Management expects that significant on-going expenditures will be necessary to successfully implement our business plan.

The Company commenced trading on Nasdaq under the symbol "IMSR" on October 29, 2025, after completing its business combination with HCM II on October 28, 2025. Pursuant to the closing of the business combination, the Company received in excess of $292,000 in gross proceeds before expenses, which included gross proceeds of $50,000 from the sale of common stock in a private placement (the "PIPE") and approximately $242,000 from HCM II's trust account following redemptions of less than 1%.

The Company's future capital requirements will depend on many factors, including the timing and extent of spending to support further sales and marketing, research and development efforts, the Company's commercial development and deployment of its IMSR Plants, and future revenues. The Company may seek to obtain additional financing to commercialize the IMSR Plant technology through possible public or private equity offerings, debt financings, corporate collaborations, and other means. We believe that we have sufficient cash and cash equivalents and investments, along with continued access to capital markets, to satisfy our cash requirements for the next 12 months and beyond based on current operating plans.

Cash flows for the three months ended March 31, 2026 and 2025

The following table summarizes the Company's cash flows from operating, investing and financing activities for the three months ended March 31, 2026 and 2025:

	For the three months ended March 31,	
(in thousands)	2026	2025
Net cash used in operating activities	$ (9,093)	$ (2,760)
Net cash used in investing activities	$ (11,506)	$ (184)
Net cash provided by financing activities	$ 149	$ 10,945

Cash flows used in operating activities

Net cash used in operating activities for the three months ended March 31, 2026 was $9,093 compared to $2,760 for the three months ended March 31, 2025, an increase of $6,333. The increase was primarily due to an increase in the Company's operating loss after non-cash items. The cause of the increase in the Company's operating loss was an increase in engineering costs and general and administrative costs as discussed above.

Cash flows used in investing activities

Net cash used in investing activities for the three months ended March 31, 2026 and March 31, 2025 was $11,506 and $184 The increase was primarily related to purchases of short-term and long-term investments, partially offset by redemptions of short-term investments.

Cash flows provided by financing activities

Cash provided by financing activities for the three months ended March 31, 2026 was $149 compared to $10,945 for the three months ended March 31, 2025, a decrease of $10,796. The decrease was a result of issuances of convertible notes of $10,985 in the three months ended March 31, 2025 as compared to $0 in the current period.

Off-Balance Sheet Arrangements

The Company does not have any off-balance sheet arrangements that have, or are reasonably likely to have, a material current or future effect on its financial condition, changes in financial condition, revenues, expenses, results of operations, liquidity, capital expenditures or capital resources.

Critical Accounting Policies and Estimates

Part II, Item 7, Management's Discussion and Analysis of Financial Condition and Results of Operation in our Annual Report on Form 10-K for the fiscal year ended December 31, 2025 provides a more complete discussion of our critical accounting policies and estimates.

Recently Adopted Accounting Standards

There has been no adoption of any new accounting pronouncements.

Emerging Growth Company Status

In April 2012, the JOBS Act was enacted. Section 107(b) of the JOBS Act provides that an emerging growth company can take advantage of an extended transition period for complying with new or revised accounting standards. Thus, an emerging growth company can delay the adoption of certain accounting standards until those standards would otherwise apply to private companies. The Company has elected to take advantage of the extended transition period to comply with new or revised accounting standards and to adopt certain of the reduced disclosure requirements available to emerging growth companies. As a result of the accounting standards election, the Company will not be subject to the same implementation timing for new or revised accounting standards as other public companies that are not emerging growth companies which may make comparison of its financials to those of other public companies more difficult.

The Company expects to retain its emerging growth company status until the earliest of:

- The end of the fiscal year in which its annual revenues exceed $1.2 billion;
- The end of the fiscal year in which the fifth anniversary of its public company registration has occurred;
- The date on which it has issued more than $1.0 billion in non-convertible debt during the previous three-year period; and
- The date on which it qualifies as a large accelerated filer.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

Not applicable.

Item 4. Controls and Procedures

Evaluation of Disclosure Controls and Procedures

Disclosure controls and procedures are controls and other procedures designed to ensure that information required to be disclosed in our reports filed or submitted under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms. Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed in our reports filed or submitted under the Exchange Act is accumulated and communicated to the Company's management, including our Chief Executive Officer and Chief Financial Officer (together, the "Certifying Officers"), or persons performing similar functions, as appropriate, to allow timely decisions regarding required disclosure.

Under the supervision and with the participation of our management, including our Certifying Officers, we carried out an evaluation of the effectiveness of the design and operation of our disclosure controls and procedures as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act. Based on the foregoing, our Certifying Officers concluded that our disclosure controls and procedures were effective as of the end of March 31, 2026. Accordingly, Management believes that the financial statements contained elsewhere in this Report present fairly in all material respects our financial position, results of operations and cash flows for the period presented.

We do not expect that our disclosure controls and procedures will prevent all errors and all instances of fraud. Disclosure controls and procedures, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that the objectives of the disclosure controls and procedures are met. Further, the design of disclosure controls and procedures must reflect the fact that there are resource constraints, and the benefits must be considered relative to their costs. Because of the inherent limitations in all disclosure controls and procedures, no evaluation of disclosure controls and procedures can provide absolute assurance that we have detected all our control deficiencies and instances of fraud, if any. The design of disclosure controls and procedures also is based partly on certain assumptions about the likelihood of future events, and there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions.

Changes in Internal Control over Financial Reporting

In connection with our continued monitoring and maintenance of our control procedures as part of the implementation of Section 404 of the Sarbanes-Oxley Act of 2002, as amended, we continue to review, test, and improve the effectiveness of our internal controls. There have not been any changes in our internal control over financial reporting (as such term is defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act) that occurred during the three months ended March 31, 2026 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II — OTHER INFORMATION

Item 1. Legal Proceedings

From time to time, we may be subject to various claims, lawsuits and other legal and administrative proceedings that may arise in the ordinary course of business. Some of these claims, lawsuits and other proceedings may range in complexity and result in substantial uncertainty; it is possible that they may result in damages, fines, penalties, non-monetary sanctions, or relief. We currently do not have any claims, lawsuits, or proceedings against us that, individually or in the aggregate, would be considered material to our business or likely to result in a material adverse effect on our future operating results, financial condition, or cash flows.

Item 1A. Risk Factors

There are numerous factors that affect our business and operating results, many of which are beyond our control. Except as provided below, there are no material changes to the risk factors previously disclosed under the "Risk Factors" section in Terrestrial Energy Inc.'s Annual Report on Form 10-K for the fiscal year ended December 31, 2025.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

On March 19, 2026, the Company issued 12,000 shares of its common stock to MZHCI, LLC, the Company's public relations consulting firm for services rendered. The issuance of these shares was exempt from registration in reliance on Section 4(a)(2) of the Securities Act of 1933, as amended, and/or Regulation D promulgated thereunder, as a transaction by an issuer not involving a public offering. No underwriters were used in the issuance.

Item 3. Defaults Upon Senior Securities

None.

Item 4. Mine Safety Disclosures

Not applicable.

Item 5. Other Information

Rule 10b5-1 Trading Plans

During the first quarter of 2026, none of the Company's directors or executive officers adopted, modified or terminated any "Rule 10b5-1 trading arrangement" or any "non-Rule 10b5-1 trading arrangement," as each term is defined in Item 408 of Regulation S-K.

Item 6. Exhibits

The following exhibits are filed as part of, or incorporated by reference into, this Quarterly Report on Form 10-Q.

EXHIBIT INDEX

Exhibit No.	Description
3.1	Composite Certificate of Incorporation of Terrestrial Energy Inc. (as amended through March 27, 2026) (incorporated by reference to Exhibit 3.1 of the Company's Annual Report on Form 10-K, filed with the SEC on March 30, 2026)
3.2	Composite Bylaws of Terrestrial Energy Inc. (as amended through October 28, 2025) (incorporated by reference to Exhibit 3.2 of the Company's Annual Report on Form 10-K, filed with the SEC on March 30, 2026)
3.3	Certificate of Designations for Special Voting Preferred Stock (incorporated by reference to Exhibit 3.3 of the Company's Annual Report on Form 10-K, filed with the SEC on March 30, 2026)
4.1†	Description of Securities
10.1	Assignment, Assumption, Waiver and Covenant Agreement, dated as of February 18, 2026, by and between Simon Irish, Terrestrial Energy Inc., and Terrestrial Energy Development Inc. (incorporated by reference to Exhibit 10.15 of the Company's Annual Report on Form 10-K, filed with the SEC on March 30, 2026)
10.2†‡	Canadian Addendum to Terrestrial Energy Inc. 2025 Equity Incentive Plan
10.3†‡	Form of Restricted Stock Unit Award (Canadian) under 2025 Plan
10.4†‡	Form of Non-Employee Director Restricted Stock Unit Award (Canadian) under 2025 Plan
10.5†‡	Form of Stock Option Award (Canadian) under 2025 Plan
31.1†	Certification of Chief Executive Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
31.2†	Certification of Chief Financial Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
32.1*	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
32.2*	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
101.INS†	XBRL Instance Document – the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document
101.SCH†	XBRL Taxonomy Extension Schema Document
101.CAL†	XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF†	XBRL Taxonomy Extension Definition Linkbase Document
101.LAB†	XBRL Taxonomy Extension Label Linkbase Document
101.PRE†	XBRL Taxonomy Extension Presentation Linkbase Document
104†	Cover Page Interactive Data File (formatted in Inline XBRL and contained in Exhibit 101)

† Filed herewith.

* Furnished herewith.

‡ Management contract or compensatory plan or arrangement.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned, duly authorized.

Date: May 14, 2026

TERRESTRIAL ENERGY INC.
(REGISTRANT)

By: /s/ Simon Irish
Name: Simon Irish
Title: Chief Executive Officer
(Principal Executive Officer)

By: /s/ Brian Thrasher
Name: Brian Thrasher
Title: Chief Financial Officer
(Principal Financial Officer)

EXHIBIT 4.1

DESCRIPTION OF SECURITIES OF TERRESTRIAL ENERGY INC. REGISTERED PURSUANT TO SECTION 12 OF THE SECURITIES EXCHANGE ACT OF 1934

The following summary of the material terms of the capital stock of the Terrestrial Energy Inc. ("we," "our," "us," or the "Company") is not intended to be a complete summary of the rights and preferences of such securities, and is qualified by reference to our certificate of incorporation, as amended and corrected (the "Certificate of Incorporation"), our bylaws, as amended (the "Bylaws"), the Certificate of Designation of Special Voting Preferred Stock (the "Certificate of Designation"), and the Amended and Restated Warrant Agreement, dated October 28, 2025, by and between the Company and Continental Stock Transfer & Trust Company, as warrant agent (the "Warrant Agreement"), described herein, and certain provisions of Delaware law. We urge you to read each of our Certificate of Incorporation, our Bylaws, the Certificate of Designation, and the Warrant Agreement, described herein, in their entirety for a complete description of the rights and preferences of our securities.

Certain provisions of the Certificate of Incorporation, Bylaws and the Warrant Agreement summarized below may be deemed to have an anti-takeover effect and may delay or prevent a tender offer or takeover attempt that a stockholder might consider in its best interest, including those attempts that might result in a premium over the market price for our common stock.

General

The Certificate of Incorporation authorizes the issuance of 501,000,000 shares, consisting of:

- 500,000,000 shares of common stock, par value $0.0001 per share (the "Common Stock"); and
- 1,000,000 shares of Preferred Stock, par value $0.0001 per share (the "Preferred Stock").

Except as otherwise required by the Certificate of Incorporation, the holders of Common Stock shall vote together as a single class (or, if any holders of shares of Preferred Stock are entitled to vote together with the holders of Common Stock, as a single class with such holders of Preferred Stock) on all matters submitted to a vote of stockholders of the Company.

Common Stock

Voting rights. Each holder of record of Common Stock, as such, shall have one vote for each share of Common Stock that is outstanding and held by such holder on all matters on which stockholders are entitled to vote generally. The holders of Common Stock do not have cumulative voting rights.

Dividend rights. Subject to applicable law and the rights, if any, of the holders of any outstanding series of Preferred Stock or any other class or series of stock, in each case having a preference over or the right to participate with the Common Stock with respect to the payment of dividends and other distributions in cash, property or shares of stock of the Company, dividends and other distributions may be declared and paid ratably on the Common Stock out of the assets of the Company that are legally available for this purpose at such times and in such amounts as the Company's Board of Directors (the "Board"), in its discretion, shall determine.

The payment of future dividends on the Common Stock will depend on the financial condition of the Company, and subject to the discretion of the Board. There can be no guarantee that cash dividends will be declared. The ability of the Company to declare dividends may be limited by the terms and conditions of other financing and other agreements entered into by the Company or any of its subsidiaries from time to time.

Rights upon liquidation, dissolution and winding up. In the event of dissolution, liquidation or winding up of the Company, after payment or provision for payment of the debts and other liabilities of the Company and subject to the rights, if any, of the holders of any outstanding series of Preferred Stock or any class or series of stock having a preference over or the right to participate with the Common Stock with respect to the distribution of assets of the Company upon such dissolution, liquidation or winding up of the Company, the holders of Common Stock shall be entitled to receive the remaining assets of the Company available for distribution to its stockholders ratably in proportion to the number of shares held by them.

Other rights. The holders of Common Stock have no pre-emptive or conversion rights or other subscription rights. There are no redemption or sinking fund provisions applicable to the Common Stock. The rights, preferences and privileges of holders of the Common Stock will be subject to those of the holders of any shares of the Preferred Stock that the Company may issue in the future.

Warrants

Public Warrants

On August 19, 2024, in connection with the Company's initial public offering, the Company issued warrants to purchase one share of the Company's Class A ordinary shares, par value $0.0001. Such warrants were exchanged for warrants to purchase a share of Common Stock (the "Public Warrants") pursuant to the Business Combination Agreement, dated as of March 26, 2025 (as amended from time to time, the "Business Combination Agreement"), by and among the Company, Terrestrial Energy Development Inc., a Delaware corporation (formerly known as Terrestrial Energy Inc., or "TEDI"), and HCM II Merger Sub Inc., a Delaware corporation and a direct wholly owned subsidiary of HCM II ("Merger Sub"). The transactions contemplated by the Business Combination Agreement are referred to herein as the "Business Combination."

Each Public Warrant will entitle the registered holder to purchase one share of Common Stock at a price of $11.50 per share, subject to adjustment as discussed below, at any time after November 27, 2025, provided that the Company has an effective registration statement under the Securities Act covering the Common Stock issuable upon exercise of such Public Warrants and a current prospectus relating to them is available (or the Company permits holders to exercise such Public Warrants on a cashless basis under the circumstances specified in the Warrant Agreement) and such shares are registered, qualified or exempt from registration under the securities, or blue sky, laws of the state of residence of the holder. Pursuant to the Warrant Agreement, a warrant holder may exercise its Public Warrants only for a whole number of Common Stock. This means only a whole Public Warrants may be exercised at a given time by a warrant holder. No fractional Public Warrants were issued and only whole Public Warrants will trade. The Public Warrants will expire at 5:00 p.m., New York City time, on October 28, 2030, or earlier upon redemption or liquidation.

The Company will not be obligated to deliver any Common Stock pursuant to the exercise of a Public Warrant and will have no obligation to settle such Public Warrant exercise unless a registration statement under the Securities Act with respect to the Common Stock underlying such Public Warrant is then effective and a prospectus relating thereto is current, subject to the Company satisfying its obligations described below with respect to registration. No Public Warrant will be exercisable and the Company will not be obligated to issue a share of Common Stock upon exercise of such Public Warrant unless the Common Stock issuable upon exercise of such Public Warrant has been registered, qualified or deemed to be exempt under the securities laws of the state of residence of the registered holder of such Public Warrant. In the event that the conditions in the two immediately preceding sentences are not satisfied with respect to a Public Warrant, the holder of such Public Warrant will not be entitled to exercise such Public Warrant and such Public Warrant may have no value and expire worthless. In no event will the Company be required to net cash settle any Public Warrant. In the event that a registration statement is not effective for the Common Stock underlying the exercised Public Warrants, the purchaser of a unit in the Company's initial public offering containing the Public Warrant will have paid the full purchase price for the unit solely for the share of Common Stock underlying such unit.

Under the terms of the Warrant Agreement, the Company has registered the issuance of the shares of Common Stock underlying the Public Warrants on its registration statement on Form S-4 (File No. 333-288735) (the "Registration Statement"). The Company will use its best efforts to maintain a current prospectus relating to the Common Stock issuable upon exercise of the Public Warrants until the expiration of the Public Warrants in accordance with the provisions of the Warrant Agreement. If the Company's fails to maintain a registration statement covering the Common Stock issuable upon exercise of the Public Warrants, holders may exercise Public Warrants on a "cashless basis" in accordance with Section 3(a)(9) of the Securities Act or another exemption. Notwithstanding the above, if the Common Stock is at the time of any exercise of a Public Warrants not listed on a national securities exchange such that they satisfy the definition of a "covered security" under Section 18(b)(1) of the Securities Act, the Company may, at its option, require holders of Public Warrants who exercise their Public Warrants to do so on a "cashless basis" in accordance with Section 3(a)(9) of the Securities Act and, in the event the Company so elects, the Company will not be required to file or maintain in effect a registration statement, and in the event the Company does not so elect, the Company will use its best efforts to register or qualify the Common Stock under applicable blue sky laws to the extent an exemption is not available. In such event, each holder would pay the exercise price by surrendering the Public Warrants for that number of Common Stock equal to the quotient obtained by dividing (x) the product of the number of Common Stock underlying the Public Warrants, multiplied by the excess of the "fair market value" (defined below) less the exercise price of such Public Warrants by (y) the fair market value. The "fair market value" as used in this paragraph means the volume weighted average price of the Common Stock for the ten (10) trading days ending on the trading day prior to the date on which the notice of exercise is received by the warrant agent.

Redemption of Public Warrants when the price per share of Common Stock equals or exceeds $18.00.

Once the Public Warrants become exercisable, the Company may redeem the outstanding Public Warrants:

- in whole and not in part;

- at a price of $0.01 per Public Warrants; upon a minimum of 30 days' prior written notice of redemption (the "30-day redemption period"); and

- if, and only if, the closing price of the Common Stock equals or exceeds $18.00 per share (as adjusted for adjustments to the number of shares issuable upon exercise or the exercise price of a Public Warrant as described under the heading "— Anti-dilution Adjustments") for any twenty (20) trading days within a thirty (30)-trading day period ending three (3) Business Days before the Company sends the notice of redemption to the warrant holders.

If and when the Public Warrants become redeemable by the Company, the Company may exercise its redemption right even if the Company is unable to register or qualify the underlying securities for sale under all applicable state securities laws.

The Company has established the last of the redemption criterion discussed above to prevent a redemption call unless there is at the time of the call a significant premium to the Public Warrant exercise price. If the foregoing conditions are satisfied and the Company issues a notice of redemption of the Public Warrants, each warrant holder will be entitled to exercise his, her or its Public Warrant prior to the scheduled redemption date.

However, the price of the Common Stock may fall below the $18.00 per share redemption trigger price (as adjusted for stock dividends, split-ups, reorganizations, recapitalizations and the like) as well as the $11.50 Public Warrant exercise price after the redemption notice is issued.

Redemption Procedures

A holder of a Public Warrant may notify the Company in writing in the event it elects to be subject to a requirement that such holder will not have the right to exercise such Public Warrant, to the extent that after giving effect to such exercise, such person (together with such person's affiliates), to the warrant agent's actual knowledge, would beneficially own in excess of 4.9% or 9.8% (as specified by the holder) of the Common Stock outstanding immediately after giving effect to such exercise.

Anti-dilution Adjustments

If the number of outstanding shares of Common Stock is increased by a stock dividend payable in shares of Common Stock, or by a split-up of Common Stock or other similar event, then, on the effective date of such stock dividend, split-up or similar event, the number of shares of Common Stock issuable on exercise of each Public Warrant will be increased in proportion to such increase in the outstanding shares of Common Stock. A rights offering made to all or substantially all holders of Common Stock entitling holders to purchase shares of Common Stock at a price less than the fair market value will be deemed a stock dividend of a number of shares of Common Stock equal to the product of (i) the number of shares of Common Stock actually sold in such rights offering (or issuable under any other equity securities sold in such rights offering that are convertible into or exercisable for Common Stock) and (ii) the quotient of (x) the price per share of Common Stock paid in such rights offering and (y) the fair market value. For these purposes (i) if the rights offering is for securities convertible into or exercisable for Common Stock, in determining the price payable for shares of Common Stock, there will be taken into account any consideration received for such rights, as well as any additional amount payable upon exercise or conversion and (ii) fair market value means the volume weighted average price of the Common Stock as reported during the ten (10) trading day period ending on the trading day prior to the first date on which the Common Stock trades on the applicable exchange or in the applicable market, regular way, without the right to receive such rights.

In addition, if the Company, at any time while the New Terrestrial Warrants are outstanding and unexpired, pays a dividend or makes a distribution in cash, securities or other assets to all or substantially all the holders of Common Stock on account of such Common Stock (or other securities into which the New Terrestrial Warrants are convertible), other than (a) as described above or (b) certain ordinary cash dividends, then the New Terrestrial Warrant exercise price will be decreased, effective immediately after the effective date of such event, by the amount of cash and/or the fair market value of any securities or other assets paid on each New Terrestrial Common Share in respect of such event.

If the number of outstanding Common Stock is decreased by a consolidation, combination, reverse stock split or reclassification of Common Stock or other similar event, then, on the effective date of such consolidation, combination, reverse stock split, reclassification or similar event, the number of Common Stock issuable on exercise of each Public Warrant will be decreased in proportion to such decrease in outstanding shares of Common Stock.

Whenever the number of shares of Common Stock purchasable upon the exercise of the Public Warrant is adjusted, as described above, the Public Warrant exercise price will be adjusted by multiplying the Public Warrant exercise price immediately prior to such adjustment by a fraction (x) the numerator of which will be the number of shares of Common Stock purchasable upon the exercise of the Public Warrants immediately prior to such adjustment, and (y) the denominator of which will be the number of shares of Common Stock so purchasable immediately thereafter.

In case of any reclassification or reorganization of the outstanding shares of Common Stock (other than those described above or that solely affects the par value of the Common Stock), or in the case of any merger or consolidation of the Company with or into another corporation (other than a consolidation or merger in which the Company is the continuing corporation and that does not result in any reclassification or reorganization of its issued and outstanding shares of Common Stock), or in the case of any sale or conveyance to another corporation or entity of the assets or other property of the Company as an entirety or substantially as an entirety in connection with which the Company is dissolved, the holders of the Public Warrants will thereafter have the right to purchase and receive, upon the basis and upon the terms and conditions specified in the Public Warrants and in lieu of the shares of Common Stock immediately theretofore purchasable and receivable upon the exercise of the rights represented thereby, the kind and amount of stock or other securities or property (including cash) receivable upon such reclassification, reorganization, merger or consolidation, or upon a dissolution following any such sale or transfer, that the holder of the Public Warrants would have received if such holder had exercised their Public Warrants immediately prior to such event. If less than 70% of the consideration receivable by the holders of Common Stock in such a transaction is payable in the form of capital stock or shares in the successor entity that is listed for trading on a national securities exchange or is quoted in an established over-the-counter market, or is to be so listed for trading or quoted immediately following such event, and if the registered holder of the Public Warrant properly exercises the Public Warrant within thirty days following public disclosure of such transaction, the Public Warrant exercise price will be reduced as specified in the Warrant Agreement based on the Black-Scholes Warrant Value (as defined in the Warrant Agreement) of the Public Warrant. The purpose of such exercise price reduction is to provide additional value to holders of the Public Warrants when an extraordinary transaction occurs during the exercise period of the Public Warrants pursuant to which the holders of the Public Warrants otherwise do not receive the full potential value of the Public Warrants.

The Public Warrants are issued in registered form under the Warrant Agreement. The Warrant Agreement provides that the terms of the Public Warrants may be amended without the consent of any holder for the purpose of (i) curing any ambiguity or to correct any defective provision or mistake, (ii) adjusting the provisions relating to cash dividends on ordinary shares as contemplated by and in accordance with the Warrant Agreement or (iii) adding or changing any provisions with respect to matters or questions arising under the Warrant Agreement as the parties to the Warrant Agreement may deem necessary or desirable and that the parties deem to not adversely affect the rights of the registered holders of the Public Warrants, provided that the approval by the holders of at least 50% of the then-outstanding Public Warrants received upon conversion of Public Warrants is required to make any change that adversely affects the interests of the registered holders of such Public Warrants.

The Certificate of Incorporation, the Bylaws and Certain Provisions of Delaware Law

The provisions of the Certificate of Incorporation, the Bylaws and the General Corporation Law of the State of Delaware (the "DGCL") summarized below may have an anti-takeover effect and may delay, defer or prevent a tender offer or takeover attempt that you might consider in your best interest, including an attempt that might result in your receipt of a premium over the market price for your Common Stock.

The Certificate of Incorporation and Bylaws contain certain provisions that are intended to enhance the likelihood of continuity and stability in the composition of the Board and that may have the effect of delaying, deferring or preventing a future takeover or change in control of us unless such takeover or change in control is approved by such board of directors.

These provisions include:

- *Authorized but Unissued Capital Stock*. The authorized but unissued Preferred Stock will be available for future issuance without stockholder approval. These additional shares may be utilized for a variety of corporate purposes, including future public offerings to raise additional capital, corporate acquisitions and employee benefit plans. The existence of authorized but unissued Preferred Stock could render more difficult or discourage an attempt to obtain control of a majority of common stock by means of a proxy contest, tender offer, merger or otherwise.

- *Director Designees; Classes of Directors*. The Board is divided into three classes, designated Class I, Class II and Class III. Each class shall consist, as nearly as may be possible, of one third of the total number of directors constituting the entire Board. The Board is authorized to assign members of the Board already in office to Class I, Class II or Class III at the time such classification becomes effective. Each director shall serve for a term ending on the date of the third annual meeting of stockholders following the annual meeting of stockholders at which such director was elected; provided that each director initially assigned to Class I shall serve for a term expiring at the Company's 2026 annual meeting of stockholders; each director initially assigned to Class II shall serve for a term expiring at the Company's 2027 annual meeting of stockholders; and each director initially assigned to Class III shall serve for a term expiring at the Company's 2028 annual meeting of stockholders; provided further, that the term of each director shall continue until the election and qualification of his or her successor and be subject to his or her earlier death, disqualification, resignation or removal.

- *No Cumulative Voting for Directors*. The DGCL provides that stockholders are not entitled to cumulate votes in the election of directors unless a corporation's certificate of incorporation provides otherwise. The Certificate of Incorporation does not provide for cumulative voting. As a result, the holders of Common Stock representing a majority of the voting power of all of the outstanding shares of our capital stock of will be able to elect all of the directors then standing for election.

- *Quorum*. The Bylaws provide that at all meetings of the Board, a majority of the Whole Board (as defined therein) will constitute a quorum for the transaction of business.

- *Action by Written Consent*. Any action required or permitted to be taken by the stockholders of the Company must be effected at a duly called annual or special meeting of such holders and may not be effected by any consent in lieu of a meeting of stockholders by such holders; provided, however, that any action required or permitted to be taken by the holders of Preferred Stock, voting separately as a series or separately as a class with one or more other such series, may be taken without a meeting, without prior notice and without a vote, to the extent expressly so provided by the applicable certificate(s) of designation relating to such series of Preferred Stock.

- *Special Meetings of Stockholders*. The Certificate of Incorporation provides that, except as otherwise required by law and subject to the rights of the holders of any series of Preferred Stock, special meetings of the stockholders of the Company for any purpose or purposes may be called at any time only by or at the direction of the Chief Executive Officer, the President, or the Chairperson of the Board or by a resolution adopted by the affirmative vote of a majority of the total number of directors at any time in office, or by any person appointed pursuant to such resolution, but such special meetings may not be called by stockholders or any other Person or Persons.

- *Advance Notice Procedures*. The Bylaws establish an advance notice procedure for stockholder proposals to be brought before an annual meeting of the stockholders, and for stockholder nominations of persons for election to the Board to be brought before an annual or special meeting of stockholders. Stockholders at an annual meeting will only be able to consider proposals or nominations specified in the notice of meeting or brought before the meeting by or at the direction of the Board or by a stockholder who was a stockholder of record on the record date for the meeting, who is entitled to vote at the meeting and who has given the secretary of the Company timely written notice, in proper form, of the stockholder's intention to bring that business or nomination before the meeting. Although the Bylaws do not give the board of directors the power to approve or disapprove stockholder nominations of candidates or proposals regarding other business to be conducted at a special or annual meeting, as applicable, the Bylaws may have the effect of precluding the conduct of certain business at a meeting if the proper procedures are not followed or may discourage or deter a potential acquirer from conducting a solicitation of proxies to elect its own slate of directors or otherwise attempting to obtain control of the Company.

Limitations on Liability and Indemnification of Officers and Directors

The DGCL authorizes corporations to limit or eliminate the personal liability of directors to corporations and their stockholders for monetary damages for breaches of directors' fiduciary duties, subject to certain exceptions. The Certificate of Incorporation includes a provision that eliminates the personal liability of directors for monetary damages for any breach of fiduciary duty as a director, except to the extent such exemption from liability or limitation thereof is not permitted under the DGCL. The effect of these provisions is to eliminate the rights of the Company and its stockholders, through stockholders' derivative suits on the Company's behalf, to recover monetary damages from a director for breach of fiduciary duty as a director, including breaches resulting from grossly negligent behavior. However, exculpation does not apply to any director if the director has acted in bad faith, knowingly or intentionally violated the law, authorized illegal dividends or redemptions or derived an improper benefit from his or her actions as a director.

The Bylaws provide that the Company must indemnify and advance expenses to directors and officers to the fullest extent authorized by the DGCL. The Company is also expressly authorized to carry directors' and officers' liability insurance providing indemnification for directors, officers and certain employees for some liabilities. The Company believes that these indemnification and advancement provisions and insurance are useful to attract and retain qualified directors and executive officers.

The limitation of liability, indemnification and advancement provisions in the Certificate of Incorporation and the Bylaws may discourage stockholders from bringing a lawsuit against directors for breach of their fiduciary duty. These provisions also may have the effect of reducing the likelihood of derivative litigation against directors and officers, even though such an action, if successful, might otherwise benefit the Company and its stockholders. In addition, your investment may be adversely affected to the extent the Company pays the costs of settlement and damage awards against directors and officers pursuant to these indemnification provisions. The Company believes that these provisions, liability insurance and any indemnity agreements that may be entered into are necessary to attract and retain talented and experienced directors and officers.

Insofar as indemnification for liabilities arising under the Securities Act may be permitted to the Company's directors, officers and controlling persons pursuant to the foregoing provisions, or otherwise, the Company has been advised that in the opinion of the SEC such indemnification is against public policy as expressed in the Securities Act and is, therefore, unenforceable.

There is currently no pending material litigation or proceeding involving any of the Company's directors, officers or employees for which indemnification is sought.

Transfer Agent and Registrar

The Transfer Agent and registrar for the Common Stock is Continental Stock Transfer & Trust Company.

Listing

The Common Stock and Public Warrants are listed on Nasdaq, under the symbols "IMSR" and "IMSRW," respectively.

Canadian Addendum to
Terrestrial Energy Inc. 2025 Equity Incentive Plan

This Addendum is attached to, and forms part of, the Terrestrial Energy Inc. 2025 Equity Incentive Plan (the "Plan") and approved and effective as of April 26, 2026 by the Compensation Committee of the Board of Directors of Terrestrial Energy Inc.

Notwithstanding anything to the contrary in the Plan or any applicable Award Agreement pursuant to the Plan, the provisions set forth in this Addendum shall apply to each Participant who is a Canadian resident who accepts any Award under the Plan (a "**Canadian Participant**") and who has executed the applicable Award Agreement relating to such Award. For greater certainty, this Addendum shall not have any applicability to any Participant that is not a Canadian Participant.

1. **Incorporation of Existing Definitions.** Capitalized terms not defined herein shall have the meanings specified in the Plan or Award Agreement, as applicable.

2. **Amendments to Certain Definitions.** For the purposes of this Addendum, and the Plan as it relates to any Canadian Participant, each of the following definitions in the Plan is hereby superseded and replaced:

"**Cause**" means:

a) with respect to any employee Participant: (i) if the Participant is a party to a written employment agreement or agreement with the Company or any Affiliate in which an enforceable definition of "cause" exists, then the definition of "cause" defined therein; or (ii) in the absence of such enforceable definition, "Cause" shall mean: (A) as it relates to a Participant resident in the province of Ontario, the Participant's wilful misconduct, disobedience or wilful neglect of duty that is not trivial and has not been condoned by the Company or any Affiliate (as applicable); or (B) for any Participant located in Canada but not in Ontario, any other act or omission or series of acts or omissions by the Participant that would, pursuant to applicable law, permit the Company to terminate the Participant without notice or payment in lieu of notice, including for serious reason;

b) with respect to a Participant that is not an employee, the definition of "Cause" as it otherwise exists within the Plan and not within this Addendum, being:

(i) if there is an employment or other service agreement between the Participant and the Company and the agreement contains a definition of "Cause", the definition contained therein or (ii) in the absence of an employment or other service agreement between the Participant and the Company that contains a definition of "Cause", (A) the Participant's commission of any felony involving fraud, dishonesty or moral turpitude; (B) the Participant's attempted commission of or participation in a fraud or act of dishonesty against the Company or any Affiliate that results in (or might have reasonably resulted in) material harm to the business of the Company or any Affiliate; (C) the Participant's intentional, material violation of any contract or agreement between the Participant and the Company or any Affiliate or any statutory duty that the Participant owes to the Company or any Affiliate; or (D) the Participant's conduct that constitutes gross insubordination, incompetence or habitual neglect of duties and that results in (or might have reasonably resulted in) material harm to the business of the Company or any Affiliate.

"**Disability**" has the meaning attributed thereto in the Participant's written Employment Agreement or services agreement with the Company or an Affiliate and if there is no such defined term, means the Participant's inability to substantially fulfill his or her duties or perform the contracted service for the Company for a continuous period of nine (9) months or more or for an aggregate period of twelve (12) months or more during any consecutive twenty-four (24) month period, with reasonable accommodation (if required pursuant to applicable human rights legislation);

3. **Acknowledgement.** By accepting an award pursuant to the Plan, a Canadian Participant is deemed to represent, warrant and acknowledge: (i) receipt of the Plan, this Addendum, and any applicable Award Agreement, (ii) that they have read, understood and agreed, freely and voluntarily, without inducement or duress, to be bound by the terms and conditions of the Plan, as amended by this Addendum, and any applicable Award Agreement, and (iii) that they have had an opportunity to review, make

inquiries, and seek independent legal advice as to the terms and conditions of the Plan, this Addendum and any applicable Award Agreement.

EXHIBIT 10.3

CANADIAN EMPLOYEE FORM

TERRESTRIAL ENERGY INC.
2025 EQUITY INCENTIVE PLAN
NOTICE OF RESTRICTED STOCK UNIT AWARD

The Participant is hereby provided this Notice of Restricted Stock Unit Award (this "***Notice***") under the Terrestrial Energy Inc. 2025 Equity Incentive Plan (the "***Plan***"). Each "***Restricted Stock Unit***" represents the right to receive a Share, its cash equivalent, or a combination thereof, each of which is subject to certain restrictions. All capitalized terms in this Notice shall have the meaning assigned to them in this Notice or in the attached Restricted Stock Unit Agreement, which is incorporated herein by reference, or, if not defined herein or therein, in the Plan.

Participant: [__]

Grant Date: [__]

Number of Restricted Stock Units: [__]

Vesting Schedule: All of the Restricted Stock Units are nonvested and forfeitable as of the Grant Date. So long as the Participant is in Active Employment or Active Engagement from the Grant Date through the applicable date upon which vesting is scheduled to occur, _____ of the Restricted Stock Units will vest on _____ (the "***Initial Vesting Date***") and as to an additional _____ of the original number of Restricted Stock Units at the end of each successive _____ period following the Initial Vesting Date such that 100% of the Restricted Stock Units will be vested on _____.

The foregoing vesting schedule notwithstanding, (i) if the Participant's Service terminates for any reason and the Termination Date occurs before all of their Restricted Stock Units have vested, the Participant's unvested Restricted Stock Units shall be automatically forfeited upon the Termination Date and neither the Company nor any Affiliate shall have any further obligations to the Participant under this Notice or the Restricted Stock Unit Agreement, (ii) if the Participant is party to another agreement with the Company or an Affiliate that provides for accelerated vesting in certain circumstances, vesting will accelerate in accordance with the terms of such agreement.

For the purposes of this Notice:

"***Active Employment***" means in the case of an employee Participant, the period during which the Participant actively performs work for the Company or any Affiliate; but excluding any period that follows or ought to have followed the later of: (a) if required pursuant to the applicable employment standards legislation as amended (the "***ESL***"), the end of the minimum notice of termination period that is required to be provided pursuant to the ESL (if any), or (b) the Participant's last day of actively performing work for the Company or any Affiliate, whether that period arises from a contractual or common law right. For certainty, "Active Employment" shall be deemed to include any period of vacation or other leave permitted by legislation;

"***Active Engagement***" means any period in which a non-employee Participant actively provides services to the Company or any Affiliate. For certainty, "Active Engagement" shall exclude any period that follows, or ought to have followed, the Participant's last day of actively providing services to the Company or any Affiliate; and

"***Termination Date***" means the Participant's last day of Active Employment or Active Engagement, as applicable.

If any vesting date occurs during a special closed window under the Company's Insider Trading Policy, then the Restricted Stock Units shall vest on the first trading day of the next open trading window pursuant to the Company's Insider Trading Policy, subject in all cases to any applicable outside dates that are required to ensure compliance with applicable tax laws and the terms of the Plan.

The Participant hereby acknowledges and agrees that (a) the Company has made available to the Participant a copy of the Plan and (b) the Participant has had the opportunity to review the Plan and this Notice, including the attached Restricted Stock Unit Agreement, and to consult with the Participant's individual tax advisor and/or legal counsel with respect to the same.

The Participant agrees that they shall have no entitlement to damages or other compensation arising from or related to not receiving any or all of the awards or vesting that would have accrued to the Participant after the Termination Date. For clarity, except for the minimum period of notice of termination required to be provided pursuant to the ESL (if any and if applicable), no period of notice, if any, or payment instead of notice that is given or that ought to have been given under contract or at common law (whether or not imposed by a court), in respect of such termination of employment that follows or is in respect of a period after the Participant's Termination Date will be considered as extending the Participant's period of employment or engagement or be used for purposes of calculating the

Participant's entitlement under the Plan, this Notice or the Restricted Stock Unit Agreement. The Participant waives the right to receive damages or payment in lieu of any forfeited vesting or grant that would have accrued during any contractual or common law reasonable notice period that exceeds the Participant's minimum statutory notice of termination period beyond that required by the ESL (if any and if applicable).

The Participant understands and agrees that the Award is granted subject to and in accordance with the terms of the Plan. By executing this Notice, the Participant further agrees to be bound by the terms of the Plan and the terms of the Award as set forth in the Restricted Stock Unit Agreement attached hereto. As of the Grant Date, this Notice, the attached Restricted Stock Unit Agreement, and the Plan set forth the entire understanding between the Participant and the Company regarding the Restricted Stock Units and supersede all prior oral and written agreements with respect to the Award. The Participant acknowledges that there may be adverse tax consequences upon settlement of the Award or disposition of the underlying Shares and that the Participant should consult a tax advisor prior to such settlement or disposition. By accepting this Award, the Participant consents to receive documents governing the Award by electronic delivery and to participate in the Plan through an online or electronic system established and maintained by the Company or another third party designated by the Company from time to time. This Notice may be executed in counterparts, each of which shall be deemed an original but all of which together will constitute one and the same instrument. Counterpart signature pages to this Notice transmitted by facsimile transmission, by electronic mail in portable document format (.pdf), or by any other electronic means intended to preserve the original graphic and pictorial appearance of a document, will have the same effect as physical delivery of the paper document bearing an original signature.

Terrestrial Energy Inc.

By:_____
Name:
Title:
Date: [__]

Participant

By:_____
Name: [__]
Date: [__]

TERRESTRIAL ENERGY INC.
2025 EQUITY INCENTIVE PLAN
RESTRICTED STOCK UNIT AGREEMENT

Terrestrial Energy Inc., a Delaware corporation formerly known as "HCM II Acquisition Corp." (the "***Company***") has awarded the Participant set forth in the Notice of Restricted Stock Unit Award (the "***Notice***") a Restricted Stock Unit Award (the "***Award***") that is subject to the Company's 2025 Equity Incentive Plan (the "***Plan***"), the Notice, and this Restricted Stock Unit Agreement (this "***Agreement***") for the number of Restricted Stock Units indicated in the Notice. Capitalized terms not explicitly defined in this Agreement or in the Notice but defined in the Plan will have the same definitions as in the Plan. In the event of any conflict between the terms in this Agreement and the Plan, the terms of the Plan will control. This Agreement will be deemed to be signed by the Participant on the signing by the Participant of the Notice to which it is attached.

1. Grant of Restricted Stock Units. The Company hereby issues to the Participant on the Grant Date an Award for the number of Restricted Stock Units set forth in the Notice. Each Restricted Stock Unit represents the right to receive one Share on settlement, subject to the terms and conditions set forth in this Agreement and the Plan.

2. Consideration. The grant of the Restricted Stock Units is made in consideration of the services to be rendered by the Participant to the Company.

3. Vesting. The Restricted Stock Units will vest as set forth in the Notice. In the event of a Change in Control, the Restricted Stock Units will be subject to the provisions of the Plan relating to a Change in Control.

4. No Transfer. No portion of the Restricted Stock Units may be sold, assigned, transferred, encumbered, hypothecated or pledged by the Participant other than to the Company as a result of forfeiture of the Restricted Stock Units as provided herein, unless and until settlement is made in respect of vested Restricted Stock Units in accordance with the provisions hereof. Any attempt to assign, alienate, pledge, attach, sell or otherwise transfer or encumber the Restricted Stock Units shall be wholly ineffective and, if any such attempt is made, the Restricted Stock Units will be forfeited by the Participant and all of the Participant's rights to such Restricted Stock Units shall immediately terminate without any payment or consideration by the Company.

5. Rights as Shareholder.

5.1 The Participant shall not have any rights of a shareholder with respect to the Restricted Stock Units unless and until the Restricted Stock Units vest and are settled by the issuance of Shares.

5.2 Upon and following the settlement of the Restricted Stock Units in Shares, the Participant shall be the record owner of the Shares unless and until such Shares are sold or otherwise disposed of and shall be entitled to all rights of a shareholder of the Company (including voting rights).

6. Settlement of Restricted Stock Units.

6.1 Subject to Section 9 hereof, promptly following the vesting date, and in any event no later than March 15 of the calendar year following the calendar year in which such vesting occurs, the Company shall (a) issue and deliver to the Participant the number of Shares equal to the number of vested Restricted Stock Units and (b) enter the Participant's name on the books of the Company as the holder of record with respect to the Shares delivered to the Participant.

6.2 If the Participant is deemed a "specified employee" within the meaning of Section 409A of the Code, as determined by the Committee, at a time when the Participant becomes eligible for settlement of the Restricted Stock Units upon the Participant's "separation from service" within the meaning of Section 409A of the Code, then to the extent necessary to prevent any accelerated or additional tax under Section 409A of the Code, such settlement will be delayed until the earlier of: (a) the date that is six months following the Participant's separation from service and (b) the Participant's death.

6.3 To the extent that the Participant does not vest in any Restricted Stock Units, all interests in such Restricted Stock Units shall be forfeited automatically without consideration.

7. No Right to Continued Service. Neither the Plan nor this Agreement shall confer upon the Participant any right to be retained as an employee or consultant of the Company or any Affiliate. Further, nothing in the Plan or this Agreement shall be construed to limit the discretion of the Company to terminate the Participant's Service at any time, with or without Cause.

8. Adjustments. If any change is made to the outstanding Stock or the capital structure of the Company, if required, the Restricted Stock Units shall be adjusted or terminated in any manner as contemplated by Section 4.3 of the Plan.

9. Tax Liability and Withholding.

9.1 The Company's obligations with respect to the settlement of Restricted Stock Units shall be subject to the Participant's satisfaction of all applicable federal, state and local income and other tax withholding requirements (as well as any applicable Canadian federal, provincial, territorial withholding requirements on account of taxes or social security contributions). The Participant shall make appropriate arrangements with the Company to provide for the amount of withholding required by Sections 3102 and 3402 of the Code and applicable state income tax laws (as well as any applicable Canadian federal, provincial, territorial withholding requirements on account of taxes or social security contributions). The Committee may, in its sole discretion, permit the Participant to pay all such amounts of tax withholding, or any part thereof, by electing (a) to tender a cash payment, (b) to have the Company withhold from Shares otherwise issuable to the Participant a number of Shares having a value equal to the amount required to be withheld or such lesser amount as may be elected by the Participant; provided however, that the number of Shares so withheld shall not exceed the maximum amount required to be withheld (or such lesser amount as may be necessary to avoid classification as a liability under applicable accounting standards), or (C) to transfer to the Company a number of Shares that were acquired by the Participant more than six months prior to the transfer to the Company and that have a value equal to the amount required to be withheld or such lesser amount as may be elected by the Participant. All elections shall be subject to the approval or disapproval of the Committee. The value of the Shares to be withheld shall be based on the Fair Market Value of the Shares on the date that the amount of tax to be withheld is to be determined (the "***Tax Date***"). Any such election by the Participant to have Shares withheld for this purpose will be subject to the following restrictions: (i) all elections must be made prior to the Tax Date; (ii) all elections shall be irrevocable; (iii) if the Participant is an officer or director of the Company within the meaning of Section 16 of the Securities Exchange Act of 1934, as it may be amended from time to time, ("***Section 16***"), the Participant must satisfy the requirements of Section 16 and any applicable rules thereunder with respect to the use of Shares to satisfy such tax withholding obligation.

9.2 Notwithstanding any action the Company takes with respect to any or all income tax, social insurance, payroll tax, or other tax-related withholding (other than the employer portion of any such amounts) ("***Tax-Related Items***"), the ultimate liability for all Tax-Related Items is and remains the Participant's responsibility and the Company (a) makes no representation or undertakings regarding the treatment of any Tax-Related Items in connection with the grant, vesting or settlement of the Restricted Stock Units or the subsequent sale of any Shares; and (b) does not commit to structure the Restricted Stock Units to reduce or eliminate the Participant's liability for Tax-Related Items.

10. Compliance with Laws and Regulations. The issuance, transfer, vesting and ownership of Shares shall be subject to compliance by the Company and the Participant with all applicable requirements of federal and state securities laws and with all applicable requirements of any stock exchange on which the Stock may be listed at the time of such issuance or transfer. The Participant agrees to cooperate with the Company to ensure compliance with such laws and requirements.

11. Notices. Every notice or other communication relating to this Agreement shall be in writing, and shall be mailed via certified mail or overnight courier, postage prepaid, to the party for whom it is intended at such address as may from time to time be designated by it in a notice mailed or delivered to the other party as herein provided; provided that, unless and until some other address be so designated, all notices or communications by the Participant to the Company shall be mailed or delivered to the Company at its principal executive office, and all notices or communications by the Company to the Participant may be given to the Participant personally or may be mailed to the Participant at the address as recorded in the records of the Company.

12. Governing Law. This Agreement shall be governed by and construed in accordance with the substantive laws of the State of Delaware without regard to its conflict of laws principles. If any provision of this Agreement is determined by a court of law to be illegal or unenforceable, then such provision will be enforced to the maximum extent possible and the other provisions will remain fully effective and enforceable.

13. Clawback. In accordance with Section 13.6 of the Plan, by accepting the Restricted Stock Units, the Participant acknowledges that the Participant may be bound by, and subject to all of the terms and conditions of, the Clawback Policy, and the Participant agrees to abide by any applicable terms of the Clawback Policy. To the extent that the Board determines that all or any portion of the Restricted Stock Units or the Shares issued on settlement thereof (or the value of those Shares) must be cancelled, forfeited, repaid, or otherwise recovered by the Company, the Participant shall promptly take whatever action is necessary to effectuate such cancellation, forfeiture, repayment, or recovery. In the event of any conflict between the terms of the Clawback Policy and the terms of the Plan or this Agreement, the terms of the Clawback Policy shall govern.

14. Restricted Stock Units Subject to Plan. This Agreement is subject to the Plan as approved by the Company's shareholders. The terms and provisions of the Plan as it may be amended from time to time are hereby incorporated herein by reference. In the event of a conflict between any term or provision contained herein and a term or provision of the Plan, the applicable terms and provisions of the Plan will govern and prevail.

15. No Guarantee. Neither the Plan nor this Agreement shall confer upon Participant any right to continued employment or engagement or a promise of future employment or engagement with Company or any Affiliate. Further, nothing in the Plan or this Agreement shall be construed to limit the discretion of the Company or an Affiliate to terminate Participant's employment or engagement at any time, with or without Cause.

16. No Impact on Other Benefits. Unless otherwise required by the ESL, the value of the Restricted Stock Units or Shares shall not be part of the Participant's normal or expected compensation for purposes of calculating any severance, retirement, welfare, insurance or similar employee benefit unless such benefit explicitly provides for inclusion of the applicable value.

17. Successors and Assigns. The Company may assign any of its rights under this Agreement. This Agreement shall be binding upon and inure to the benefit of the successors and assigns of the Company. Subject to the restrictions on transfer set forth herein, this Agreement shall be binding upon the Participant and the Participant's heirs, executors, administrators, legal representatives, successors and assigns.

18. Severability. The invalidity or unenforceability of any provision of the Plan or this Agreement shall not affect the validity or enforceability of any other provision of the Plan or this Agreement, and each provision of the Plan and this Agreement shall be severable and enforceable to the extent permitted by law.

19. Discretionary Nature of Plan. The Plan is discretionary and may be amended, cancelled or terminated by the Company at any time, in its discretion. The grant of the Restricted Stock Units hereunder does not create any contractual right or other right to receive any Restricted Stock Units or other Awards in the future. Future Awards, if any, will be at the sole discretion of the Company. Any amendment, modification, or termination of the Plan shall not constitute a change or impairment of the terms and conditions of the Participant's employment with or engagement by the Company or its Affiliates.

20. Amendment. The Committee has the right to amend, alter, suspend, discontinue or cancel this Agreement; provided, that, no such amendment shall materially and adversely affect the Participant's rights under this Agreement without the Participant's consent.

21. Section 409A. This Agreement is intended to comply with, or be exempt from, the provisions of Section 409A of the Code and shall be construed and interpreted in accordance with such intent. The Company reserves the right to amend this Agreement to the extent it reasonably determines is necessary in order to avoid any adverse tax consequences under Section 409A of the Code. Notwithstanding anything to the contrary, none of the Company, its officers, directors, employees, agents or representatives guarantees that this Agreement complies with, or is exempt from, the provisions of Section 409A of the Code and none of the foregoing shall have any liability for the failure of this Agreement to comply with, or be exempt from, the provisions of Section 409A of the Code. To the extent that any payment or benefit under this Agreement is nonqualified deferred compensation subject to Section 409A of the Code, as determined by the Committee, and is payable to the Participant by reason of termination of employment, such payment or benefit shall be made or provided to the Participant only upon a "separation from service," as defined under Section 409A of the Code. Each payment under this Agreement shall be treated as a separate payment under Section 409A of the Code.

22. Counterparts, Copies. This Agreement may be signed in counterparts, each of which when executed shall be deemed an original but all of which taken together shall constitute one and the same agreement. Fax or PDF copies of the parties' signatures shall have the same force and effect as original signatures.

23. Acceptance. The Participant hereby acknowledges receipt of a copy of the Plan and this Agreement (such delivery may be electronic). The Participant has read and understands the terms and provisions thereof and accepts the Restricted Stock Units subject to all the terms and conditions of the Plan and this Agreement. The Company is not providing any tax, legal or financial advice, nor is the Company making any recommendations regarding the Participant's participation in the Plan, or the Participant's acquisition or sale of the Shares delivered on settlement of the Restricted Stock Units. The Participant acknowledges that there may be adverse tax consequences upon the vesting or settlement of the Restricted Stock Units or disposition of the underlying shares and that the Participant has been advised to consult a tax advisor prior to such vesting, settlement or disposition. With respect to such matters, the Participant relies solely on such advisors and not on any statements or representations of the Company or any of its agents, written or oral. The Participant understands that the Participant (and not the Company) shall be responsible for the Participant's own tax liability that may arise as a result of this investment or the transactions contemplated by this Agreement.

24. Data Privacy. The Participant hereby explicitly and unambiguously consents to the collection, use and transfer, whether in electronic or other form, of the Participant's Personal Data (as described below) by and among, as applicable, the Company and any Subsidiary or Affiliate or third parties as may be selected by the Company for the exclusive purpose of implementing, administering, and managing the Participant's participation in the Plan. The Participant understands that refusal or withdrawal of consent will affect the Participant's ability to participate in the Plan; without providing consent, the Participant will not be able to participate in the Plan or realize benefits (if any) from the Award. The Participant understands that the Company and any Subsidiary or Affiliate or designated third parties may hold personal information about the Participant, including, but not limited to, the Participant's name, home address

and telephone number, date of birth, social insurance number or other identification number, salary, nationality, job title, any shares of stock or directorships held in the Company or any Subsidiary or Affiliate, details of all Awards or any other entitlement to Shares awarded, canceled, exercised, vested, unvested or outstanding in the Participant's favor ("***Personal Data***"). The Participant understands that Personal Data may be transferred to any Subsidiary or Affiliate or third parties assisting in the implementation, administration and management of the Plan, that these recipients may be located in the United States, the Participant's country of residence, or elsewhere, and that the recipient's country may have different data privacy laws and protections than the Participant's country of residence. In particular, the Company may transfer Personal Data to the broker or stock plan administrator assisting with the Plan, to its legal counsel and tax/accounting advisor, and to the Subsidiary or Affiliate that is the Participant's employer and its payroll provider.

25. Canadian Tax Treatment. This Agreement is intended to comply with and be subject to the provisions of section 7 of the *Income Tax Act* (Canada) ("**Canadian Tax Act**") and shall be construed and interpreted in accordance with such intent. The Company reserves the right to amend this Agreement to the extent it reasonably determines is necessary in order to avoid any adverse tax consequences under the Canadian Tax Act. Notwithstanding anything to the contrary, none of the Company, its officers, directors, employees, agents or representatives guarantees that this Agreement complies with or is subject to the provisions of section 7 of the Canadian Tax Act and none of the foregoing shall have any liability for the failure of this Agreement to comply with, or be subject to the provisions of section 7 of the Canadian Tax Act.

EXHIBIT 10.4

CANADIAN NON-EMPLOYEE DIRECTOR FORM

TERRESTRIAL ENERGY INC.
2025 EQUITY INCENTIVE PLAN
NOTICE OF RESTRICTED STOCK UNIT AWARD

The Participant is hereby provided this Notice of Restricted Stock Unit Award (this "***Notice***") under the Terrestrial Energy Inc. 2025 Equity Incentive Plan (the "***Plan***"). Each "***Restricted Stock Unit***" represents the right to receive a Share, its cash equivalent, or a combination thereof, each of which is subject to certain restrictions. All capitalized terms in this Notice shall have the meaning assigned to them in this Notice or in the attached Restricted Stock Unit Agreement, which is incorporated herein by reference, or, if not defined herein or therein, in the Plan.

Participant: [__]

Grant Date: [__]

Number of Restricted Stock Units: [__]

Vesting Schedule: All of the Restricted Stock Units are nonvested and forfeitable as of the Grant Date. So long as the Participant is in Active Employment or Active Engagement from the Grant Date through the applicable date upon which vesting is scheduled to occur, _____ of the Restricted Stock Units will vest on _____ (the "***Initial Vesting Date***") and as to an additional _____ of the original number of Restricted Stock Units at the end of each successive _____ period following the Initial Vesting Date such that 100% of the Restricted Stock Units will be vested on _____.

The foregoing vesting schedule notwithstanding, if the Participant's Service terminates for any reason and the Termination Date occurs before all of their Restricted Stock Units have vested, the Participant's unvested Restricted Stock Units shall be automatically forfeited upon the Termination Date and neither the Company nor any Affiliate shall have any further obligations to the Participant under this Notice or the Restricted Stock Unit Agreement.

For the purposes of this Notice:

"***Active Employment***" means in the case of an employee Participant, the period during which the Participant actively performs work for the Company or any Affiliate; but excluding any period that follows or ought to have followed the later of: (a) if required pursuant to the applicable employment standards legislation as amended (the "***ESL***"), the end of the minimum notice of termination period that is required to be provided pursuant to the ESL (if any), or (b) the Participant's last day of actively performing work for the Company or any Affiliate, whether that period arises from a contractual or common law right. For certainty, "Active Employment" shall be deemed to include any period of vacation or other leave permitted by legislation;

"***Active Engagement***" means any period in which a non-employee Participant actively provides services to the Company or any Affiliate. For certainty, "Active Engagement" shall exclude any period that follows, or ought to have followed, the Participant's last day of actively providing services to the Company or any Affiliate; and

"***Termination Date***" means the Participant's last day of Active Employment or Active Engagement, as applicable.

If any vesting date occurs during a special closed window under the Company's Insider Trading Policy, then the Restricted Stock Units shall vest on the first trading day of the next open trading window pursuant to the Company's Insider Trading Policy, subject in all cases to any applicable outside dates that are required to ensure compliance with applicable tax laws and the terms of the Plan.

The Participant hereby acknowledges and agrees that (a) the Company has made available to the Participant a copy of the Plan and (b) the Participant has had the opportunity to review the Plan and this Notice, including the attached Restricted Stock Unit Agreement, and to consult with the Participant's individual tax advisor and/or legal counsel with respect to the same.

The Participant agrees that they shall have no entitlement to damages or other compensation arising from or related to not receiving any or all of the awards or vesting that would have accrued to the Participant after the Termination Date. For clarity, except for the minimum period of notice of termination required to be provided pursuant to the ESL (if any and if applicable), no period of notice, if any, or payment instead of notice that is given or that ought to have been given under contract or at common law (whether or not imposed by a court), in respect of such termination of employment that follows or is in respect of a period after the Participant's Termination Date will be considered as extending the Participant's period of employment or engagement or be used for purposes of calculating the

Participant's entitlement under the Plan, this Notice or the Restricted Stock Unit Agreement. The Participant waives the right to receive damages or payment in lieu of any forfeited vesting or grant that would have accrued during any contractual or common law reasonable notice period that exceeds the Participant's minimum statutory notice of termination period beyond that required by the ESL (if any and if applicable).

The Participant understands and agrees that the Award is granted subject to and in accordance with the terms of the Plan. By executing this Notice, the Participant further agrees to be bound by the terms of the Plan and the terms of the Award as set forth in the Restricted Stock Unit Agreement attached hereto.

As of the Grant Date, this Notice, the attached Restricted Stock Unit Agreement, and the Plan set forth the entire understanding between the Participant and the Company regarding the Restricted Stock Units and supersede all prior oral and written agreements with respect to the Award.

The Participant acknowledges that there may be adverse tax consequences upon settlement of the Award or disposition of the underlying Shares and that the Participant should consult a tax advisor prior to such settlement or disposition.

By accepting this Award, the Participant consents to receive documents governing the Award by electronic delivery and to participate in the Plan through an online or electronic system established and maintained by the Company or another third party designated by the Company from time to time.

This Notice may be executed in counterparts, each of which shall be deemed an original but all of which together will constitute one and the same instrument. Counterpart signature pages to this Notice transmitted by facsimile transmission, by electronic mail in portable document format (.pdf), or by any other electronic means intended to preserve the original graphic and pictorial appearance of a document, will have the same effect as physical delivery of the paper document bearing an original signature.

Terrestrial Energy Inc.	**Participant**
By:_____	By:_____
Name:	Name: [__]
Title:	Date: [__]
Date: [__]	

TERRESTRIAL ENERGY INC.
2025 EQUITY INCENTIVE PLAN
RESTRICTED STOCK UNIT AGREEMENT

Terrestrial Energy Inc., a Delaware corporation formerly known as "HCM II Acquisition Corp." (the "***Company***") has awarded the Participant set forth in the Notice of Restricted Stock Unit Award (the "***Notice***") a Restricted Stock Unit Award (the "***Award***") that is subject to the Company's 2025 Equity Incentive Plan (the "***Plan***"), the Notice, and this Restricted Stock Unit Agreement (this "***Agreement***") for the number of Restricted Stock Units indicated in the Notice. Capitalized terms not explicitly defined in this Agreement or in the Notice but defined in the Plan will have the same definitions as in the Plan. In the event of any conflict between the terms in this Agreement and the Plan, the terms of the Plan will control. This Agreement will be deemed to be signed by the Participant on the signing by the Participant of the Notice to which it is attached.

1. Grant of Restricted Stock Units. The Company hereby issues to the Participant on the Grant Date an Award for the number of Restricted Stock Units set forth in the Notice. Each Restricted Stock Unit represents the right to receive one Share on settlement, subject to the terms and conditions set forth in this Agreement and the Plan.

2. Consideration. The grant of the Restricted Stock Units is made in consideration of the services to be rendered by the Participant to the Company.

3. Vesting. The Restricted Stock Units will vest as set forth in the Notice. In the event of a Change in Control, the Restricted Stock Units will be subject to the provisions of the Plan relating to a Change in Control.

4. No Transfer. No portion of the Restricted Stock Units may be sold, assigned, transferred, encumbered, hypothecated or pledged by the Participant other than to the Company as a result of forfeiture of the Restricted Stock Units as provided herein, unless and until settlement is made in respect of vested Restricted Stock Units in accordance with the provisions hereof. Any attempt to assign, alienate, pledge, attach, sell or otherwise transfer or encumber the Restricted Stock Units shall be wholly ineffective and, if any such attempt is made, the Restricted Stock Units will be forfeited by the Participant and all of the Participant's rights to such Restricted Stock Units shall immediately terminate without any payment or consideration by the Company.

5. Rights as Shareholder.

5.1 The Participant shall not have any rights of a shareholder with respect to the Restricted Stock Units unless and until the Restricted Stock Units vest and are settled by the issuance of Shares.

5.2 Upon and following the settlement of the Restricted Stock Units in Shares, the Participant shall be the record owner of the Shares unless and until such Shares are sold or otherwise disposed of and shall be entitled to all rights of a shareholder of the Company (including voting rights).

6. Settlement of Restricted Stock Units.

6.1 Subject to Section 9 hereof, promptly following the vesting date, and in any event no later than March 15 of the calendar year following the calendar year in which such vesting occurs, the Company shall (a) issue and deliver to the Participant the number of Shares equal to the number of vested Restricted Stock Units and (b) enter the Participant's name on the books of the Company as the holder of record with respect to the Shares delivered to the Participant.

6.2 To the extent that the Participant does not vest in any Restricted Stock Units, all interests in such Restricted Stock Units shall be forfeited automatically without consideration.

7. No Right to Continued Service on the Board. Neither the Plan nor this Agreement shall confer upon the Participant any right to be retained as a director of the Company or in any other capacity. Further, nothing in the Plan or this Agreement shall be construed to limit the discretion of the Company to terminate the Participant's Service at any time, with or without Cause.

8. Adjustments. If any change is made to the outstanding Stock or the capital structure of the Company, if required, the Restricted Stock Units shall be adjusted or terminated in any manner as contemplated by Section 4.3 of the Plan.

9. Tax Liability and Withholding.

9.1 The Company's obligations with respect to the settlement of Restricted Stock Units shall be subject to the Participant's satisfaction of all applicable federal, state and local income and other tax withholding requirements (as well as any applicable Canadian federal, provincial, territorial withholding requirements on account of taxes or social security contributions).

The Participant shall make appropriate arrangements with the Company to provide for the amount of withholding required by Sections 3102 and 3402 of the Code and applicable state income tax laws (as well as any applicable Canadian federal, provincial, territorial withholding requirements on account of taxes or social security contributions). The Committee may, in its sole discretion, permit the Participant to pay all such amounts of tax withholding, or any part thereof, by electing (i) to tender a cash payment, (ii) to have the Company withhold from Shares otherwise issuable to the Participant a number of Shares having a value equal to the amount required to be withheld or such lesser amount as may be elected by the Participant; provided however, that the number of Shares so withheld shall not exceed the maximum amount required to be withheld (or such lesser amount as may be necessary to avoid classification as a liability under applicable accounting standards), or (iii) to transfer to the Company a number of Shares that were acquired by the Participant more than six months prior to the transfer to the Company and that have a value equal to the amount required to be withheld or such lesser amount as may be elected by the Participant. All elections shall be subject to the approval or disapproval of the Committee. The value of the Shares to be withheld shall be based on the Fair Market Value of the Shares on the date that the amount of tax to be withheld is to be determined (the "**Tax Date**"). Any such election by the Participant to have Shares withheld for this purpose will be subject to the following restrictions: (x) all elections must be made prior to the Tax Date; (y) all elections shall be irrevocable; (z) if the Participant is an officer or director of the Company within the meaning of Section 16 of the Securities Exchange Act of 1934, as it may be amended from time to time, ("**Section 16**"), the Participant must satisfy the requirements of Section 16 and any applicable rules thereunder with respect to the use of Shares to satisfy such tax withholding obligation.

9.2 Notwithstanding any action the Company takes with respect to any or all income tax, social insurance, payroll tax, or other tax-related withholding (other than the employer portion of any such amounts) ("**Tax-Related Items**"), the ultimate liability for all Tax-Related Items is and remains the Participant's responsibility and the Company (i) makes no representation or undertakings regarding the treatment of any Tax-Related Items in connection with the grant, vesting or settlement of the Restricted Stock Units or the subsequent sale of any Shares; and (ii) does not commit to structure the Restricted Stock Units to reduce or eliminate the Participant's liability for Tax-Related Items.

10. Compliance with Laws and Regulations. The issuance, transfer, vesting and ownership of Shares shall be subject to compliance by the Company and the Participant with all applicable requirements of federal and state securities laws and with all applicable requirements of any stock exchange on which the Stock may be listed at the time of such issuance or transfer. The Participant agrees to cooperate with the Company to ensure compliance with such laws and requirements.

11. Notices. Every notice or other communication relating to this Agreement shall be in writing, and shall be mailed via certified mail or overnight courier, postage prepaid, to the party for whom it is intended at such address as may from time to time be designated by it in a notice mailed or delivered to the other party as herein provided; provided that, unless and until some other address be so designated, all notices or communications by the Participant to the Company shall be mailed or delivered to the Company at its principal executive office, and all notices or communications by the Company to the Participant may be given to the Participant personally or may be mailed to the Participant at the address as recorded in the records of the Company.

12. Governing Law. This Agreement shall be governed by and construed in accordance with the substantive laws of the State of Delaware without regard to its conflict of laws principles. If any provision of this Agreement is determined by a court of law to be illegal or unenforceable, then such provision will be enforced to the maximum extent possible and the other provisions will remain fully effective and enforceable.

13. Clawback. In accordance with Section 13.6 of the Plan, by accepting the Restricted Stock Units, the Participant acknowledges that the Participant may be bound by, and subject to all of the terms and conditions of, the Clawback Policy, and the Participant agrees to abide by any applicable terms of the Clawback Policy. To the extent that the Board determines that all or any portion of the Restricted Stock Units or the Shares issued on settlement thereof (or the value of those Shares) must be cancelled, forfeited, repaid, or otherwise recovered by the Company, the Participant shall promptly take whatever action is necessary to effectuate such cancellation, forfeiture, repayment, or recovery. In the event of any conflict between the terms of the Clawback Policy and the terms of the Plan or this Agreement, the terms of the Clawback Policy shall govern.

14. Restricted Stock Units Subject to Plan. This Agreement is subject to the Plan as approved by the Company's shareholders. The terms and provisions of the Plan as it may be amended from time to time are hereby incorporated herein by reference. In the event of a conflict between any term or provision contained herein and a term or provision of the Plan, the applicable terms and provisions of the Plan will govern and prevail.

15. No Guarantee. Neither the Plan nor this Agreement shall confer upon Participant any right to continued employment or engagement or a promise of future employment or engagement with Company or any Affiliate. Further, nothing in the Plan or this Agreement shall be construed to limit the discretion of the Company or an Affiliate to terminate Participant's employment or engagement at any time, with or without Cause.

16. No Impact on Other Benefits. Unless otherwise required by the ESL, the value of the Restricted Stock Units or Shares shall not be part of the Participant's normal or expected compensation for purposes of calculating any severance, retirement, welfare, insurance or similar employee benefit unless such benefit explicitly provides for inclusion of the applicable value.

17. Successors and Assigns. The Company may assign any of its rights under this Agreement. This Agreement shall be binding upon and inure to the benefit of the successors and assigns of the Company. Subject to the restrictions on transfer set forth herein, this Agreement shall be binding upon the Participant and the Participant's heirs, executors, administrators, legal representatives, successors and assigns.

18. Severability. The invalidity or unenforceability of any provision of the Plan or this Agreement shall not affect the validity or enforceability of any other provision of the Plan or this Agreement, and each provision of the Plan and this Agreement shall be severable and enforceable to the extent permitted by law.

19. Discretionary Nature of Plan. The Plan is discretionary and may be amended, cancelled or terminated by the Company at any time, in its discretion. The grant of the Restricted Stock Units hereunder does not create any contractual right or other right to receive any Restricted Stock Units or other Awards in the future. Future Awards, if any, will be at the sole discretion of the Company. Any amendment, modification, or termination of the Plan shall not constitute a change or impairment of the terms and conditions of the Participant's membership on the Board.

20. Amendment. The Committee has the right to amend, alter, suspend, discontinue or cancel this Agreement; provided, that, no such amendment shall materially and adversely affect the Participant's rights under this Agreement without the Participant's consent.

21. Section 409A. This Agreement is intended to comply with, or be exempt from, the provisions of Section 409A of the Code and shall be construed and interpreted in accordance with such intent. The Company reserves the right to amend this Agreement to the extent it reasonably determines is necessary in order to avoid any adverse tax consequences under Section 409A of the Code. Notwithstanding anything to the contrary, none of the Company, its officers, directors, employees, agents or representatives guarantees that this Agreement complies with, or is exempt from, the provisions of Section 409A of the Code and none of the foregoing shall have any liability for the failure of this Agreement to comply with, or be exempt from, the provisions of Section 409A of the Code. To the extent that any payment or benefit under this Agreement is nonqualified deferred compensation subject to Section 409A of the Code, as determined by the Committee, and is payable to the Participant by reason of termination of service, such payment or benefit shall be made or provided to the Participant only upon a "separation from service," as defined under Section 409A of the Code. Each payment under this Agreement shall be treated as a separate payment under Section 409A of the Code.

22. Counterparts, Copies. This Agreement may be signed in counterparts, each of which when executed shall be deemed an original but all of which taken together shall constitute one and the same agreement. Fax or PDF copies of the parties' signatures shall have the same force and effect as original signatures.

23. Acceptance. The Participant hereby acknowledges receipt of a copy of the Plan and this Agreement (such delivery may be electronic). The Participant has read and understands the terms and provisions thereof and accepts the Restricted Stock Units subject to all the terms and conditions of the Plan and this Agreement. The Company is not providing any tax, legal or financial advice, nor is the Company making any recommendations regarding the Participant's participation in the Plan, or the Participant's acquisition or sale of the Shares delivered on settlement of the Restricted Stock Units. The Participant acknowledges that there may be adverse tax consequences upon the vesting or settlement of the Restricted Stock Units or disposition of the underlying shares and that the Participant has been advised to consult a tax advisor prior to such vesting, settlement or disposition. With respect to such matters, the Participant relies solely on such advisors and not on any statements or representations of the Company or any of its agents, written or oral. The Participant understands that the Participant (and not the Company) shall be responsible for the Participant's own tax liability that may arise as a result of this investment or the transactions contemplated by this Agreement.

24. Data Privacy. The Participant hereby explicitly and unambiguously consents to the collection, use and transfer, whether in electronic or other form, of the Participant's Personal Data (as described below) by and among, as applicable, the Company and any Subsidiary or Affiliate or third parties as may be selected by the Company for the exclusive purpose of implementing, administering, and managing the Participant's participation in the Plan. The Participant understands that refusal or withdrawal of consent will affect the Participant's ability to participate in the Plan; without providing consent, the Participant will not be able to participate in the Plan or realize benefits (if any) from the Award. The Participant understands that the Company and any Subsidiary or Affiliate or designated third parties may hold personal information about the Participant, including, but not limited to, the Participant's name, home address and telephone number, date of birth, social insurance number or other identification number, salary, nationality, job title, any shares of stock or directorships held in the Company or any Subsidiary or Affiliate, details of all Awards or any other entitlement to Shares awarded, canceled, exercised, vested, unvested or outstanding in the Participant's favor ("***Personal Data***"). The Participant understands that Personal Data may be transferred to any Subsidiary or Affiliate or third parties assisting in the implementation, administration and management of the Plan, that these recipients may be located in the United States, the Participant's country of residence, or elsewhere, and that the recipient's country may have different data privacy laws and protections than the Participant's country of residence. In

particular, the Company may transfer Personal Data to the broker or stock plan administrator assisting with the Plan, to its legal counsel and tax/accounting advisor, and to the Subsidiary or Affiliate for which the Participant performs Services.

25. Canadian Tax Treatment. This Agreement is intended to comply with and be subject to the provisions of section 7 of the *Income Tax Act* (Canada) ("**Canadian Tax Act**") and shall be construed and interpreted in accordance with such intent. The Company reserves the right to amend this Agreement to the extent it reasonably determines is necessary in order to avoid any adverse tax consequences under the Canadian Tax Act. Notwithstanding anything to the contrary, none of the Company, its officers, directors, employees, agents or representatives guarantees that this Agreement complies with or is subject to the provisions of section 7 of the Canadian Tax Act and none of the foregoing shall have any liability for the failure of this Agreement to comply with, or be subject to the provisions of section 7 of the Canadian Tax Act.

EXHIBIT 10.5

CANADIAN EMPLOYEE FORM

TERRESTRIAL ENERGY INC.
2025 EQUITY INCENTIVE PLAN
NOTICE OF OPTION GRANT

You are hereby provided this Notice of Option Grant (this "***Grant Notice***") for the following option grant (the "***Option***") to purchase Shares under the Terrestrial Energy Inc. 2025 Equity Incentive Plan (the "***Plan***"). All capitalized terms in this Grant Notice shall have the meaning assigned to them in this Grant Notice or the attached Option Agreement, or if not defined herein or therein, in the Plan.

Optionholder: _____

Grant Date: _____

Vesting Commencement Date: _____

Option Price: $_____ per Share

Number of Shares: _____ Shares

Expiration Date: Tenth Anniversary of the Grant Date

Vesting Schedule: Optionholder shall acquire a vested interest in the Shares as follows:

> [The Option shall become vested as to [_____] of the Shares subject to the Option on the [_____] anniversary of the Vesting Commencement Date, such that the Option is fully vested on the [_____] anniversary of the Vesting Commencement Date, subject to the Optionholder's being in Active Employment or Active Engagement on each such vesting date. If the Optionholder's Termination Date occurs prior to any vesting date, any portion of the Option that had not vested prior to the Termination Date shall be automatically forfeited as of the Termination Date and the Optionholder's right to such portion of the Option shall immediately terminate without any payment or consideration by the Company.]

Optionholder understands and agrees that the Option is granted subject to and in accordance with, and Optionholder agrees to be bound by, the terms of the Plan and the Option Agreement attached hereto. As of the Grant Date, this Grant Notice, the Option Agreement, and the Plan set forth the entire understanding between Optionholder and the Company regarding the Option and supersede all prior oral and written agreements with respect to the Option. The Optionholder acknowledges that there may be adverse tax consequences upon exercise of the Option or disposition of the underlying Shares and that the Optionholder should consult a tax advisor prior to such exercise or disposition. By accepting the Option, Optionholder consents to receive documents governing the Option by electronic delivery and to participate in the Plan through an online or electronic system established and maintained by the Company or another third party designated by the Company from time to time. This Grant Notice may be executed in counterparts, each of which shall be deemed an original but all of which together will constitute one and the same instrument. Counterpart signature pages to this Grant Notice transmitted by facsimile transmission, by electronic mail in portable document format (.pdf), or by any other electronic means intended to preserve the original graphic and pictorial appearance of a document, will have the same effect as physical delivery of the paper document bearing an original signature.

Terrestrial Energy Inc.	**Optionholder**
By:_____	By:_____
Name:_____	Name:_____
Title:_____	Date:_____
Date:_____	

TERRESTRIAL ENERGY INC.
2025 EQUITY INCENTIVE PLAN
OPTION AGREEMENT

This OPTION AGREEMENT (this "***Agreement***") is made between Terrestrial Energy Inc., a Delaware corporation formerly known as "HCM II Acquisition Corp." (the "***Company***"), and the Optionholder indicated in the Grant Notice, under the Company's 2025 Equity Incentive Plan (the "***Plan***"), as of the date set forth in the Grant Notice. This Agreement will be deemed to be signed by the Optionholder on the signing by the Optionholder of the Grant Notice to which it is attached.

1. Definitions.

All capitalized terms in this Agreement and the Grant Notice shall have the meaning assigned to them in this Agreement, or if not defined herein, in the Plan. In the event of any conflict between the terms in this Agreement and the Plan, the terms of the Plan will control. The following definitions shall be in effect under this Agreement:

(a) "***Active Employment***" means in the case of an employee Optionholder, the period during which the Optionholder actively performs work for the Company; but excluding any period that follows or ought to have followed the later of: (a) if required pursuant to the applicable employment standards legislation as amended (the "***ESL***"), the end of the minimum notice of termination period that is required to be provided pursuant to the ESL (if any), or (b) the Optionholder's last day of actively performing work for the Company, whether that period arises from a contractual or common law right. For certainty, "Active Employment" shall be deemed to include any period of vacation or other leave permitted by legislation.

(b) "***Active Engagement***" means any period in which a non-employee Optionholder actively provides services to the Company. For certainty, "Active Engagement" shall exclude any period that follows, or ought to have followed, the Optionholder's last day of actively providing services to the Company;

(c) "***Exercise Agreement***" means the Stock Option Exercise Agreement in the form provided by the Company.

(d) "***Expiration Date***" means the date on which the Option expires as specified in the Grant Notice.

(e) "***Grant Date***" means the date of grant of the Option as specified in the Grant Notice.

(f) "***Grant Notice***" means the Notice of Option Grant accompanying this Agreement pursuant to which Optionholder has been informed of the basic terms of the Option evidenced by this Agreement.

(g) "***Option***" has the meaning given to that term in Section 2 of this Agreement.

(h) "***Option Period***" has the meaning given to that term in Section 3 of this Agreement.

(i) "***Option Price***" means the exercise price payable per Share as specified in the Grant Notice.

(i) "***Termination Date***" means the Optionholder's last day of Active Employment or Active Engagement, as applicable.

2. Grant of Option. The Company hereby grants to Optionholder, as of the Grant Date, an option (this "***Option***") to purchase up to the number of Shares specified in the Grant Notice. The Shares shall be purchasable from time to time during the Option Period at the Option Price.

3. Option Period. Unless otherwise provided in the Grant Notice, the Option shall have a term (the "***Option Period***") that expires on, and the Option shall cease to be outstanding as of, the earliest to occur of:

(a) the Termination Date, in the event of the Optionholder's termination of employment or engagement for Cause;

(b) the date that is three months immediately following the Termination Date, for any reason other than Cause, Disability or death;

(c) the first anniversary of the Termination Date due to termination of Optionholder's employment or engagement due to Disability;

(d) the first anniversary of the Optionholder's death, if the Optionholder dies while in Service or dies during the three- or 12-month periods described in subsections (b) and (c) above; and

(e) the close of business on the Expiration Date.

4. Dates of Exercise. The Option shall become exercisable for the Shares as they become vested pursuant to the vesting schedule specified in the Grant Notice. All vested portions of the Option shall accumulate, and the Option shall remain exercisable for the accumulated vested portions until the Option Period expires, as described in Section 3 above. Unless otherwise provided in the Grant Notice, any unvested portions of the Option shall be forfeited upon the Termination Date.

5. Change in Control. Upon a Change in Control, the Options shall be subject to the provisions of the Plan, and, if applicable, the Grant Notice, regarding a Change in Control.

6. Shareholder Privileges. The Optionholder shall not have any rights as a shareholder with respect to the Shares until the Optionholder becomes the holder of record of such Shares, and no adjustments shall be made for dividends or other distributions or other rights as to which there is a record date preceding the date such Optionholder becomes the holder of record of such Shares.

7. Manner of Exercising Option. To exercise an Option, the Optionholder shall deliver written notice to the Company specifying the number of Shares for which the Option is exercised. In addition, the Optionholder (or any other person or persons exercising the Option) must:

(a) Execute and deliver to the Company the Exercise Agreement.

(b) Pay the aggregate Option Price for the purchased Shares in one or more of the methods provided for in the Plan.

(c) Furnish to the Company appropriate documentation that the person or persons exercising the Option (if other than Optionholder) have the right to exercise the Option.

(d) Execute and deliver to the Company such written representations as may be requested by the Company for it to comply with the requirements of applicable securities laws.

(e) Make appropriate arrangements with the Company for the satisfaction of all applicable income, employment, and other tax withholding requirements applicable to the Option exercise (including any applicable Canadian federal, provincial, territorial withholding requirements on account of taxes or social security contributions).

8. Transfer Restrictions and Repurchase Rights. Optionholder hereby acknowledges and agrees that the Option is subject to certain limitations on transferability as set forth in the Plan.

9. Compliance with Laws and Regulations. The issuance, transfer, vesting and ownership of Shares shall be subject to compliance by the Company and Optionholder with all applicable requirements of federal and state securities laws and with all applicable requirements of any stock exchange on which the Stock may be listed at the time of such issuance or transfer. Optionholder agrees to cooperate with the Company to ensure compliance with such laws and requirements.

10. Common Law Waiver. The Optionholder agrees that they shall have no entitlement to damages or other compensation arising from or related to not receiving any or all of the awards, payments, vesting or benefits that would have accrued to the Optionholder after the Termination Date. For clarity, except for the minimum period of notice of termination required to be provided pursuant to the ESL (if any and if applicable), no period of notice, if any, or payment instead of notice that is given or that ought to have been given under contract or at common law (whether or not imposed by a court), in respect of such termination of employment that follows or is in respect of a period after the Optionholder's Termination Date will be considered as extending the Optionholder's period of employment or engagement or be used for purposes of calculating the Optionholder's entitlement under the Plan, this Agreement or the Grant Notice. The Optionholder waives the right to receive damages or payment in lieu of any forfeited vesting, remuneration or grant that would have accrued during any contractual or common law reasonable notice period that exceeds the Optionholder's minimum statutory notice of termination period beyond that required by the ESL (if any and if applicable).

11. Successors and Assigns. The Company may assign any of its rights under this Agreement. This Agreement shall be binding upon and inure to the benefit of the successors and assigns of the Company. Subject to the restrictions on transfer set forth

herein, this Agreement shall be binding upon Optionholder and Optionholders's heirs, executors, administrators, legal representatives, successors and assigns.

12. Notices. Every notice or other communication relating to this Agreement shall be in writing, and shall be mailed via certified mail or overnight courier, postage prepaid, to the party for whom it is intended at such address as may from time to time be designated by it in a notice mailed or delivered to the other party as herein provided; provided that, unless and until some other address be so designated, all notices or communications by Optionholder to the Company shall be mailed or delivered to the Company at its principal executive office, and all notices or communications by the Company to Optionholder may be given to Optionholder personally or may be mailed to Optionholder at the address as recorded in the records of the Company.

13. Grant Subject to Plan; Exercise Agreement. This Agreement and the Option are made and granted pursuant to the Plan and are in all respects limited by and subject to the terms of the Plan. Optionholder hereby acknowledges and agrees that (a) the Company has made available to Optionholder copies of the Plan and the form of Exercise Agreement and (b) Optionholder has had the opportunity to review such documents and this Agreement and to consult with the Optionholder's individual tax advisor and legal counsel with respect to the same. Optionholder further agrees to be bound by the terms of the Plan and the terms of the Option as set forth in this Agreement. Optionholder understands that any Shares purchased hereunder will be subject to the terms set forth in the Exercise Agreement to be executed by Optionholder and the Company upon any exercise of the Option. In the event of any conflict between this Agreement and the Plan, the provisions of the Plan will control. All decisions of the Committee with respect to any question or issue arising under the Plan or this Agreement shall be conclusive and binding on all persons having an interest in the Option.

14. Severability. The invalidity or unenforceability of any provision of the Plan or this Agreement shall not affect the validity or enforceability of any other provision of the Plan or this Agreement, and each provision of the Plan and this Agreement shall be severable and enforceable to the extent permitted by law.

15. Governing Law. This Agreement shall be governed by and construed in accordance with the substantive laws of the State of Delaware without regard to its conflict of laws principles. If any provision of this Agreement is determined by a court of law to be illegal or unenforceable, then such provision will be enforced to the maximum extent possible and the other provisions will remain fully effective and enforceable.

16. Shareholder Approval. If the Shares covered by this Agreement exceed, as of the Grant Date, the number of Shares which may be issued under the Plan as last approved by the Company's shareholders, then the Option shall be void with respect to such excess Shares, unless shareholder approval of an amendment sufficiently increasing the number of Shares issuable under the Plan is obtained in accordance with the provisions of the Plan.

17. Discretionary Nature of Plan. The Plan is discretionary and may be amended, cancelled or terminated by the Company at any time, in its discretion. The grant of the Options hereunder does not create any contractual right or other right to receive any Options or other Awards in the future. Future Awards, if any, will be at the sole discretion of the Company. Any amendment, modification, or termination of the Plan shall not constitute a change or impairment of the terms and conditions of the Optionholder's employment with or engagement by the Company or its Affiliates.

18. Amendment. The Committee has the right to amend, alter, suspend, discontinue or cancel this Agreement; provided, that, no such amendment shall materially and adversely affect Optionholder's rights under this Agreement without Optionholder's consent.

19. Waiver. Any provision contained in this Agreement may be waived, either generally or in any particular instance, by the Committee, but only to the extent permitted under the Plan.

20. No Guarantee. Neither the Plan nor this Agreement shall confer upon Optionholder any right to continued employment or engagement or a promise of future employment or engagement with Company or any Affiliate. Further, nothing in the Plan or this Agreement shall be construed to limit the discretion of the Company to terminate Optionholder's employment or engagement at any time, with or without Cause.

21. Withholding.

(a) The Company's obligations to deliver Shares upon the exercise of the Option shall be subject to the Optionholder's satisfaction of all applicable federal, state and local income and other tax withholding requirements (as well as any applicable Canadian federal, provincial, territorial withholding requirements on account of taxes or social security contributions). Upon exercise of the Option, the Optionholder shall make appropriate arrangements with the Company to provide for the amount of withholding required by Sections 3102 and 3402 of the Code and applicable state income tax laws (as well as any applicable Canadian federal, provincial, territorial withholding requirements on account of taxes or social security contributions). The Committee may, in its

sole discretion, permit the Optionholder to pay all such amounts of tax withholding, or any part thereof, by electing (i) to tender a cash payment, (ii) to have the Company withhold from Shares otherwise issuable to the Optionholder a number of Shares having a value equal to the amount required to be withheld or such lesser amount as may be elected by the Optionholder; provided however, that the number of Shares so withheld shall not exceed the maximum amount required to be withheld (or such lesser amount as may be necessary to avoid classification as a liability under applicable accounting standards), or (iii) to transfer to the Company a number of Shares that were acquired by the Optionholder more than six months prior to the transfer to the Company and that have a value equal to the amount required to be withheld or such lesser amount as may be elected by the Optionholder. All elections shall be subject to the approval or disapproval of the Committee. The value of the Shares to be withheld shall be based on the Fair Market Value of the Shares on the date that the amount of tax to be withheld is to be determined (the "***Tax Date***"). Any such election by the Optionholder to have Shares withheld for this purpose will be subject to the following restrictions: (x) all elections must be made prior to the Tax Date; (y) all elections shall be irrevocable; (z) if the Optionholder is an officer or director of the Company within the meaning of Section 16 of the Securities Exchange Act of 1934, as it may be amended from time to time, ("***Section 16***"), the Optionholder must satisfy the requirements of Section 16 and any applicable rules thereunder with respect to the use of Shares to satisfy such tax withholding obligation.

(b) Notwithstanding any action the Company takes with respect to any or all income tax, social insurance, payroll tax, or other tax-related withholding (other than the employer portion of any such amounts) ("***Tax-Related Items***"), the ultimate liability for all Tax-Related Items is and remains the Optionholder's responsibility and the Company (i) makes no representation or undertakings regarding the treatment of any Tax-Related Items in connection with the grant, vesting or exercise of the Options or the subsequent sale of any Shares; and (ii) does not commit to structure the Options to reduce or eliminate the Optionholder's liability for Tax-Related Items.

22. Clawback. In accordance with Section 13.6 of the Plan, by accepting the Option, Optionholder acknowledges that Optionholder is fully bound by, and subject to all of the terms and conditions of, the Clawback Policy, and Optionholder agrees to abide by the terms of the Clawback Policy. To the extent that the Board determines that all or a portion of the Option or the Shares issued on exercise of the Option must be cancelled, forfeited, repaid, or otherwise recovered by the Company, Optionholder shall promptly take whatever action is necessary to effectuate such cancellation, forfeiture, repayment, or recovery. In the event of any conflict between the terms of the Clawback Policy and the terms of the Plan or this Agreement, the terms of the Clawback Policy shall govern.

23. No Obligation to Notify. The Company shall have no duty or obligation to Optionholder to advise as to the time or manner of exercising his or her Option. Furthermore, the Company shall have no duty or obligation to warn or otherwise advise Optionholder of a pending termination or expiration of an Option or a possible period in which the Option may not be exercised. The Company has no duty or obligation to minimize the tax consequences of an Option to the Optionholder.

24. No Advice Regarding Grant. The Company is not providing any tax, legal or financial advice, nor is the Company making any recommendations regarding Optionholder's participation in the Plan, or Optionholder's acquisition or sale of the underlying Shares. Optionholder is hereby advised to consult with his or her personal tax, legal, and financial advisors regarding his or her participation in the Plan before taking any action related to the Plan. Optionholder has reviewed with his or her tax advisors the U.S. federal, state, and local tax consequences of this investment and the transactions contemplated by this Agreement. With respect to such matters, Optionholder relies solely on such advisors and not on any statements or representations of the Company or any of its agents, written or oral. Optionholder understands that Optionholder (and not the Company) shall be responsible for Optionholder's own tax liability that may arise as a result of this investment or the transactions contemplated by this Agreement.

25. Section 409A. This Agreement is intended to comply with, or be exempt from, the provisions of Section 409A of the Code and shall be construed and interpreted in accordance with such intent. The Company reserves the right to amend this Agreement to the extent it reasonably determines is necessary in order to avoid any adverse tax consequences under Section 409A of the Code. Notwithstanding anything to the contrary, none of the Company, its officers, directors, employees, agents or representatives guarantees that this Agreement complies with, or is exempt from, the provisions of Section 409A of the Code and none of the foregoing shall have any liability for the failure of this Agreement to comply with, or be exempt from, the provisions of Section 409A of the Code.

26. Canadian Tax Treatment. This Agreement is intended to comply with and be subject to the provisions of section 7 of the *Income Tax Act* (Canada) ("**Canadian Tax Act**") and shall be construed and interpreted in accordance with such intent. The Company reserves the right to amend this Agreement to the extent it reasonably determines is necessary in order to avoid any adverse tax consequences under the Canadian Tax Act. Notwithstanding anything to the contrary, none of the Company, its officers, directors, employees, agents or representatives guarantees that this Agreement complies with or is subject to the provisions of section 7 of the Canadian Tax Act and none of the foregoing shall have any liability for the failure of this Agreement to comply with, or be subject to the provisions of section 7 of the Canadian Tax Act.

27. No Impact on Other Benefits. Unless otherwise required by the ESL, the value of the Options shall not be part of the Optionholder's normal or expected compensation for purposes of calculating any severance, retirement, welfare, insurance or similar employee benefit unless such benefit explicitly provides for inclusion of the applicable value.

28. Data Privacy. Optionholder hereby explicitly and unambiguously consents to the collection, use and transfer, whether in electronic or other form, of Optionholder's Personal Data (as described below) by and among, as applicable, the Company and any Subsidiary or Affiliate or third parties as may be selected by the Company for the exclusive purpose of implementing, administering, and managing Optionholder's participation in the Plan. Optionholder understands that refusal or withdrawal of consent will affect Optionholder's ability to participate in the Plan; without providing consent, Optionholder will not be able to participate in the Plan or realize benefits (if any) from the Option. Optionholder understands that the Company and any Subsidiary or Affiliate or designated third parties may hold personal information about Optionholder, including, but not limited to, Optionholder's name, home address and telephone number, date of birth, social insurance number or other identification number, salary, nationality, job title, any shares of stock or directorships held in the Company or any Subsidiary or Affiliate, details of all Options or any other entitlement to Shares awarded, canceled, exercised, vested, unvested or outstanding in Optionholder's favor ("***Personal Data***"). Optionholder understands that Personal Data may be transferred to any Subsidiary or Affiliate or third parties assisting in the implementation, administration and management of the Plan, that these recipients may be located in the United States, Optionholder's country of residence, or elsewhere, and that the recipient's country may have different data privacy laws and protections than Optionholder's country of residence. In particular, the Company may transfer Personal Data to the broker or stock plan administrator assisting with the Plan, to its legal counsel and tax/accounting advisor, and to the Subsidiary or Affiliate that is Optionholder's employer and its payroll provider.

Exhibit 31.1

CERTIFICATION OF PRINCIPAL EXECUTIVE OFFICER
PURSUANT TO RULE 13a-14(a) AND RULE 15d-14(a)
UNDER THE SECURITIES EXCHANGE ACT OF 1934,
AS ADOPTED PURSUANT TO
SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Simon Irish, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Terrestrial Energy Inc.;

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 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 officer 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 registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an 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 officer 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 the 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 control 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: May 14, 2026

By: /s/ Simon Irish
Simon Irish
Chief Executive Officer
(Principal Executive Officer)

Exhibit 31.2

CERTIFICATION OF PRINCIPAL FINANCIAL OFFICER
PURSUANT TO RULE 13a-14(a) AND RULE 15d-14(a)
UNDER THE SECURITIES EXCHANGE ACT OF 1934,
AS ADOPTED PURSUANT TO
SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Brian Thrasher, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Terrestrial Energy Inc.;

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 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 officer 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 registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an 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 officer 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 the 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 control 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: May 14, 2026

By: /s/ Brian Thrasher
Brian Thrasher
Chief Financial Officer
(Principal Financial Officer)

EXHIBIT 32.1

CERTIFICATION OF PRINCIPAL EXECUTIVE OFFICER
PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report on Form 10-Q of Terrestrial Energy Inc. (the "**Company**") for the quarterly period ended March 31, 2026, as filed with the Securities and Exchange Commission on the date hereof (the "**Report**"), I, Simon Irish, Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to my knowledge:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and

2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company as of and for the period covered by the Report.

Date: May 14, 2026

By: /s/ Simon Irish
Simon Irish
Chief Executive Officer
(Principal Executive Officer)

EXHIBIT 32.2

CERTIFICATION OF PRINCIPAL FINANCIAL OFFICER
PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report on Form 10-Q of Terrestrial Energy Inc. (the "**Company**") for the quarterly period ended March 31, 2026, as filed with the Securities and Exchange Commission on the date hereof (the "**Report**"), I, Brian Thrasher, Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to my knowledge:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and

2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company as of and for the period covered by the Report.

Date: May 14, 2026

By: /s/ Brian Thrasher
Brian Thrasher
Chief Financial Officer
(Principal Financial Officer)