



# **LEADING EDGE MATERIALS CORP.**

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS  
FOR THE SIX MONTHS ENDED  
APRIL 30, 2026

*(Expressed in Canadian Dollars)*

**NOTICE OF NO AUDITOR REVIEW OF  
CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

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

The accompanying unaudited condensed interim financial statements of the Company have been prepared by and are the responsibility of the Company's management.

The Company's auditors have not performed a review of these condensed consolidated interim financial statements in accordance with the standards established by the Chartered Professional Accountants of Canada for a review of interim financial statements by an entity's auditor.

**LEADING EDGE MATERIALS CORP.**  
**CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**  
*(Expressed in Canadian Dollars)*

	Note	April 30, 2026 \$	October 31, 2025 \$
<b>ASSETS</b>			
<b>Current assets</b>			
Cash		553,800	1,860,654
GST/VAT receivables		140,990	244,939
Prepaid expenses		149,172	142,811
Investments	3	-	29,167
<b>Total current assets</b>		<b>843,962</b>	<b>2,277,571</b>
<b>Non-current assets</b>			
Exploration and evaluation assets	4	23,499,284	22,382,097
Property, plant and equipment	5	5,323,951	5,616,789
Reclamation deposit	6	162,322	162,696
Right-of-use asset	5	23,439	29,536
<b>Total non-current assets</b>		<b>29,008,996</b>	<b>28,191,118</b>
<b>TOTAL ASSETS</b>		<b>29,852,958</b>	<b>30,468,689</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Accounts payable and accrued liabilities		291,593	384,380
Lease liability		12,881	12,755
<b>Total Current liabilities</b>		<b>304,474</b>	<b>397,135</b>
<b>Non-current liabilities</b>			
Provision for site restoration	6	5,236,259	5,444,696
Property acquisition obligation	4(a), 5	589,342	593,392
Lease liability		12,662	18,764
<b>Total non-current liabilities</b>		<b>5,838,263</b>	<b>6,056,852</b>
<b>TOTAL LIABILITIES</b>		<b>6,142,737</b>	<b>6,453,987</b>
<b>SHAREHOLDERS' EQUITY</b>			
Share capital	7	67,448,643	66,659,743
Share-based payments reserve	7(d)	10,934,346	9,924,182
Deficit		(54,672,768)	(52,569,223)
<b>TOTAL SHAREHOLDERS' EQUITY</b>		<b>23,710,221</b>	<b>24,014,702</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>		<b>29,852,958</b>	<b>30,468,689</b>

**Nature of Operations and Going Concern - Note 1**

These consolidated financial statements were approved for issue by the Board of Directors on June 19, 2026 and are signed on its behalf by:

/s/Eric Krafft  
Eric Krafft  
Director

/s/Daniel Major  
Daniel Major  
Director

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

**LEADING EDGE MATERIALS CORP.**  
**CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS**

*(Expressed in Canadian Dollars)*

	Notes	Three Months Ended		Six Months Ended	
		April 30,		April 30,	
		2026	2025	2026	2025
		\$	\$	\$	\$
<b>Expenses</b>					
Accretion of provision for site restoration	6	33,184	32,218	66,368	64,436
Corporate development		14,502	27,232	67,511	110,506
Depreciation		28,784	12,754	57,310	24,567
Directors and officer's compensation	8(a)	73,490	78,270	147,210	155,779
Research, development and general exploration	4	46,697	77,449	94,147	139,957
Accounting and audit	8(b)	47,533	40,690	93,846	112,237
General and administration		27,314	20,642	73,828	57,853
Listing and regulatory costs		62,886	56,994	127,365	106,939
Operations		97,437	60,957	190,478	138,876
Salaries, compensation and benefits		61,628	41,695	104,900	79,220
Professional fees		60,358	4,886	104,698	10,856
Share based compensation	8(a)	804,590	585,529	1,010,164	714,821
Travel		23,314	31,086	35,009	50,392
		<u>1,381,717</u>	<u>1,070,402</u>	<u>2,172,834</u>	<u>1,766,439</u>
<b>Loss before other items</b>		<u>(1,381,717)</u>	<u>(1,070,402)</u>	<u>(2,172,834)</u>	<u>(1,766,439)</u>
<b>Other items</b>					
Interest income		2,393	12,286	9,366	37,762
Foreign exchange gain/(loss)		(4,429)	(117,063)	37,052	(115,373)
Mark to market adjustment loss		-	(5,969)	-	(6,632)
Gain on sale of investment		-	-	(3,311)	-
Other Income		26,155	1,980	26,182	2,298
		<u>24,119</u>	<u>(108,766)</u>	<u>69,289</u>	<u>(81,945)</u>
<b>Net loss and comprehensive loss</b>		<u>(1,357,598)</u>	<u>(1,179,168)</u>	<u>(2,103,545)</u>	<u>(1,848,384)</u>
<b>Loss per share - basic and diluted</b>		<u>(\$0.01)</u>	<u>(\$0.01)</u>	<u>(\$0.01)</u>	<u>(\$0.01)</u>
<b>Weighted average number of common shares outstanding - basic and diluted</b>		<u>256,530,449</u>	<u>232,112,501</u>	<u>252,072,769</u>	<u>232,112,501</u>

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

**LEADING EDGE MATERIALS CORP.**  
**CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY**  
*(Expressed in Canadian Dollars)*

**Six Months Ended April 30, 2026**

	<b>Share Capital</b>		<b>Share- Based Payments Reserve</b>	<b>Deficit</b>	<b>Total Equity</b>
	<b>Number of Shares</b>	<b>Amount \$</b>			
<b>Balance as at October 31, 2025</b>	<b>250,550,449</b>	<b>66,659,743</b>	<b>9,924,182</b>	<b>(52,569,223)</b>	<b>24,014,702</b>
Common shares issued for:					
Stock options Exercised	5,980,000	788,900	-	-	788,900
Share-based compensation	-	-	1,010,164	-	1,010,164
Net loss for the period	-	-	-	(2,103,545)	(2,103,545)
<b>Balance at April 30, 2026</b>	<b>256,530,449</b>	<b>67,448,643</b>	<b>10,934,346</b>	<b>(54,672,768)</b>	<b>23,710,221</b>

**Six Months Ended April 30, 2025**

	<b>Share Capital</b>		<b>Share- Based Payments Reserve</b>	<b>Deficit</b>	<b>Total Equity</b>
	<b>Number of Shares</b>	<b>Amount \$</b>			
<b>Balance at October 31, 2024</b>	<b>232,061,949</b>	<b>63,697,686</b>	<b>8,792,714</b>	<b>(49,352,658)</b>	<b>23,137,742</b>
Common shares issued for:					
Warrants Exercised	150,000	30,000	-	-	30,000
Share-based compensation	-	-	714,821	-	714,821
Net loss for the period	-	-	-	(1,848,384)	(1,848,384)
<b>Balance at April 30, 2025</b>	<b>232,211,949</b>	<b>63,727,686</b>	<b>9,507,535</b>	<b>(51,201,042)</b>	<b>22,034,179</b>

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

**LEADING EDGE MATERIALS CORP.**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**

*(Expressed in Canadian Dollars)*

	<b>Three Months Ended</b>		<b>Six Months Ended</b>	
	<b>April 30,</b>		<b>April 30,</b>	
	<b>2026</b>	<b>2025</b>	<b>2026</b>	<b>2025</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>Operating activities</b>				
Net loss for the period	(1,357,598)	(1,179,168)	(2,103,545)	(1,848,384)
Adjustments for:				
Accretion of provision for site restoration	33,184	32,218	66,368	64,436
Depreciation	28,784	12,754	57,310	24,567
Foreign exchange	(19,239)	39,858	(3,677)	42,682
Mark to market adjustment loss	-	5,969	-	6,632
Gain/loss on sale of Investment	-	-	3,311	-
Share based compensation	804,590	585,529	1,010,164	714,821
Changes in non-cash working capital items:				
GST/VAT and other receivables	6,894	48,479	103,949	193,713
Prepaid expenses and other	11,886	5,309	(6,361)	20,889
Accounts payable and accrued liabilities	(218,815)	31,538	(92,787)	(246,458)
<b>Net cash from (used in) operating activities</b>	<b>(710,314)</b>	<b>(417,514)</b>	<b>(965,268)</b>	<b>(1,027,102)</b>
<b>Investing activity</b>				
Expenditures on exploration and evaluation assets	(537,280)	(485,862)	(1,117,187)	(1,129,514)
Proceeds from sale of investment	-	-	25,856	-
Additions to property, plant and equipment	-	(42,456)	(33,181)	(44,780)
<b>Net cash from (used in) investing activity</b>	<b>(537,280)</b>	<b>(528,318)</b>	<b>(1,124,512)</b>	<b>(1,174,294)</b>
<b>Financing activities</b>				
Issuance of common shares	788,900	30,000	788,900	30,000
Repayment of lease liabilities	(3,025)	-	(5,974)	-
<b>Net cash provided by financing activities</b>	<b>785,875</b>	<b>30,000</b>	<b>782,926</b>	<b>30,000</b>
<b>Net change in cash</b>	<b>(461,719)</b>	<b>(915,832)</b>	<b>(1,306,854)</b>	<b>(2,171,396)</b>
<b>Cash at beginning of the period</b>	<b>1,015,519</b>	<b>2,204,653</b>	<b>1,860,654</b>	<b>3,460,217</b>
<b>Cash at end of the period</b>	<b>553,800</b>	<b>1,288,821</b>	<b>553,800</b>	<b>1,288,821</b>

**Supplemental cash flow information** - See Note 11

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

**LEADING EDGE MATERIALS CORP.**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE SIX MONTHS ENDED APRIL 30, 2026 AND 2025**  
*(Expressed in Canadian Dollars)*

**1. Nature of Operations and Going Concern**

The Company is a Canadian public company primarily focused on developing a portfolio of critical raw material projects located in the European Union. The portfolio of projects includes the 100% owned Woxna Graphite mine (Sweden), the 100% owned Norra Kärr Heavy Rare Earths Elements ("HREE") project (Sweden) and the 90% owned Bihor Sud Nickel Cobalt exploration alliance (Romania). The Company's common shares trade on the TSX Venture Exchange (the "TSXV") under the symbol "LEM", on the OTCQB under the symbol "LEMIF", on NASDAQ First North under the symbol "LEMSE" and in Frankfurt under the symbol "7FL". The Company's principal office is located at 14th Floor 1040 West Georgia Street, Vancouver, BC Canada V6E 4H1.

During the six months ended April 30, 2026, the Company recorded a net loss of \$2,103,545 and, as at April 30, 2026, the Company had an accumulated deficit of \$54,672,768 and working capital of \$539,488.

The Company currently lacks sufficient financial resources to fund its operations and meet its obligations for the next twelve months from the date these financial statements are issued. Continued operations are dependent on the Company's ability to secure additional financing.

Management is actively pursuing several options to address this liquidity shortfall, including raising capital through public or private equity financing (including a potential financing under the listed issuer financing exemption), and implementing cost-control measures to reduce operating cash burn. After the reporting date, a director and significant shareholder exercised stock options. Long-term corner stone shareholder has indicated an intention to provide continued financial support to the Company. The exercise prices of certain other stock options and warrants outstanding (Note 7) may also provide an incentive for holders to exercise these instruments, which, if exercised, would result in additional capital being raised. The Company has, in prior periods, faced similar funding requirements and has been successful in securing the financing necessary to continue its activities, and management believes it can do so again.

In addition, the Company is awaiting a final decision on the Norra Kärr mining licence from the Swedish Government. In March 2026, the Mining Inspectorate recommended that the Company's application should be approved. This followed the positive consultation responses from the County Administrative Boards ("CABs") of Jönköping and Östergötland in December last year. Norra Kärr remains Europe's most advanced heavy rare earth dysprosium project and management believes that the granting of the mining licence should improve the Company's ability to attract financing on acceptable terms.

There is no assurance that any such additional capital will be available to the Company on acceptable terms, that outstanding options or warrants will be exercised, that the mining licence will be granted, or that the indicated shareholder support will be formalised. Accordingly, the Company will restrict its activities until further financing is completed. These conditions indicate the existence of material uncertainties that may cast significant doubt about the Company's ability to continue as a going concern.

These consolidated financial statements are prepared in accordance with IFRS Accounting Standards ("IFRS") appropriate for a going concern. The going concern basis of accounting assumes the Company will continue to realize the value of its assets and discharge its liabilities and other obligations in the ordinary course of business. Should the Company be required to realize the value of its assets in other than the ordinary course of business, the net realizable value of its assets may be materially less than the amounts shown in the consolidated financial statements. These consolidated financial statements do not include any adjustments to the amounts and classifications of assets and liabilities that may be necessary should the Company be unable to repay its liabilities and meet its other obligations in the ordinary course of business or continue operations.

**LEADING EDGE MATERIALS CORP.**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE SIX MONTHS ENDED APRIL 30, 2026 AND 2025**  
*(Expressed in Canadian Dollars)*

**2. Basis of Preparation**

***Statement of Compliance***

These consolidated financial statements have been prepared in accordance with IFRS Accounting Standards ("IFRS"), as issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC").

***Basis of Measurement***

The Company's consolidated financial statements have been prepared on the historical cost basis except for the revaluation of certain financial assets and financial liabilities to fair value. The consolidated financial statements are presented in Canadian dollars unless otherwise noted.

***Details of the Group***

In addition to the Company, the consolidated financial statements include all subsidiaries. Subsidiaries are all entities over which the Company is able, directly or indirectly, to control financial and operating policies, which is the authority usually connected with holding majority voting rights. Subsidiaries are fully consolidated from the date on which control is acquired by the Company. Inter-company transactions and balances are eliminated upon consolidation. They are deconsolidated from the date that control by the Company ceases.

The subsidiaries of the Company are as follows:

<b><u>Company</u></b>	<b><u>Location of Incorporation</u></b>	<b><u>Ownership Interest</u></b>
Flinders Holdings Limited ("Flinders Holdings")	British Columbia	100%
Woxna Graphite AB ("Woxna")	Sweden	100%
Tasman Metals Ltd.	British Columbia	100%
GREENNA Mineral AB (Formerly "Tasman Metals AB")	Sweden	100%
LEM Resources SRL ("LEM Romania") (See Note 14)	Romania	51%

**LEADING EDGE MATERIALS CORP.**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE SIX MONTHS ENDED APRIL 30, 2026 AND 2025**  
*(Expressed in Canadian Dollars)*

**3. Investments**

Investments held by the Company are as follows:

<b>Particulars</b>	<b>April 30, 2026 \$</b>	<b>October 31, 2025 \$</b>
Shares in United Lithium Corp. (ULTH) (2025: 91,147)	-	29,167
<b>Total</b>	<b>-</b>	<b>29,167</b>

The investment in United Lithium Corp was revalued with level 1 input at each reporting date.

**4. Exploration and Evaluation Assets**

	<b>As at April 30, 2026</b>			<b>As at October 31, 2025</b>		
	<b>Acquisition Costs \$</b>	<b>Deferred Exploration Costs \$</b>	<b>Total \$</b>	<b>Acquisition Costs \$</b>	<b>Deferred Exploration Costs \$</b>	<b>Total \$</b>
Graphite Concessions	10,081	4,706	14,787	10,081	4,706	14,787
Norra Kärr	15,402,622	3,471,244	18,873,866	15,402,622	2,843,862	18,246,484
Romania	187,999	4,422,632	4,610,631	187,999	3,932,827	4,120,826
	<b>15,600,702</b>	<b>7,898,582</b>	<b>23,499,284</b>	<b>15,600,702</b>	<b>6,781,395</b>	<b>22,382,097</b>
		<b>Graphite concessions \$</b>	<b>Norra Karr \$</b>	<b>Romania \$</b>	<b>Total \$</b>	
<b>Balance at October 31, 2024</b>	<b>14,787</b>	<b>17,334,704</b>	<b>2,542,761</b>	<b>19,892,252</b>		
<b>Costs</b>						
Additions during the year	-	911,780	1,578,065	2,489,845		
<b>Balance at October 31, 2025</b>	<b>14,787</b>	<b>18,246,484</b>	<b>4,120,826</b>	<b>22,382,097</b>		
<b>Costs</b>						
Additions during the year	-	627,382	489,805	1,117,187		
<b>Balance at April 30, 2026</b>	<b>14,787</b>	<b>18,873,866</b>	<b>4,610,631</b>	<b>23,499,284</b>		

**LEADING EDGE MATERIALS CORP.**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE SIX MONTHS ENDED APRIL 30, 2026 AND 2025**  
*(Expressed in Canadian Dollars)*

**4. Exploration and Evaluation Assets (continued)**

(a) *Graphite Concessions*

Through Woxna, the Company holds a 100% interest in the Woxna Graphite Mine and the Kringelgruvan concession. The Woxna Graphite Mine is in Ovanaker Municipality, Gavleborg County, central Sweden.

In 1993 Woxna entered into agreements under which it acquired:

- (i) the Kringelgruvan concession for an initial payment of SEK 150,000 and a further payment of SEK 4,000,000 (the "Property Acquisition Obligation"); and
- (ii) the Mattsmyra, Gropabo and Mansberg concessions (the "Graphite Concessions") for an initial payment of SEK 32,500 and a further payment of SEK 1,000,000 on each of the three concessions (the "Additional Consideration"). These concessions have all expired.

During fiscal 2014 the technical feasibility and commercial viability of the Kringelgruvan concession and the Woxna Graphite Mine was demonstrated, transitioning the Kringelgruvan concession to the development stage of mining. Accordingly, the costs of the exploration and evaluation assets attributed to the Kringelgruvan concession and the Woxna Graphite Mine were reclassified to property, plant and equipment. See also Note 6.

(b) *Norra Kärr*

The Norra Kärr Property consists of an exploration permit (Norra Kärr nr 1), valid until August 31, 2026, located in south-central Sweden. On March 10, 2026, the Mining Inspectorate submitted the Company's application for an Exploitation Concession to the Swedish Government for a final decision. The Mining Inspectorate itself recommended in its decision that the application should be approved. This followed the positive consultation responses from the County Administrative Boards ("CABs") of Jönköping and Östergötland in December last year.

(c) *Romania Exploration Alliance*

In fiscal 2017 the Company and REMAT Group Management SRL ("REMAT") agreed to pursue the investigation and initiation of a prospecting permit application over the Bihor Sud perimeter in Romania. REMAT proceeded to incorporate LEM Resources SRL ("LEM Romania") in fiscal 2017. LEM Romania successfully applied for a non-exclusive prospecting permit (the "Permit") over 25.5 square kilometers in the Bihor area (the "Project"). On August 9, 2018, the Company and REMAT completed a share purchase agreement (the "Share Purchase Agreement") and executed a shareholders' joint venture agreement (the "JV Agreement") whereby the Company acquired an initial 51% ownership interest (the "Initial Interest") in LEM Romania, by issuing 367,006 common shares of the Company at a fair value of \$165,152. As LEM Romania had no assets or liabilities at the time of acquisition of the initial interest, the Company recorded the initial consideration as general exploration expenses. A finder's fee of 5% (the "Finder's Fee") related to the Project will be paid in stages.

Under the JV Agreement the Company has agreed to issue to REMAT certain amounts of shares in the Company upon different milestones being achieved (the "Bonus Shares") as per below;

- (i) 550,509 shares upon the signing of an exploration license; (Issued on May 27, 2022)
- (ii) A maximum of 3,670,062 shares upon identification of any historic Ni-Co and/or Ag-base metal mineral resource estimates at various tonnage thresholds.
- (iii) 734,012 shares upon the filing of a NI 43-101 technical report that establishes a mineral resource on any portion of the Project, with an additional maximum 4,404,072 shares subject to such Ni-Co and/or Ag-base metal mineral resource meeting various tonnage thresholds; and
- (iv) 917,515 shares upon the filing of a Feasibility Study technical report.

Under the JV Agreement, upon the filing of a Feasibility Study technical report REMAT will transfer 39% in LEM Romania to the Company free of any payment bringing the Company's ownership in LEM Romania to 90%.

**LEADING EDGE MATERIALS CORP.**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE SIX MONTHS ENDED APRIL 30, 2026 AND 2025**  
*(Expressed in Canadian Dollars)*

**4. Exploration and Evaluation Assets (continued)**

On May 17, 2022, the company signed the Bihor Sud Exploration License between LEM Romania and the National Agency for Mineral Resources, accordingly exploration and evaluation costs for the project will now be capitalized. On May 27, 2022, the company issued 550,509 shares to REMAT at a fair value of \$178,916 and issued 27,525 common shares at a fair value of \$9,083 as Finder's Fee, this consideration is capitalized as acquisition cost for LEM Romania.

Under the provisions of the Romanian mining legislation, the Company is required to submit an annual technical/scientific report and exploration budget for the upcoming year to the Romanian Mining Authority. The Company did not make the required submission during the fiscal year as the Company is awaiting government clearance to submit the documents. As a result, the Romanian Mining Authority has the right to revoke the concession at its discretion. Management does not expect this matter to have an adverse impact on the exploration license and is working with the Romanian Mining Authority to submit the required documents. Management has also considered this matter in its assessment of impairment indicators and determined no impairment was required. See Note 13.

**5. Property, Plant and Equipment**

<b>Cost:</b>	<b>Vehicles \$</b>	<b>Equipment and Tools \$</b>	<b>Building \$</b>	<b>Manufacturing and Processing Facility \$</b>	<b>Mineral Property Acquisition and Development Costs \$</b>	<b>Right Of Use Asset \$</b>	<b>Total \$</b>
Balance at October 31, 2024	16,094	443,116	344,139	7,567,878	6,484,182	-	14,855,409
Addition	-	40,561	-	-	-	42,613	83,174
Adjustment to site restoration	-	-	-	-	194,449	-	194,449
Balance at October 31, 2025	16,094	483,677	344,139	7,567,878	6,678,631	42,613	15,133,032
Addition	-	33,181	-	-	-	-	33,181
Adjustment to site restoration	-	-	-	-	(274,805)	-	(274,805)
<b>Balance at April 30, 2026</b>	<b>16,094</b>	<b>516,858</b>	<b>344,139</b>	<b>7,567,878</b>	<b>6,403,826</b>	<b>42,613</b>	<b>14,891,408</b>
<b>Accumulated Depreciation and Impairment:</b>							
Balance at October 31, 2024	(6,174)	(268,414)	(217,514)	(3,910,218)	(5,000,000)	-	(9,402,320)
Depreciation	(2,266)	(35,254)	(33,790)	-	-	(13,077)	(84,387)
Balance at October 31, 2025	(8,440)	(303,668)	(251,304)	(3,910,218)	(5,000,000)	(13,077)	(9,486,707)
Depreciation	(1,627)	(25,320)	(24,267)	-	-	(6,097)	(57,311)
<b>Balance at April 30, 2026</b>	<b>(10,067)</b>	<b>(328,988)</b>	<b>(275,571)</b>	<b>(3,910,218)</b>	<b>(5,000,000)</b>	<b>(19,174)</b>	<b>(9,544,018)</b>
<b>Carrying Value :</b>							
Balance at October 31, 2025	7,654	180,009	92,835	3,657,660	1,678,631	29,536	5,646,325
Balance at April 30, 2026	6,027	187,870	68,568	3,657,660	1,403,826	23,439	5,347,390

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**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE SIX MONTHS ENDED APRIL 30, 2026 AND 2025**  
*(Expressed in Canadian Dollars)*

**5. Property, Plant and Equipment** (continued)

During fiscal 2014 technical feasibility and commercial viability of the extraction of mineral resources at the Woxna Graphite Mine was demonstrated, transitioning the Company to the development stage of mining. Upon the transition, costs on the exploration and evaluation assets attributed to the mine were reclassified to property, plant and equipment. On August 1, 2015, the refurbishment and commissioning of the Woxna Graphite Mine was completed.

During fiscal 2019 management assessed whether there were any indications of impairment of the Company's property, plant and equipment as required by IAS 36. In light of the continued suspension of the operations of the Woxna Graphite Mine, large net loss and the low trading value of the Company's common shares, management concluded there were indications of impairment.

When indications of impairment are determined to be present, IAS 36 requires the Company to estimate the recoverable amount of the Company's property, plant and equipment. The Company did not have sufficient verifiable information to prepare adequately detailed and meaningful calculations of fair value less costs of disposal or value in use. Therefore, the Company applied a value in use method that took into account the Company's financial position and results of operations and operational issues among other factors in determining an estimated recoverable amount. This method indicated that an impairment provision of \$8,800,000 was appropriate in fiscal 2019.

As at April 30, 2026 the Company has recognized \$589,342 (October 31, 2025 - \$593,392) for the Property Acquisition Obligation associated with the Kringelgruvan concession, as described in Note 5(a)(i).

**6. Provision for Site Restoration**

Although the ultimate amount of the decommissioning obligation for the Kringelgruvan concession is uncertain, the fair value of this obligation is based on information currently available. Significant closure activities include land rehabilitation, demolition of buildings and mine facilities and other costs. The provision for site restoration may be subject to change based on management's current estimates, changes in remediation technology or changes to the applicable laws and regulations. The total undiscounted amount of estimated cash flows to settle the Company's risk adjusted estimated obligation is SEK 40,000,000 and is expected to be incurred in 2041.

The fair value of the decommissioning obligation was calculated using a discounted cash flow approach based on a risk-free rate of 2.78% (2025 - 2.55%) and an inflation factor of 2.0% (2025 - 2.0%) Settlement of the obligation is expected to be funded from general corporate funds at the time of decommissioning. Changes to the decommissioning obligation were as follows:

	<b>\$</b>
<b>Balance at October 31, 2024</b>	<b>5,121,374</b>
Accretion	128,872
Revision of estimates	(522,979)
Foreign exchange adjustment	717,428
	<hr/>
<b>Balance at October 31, 2025</b>	<b>5,444,696</b>
Accretion	66,368
Revision of estimates	(237,647)
Foreign exchange adjustment	(37,158)
	<hr/>
<b>Balance at April 30, 2026</b>	<b>5,236,259</b>
	<hr/>

As at April 30, 2026 reclamation deposits totaling \$162,322 (October 31, 2025 - \$162,696) have been paid. The reclamation deposits were placed as security for site restoration on the Kringelgruvan concession and on certain exploration and evaluation assets.

**LEADING EDGE MATERIALS CORP.**  
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**7. Share Capital**

(a) **Authorized Share Capital**

The Company's authorized share capital consists of an unlimited number of common shares without par value. All issued common shares are fully paid.

(b) **Equity Financings**

*Six months Ended April 30, 2026*

During the six months ended April 30, 2026, 5,980,000 stock options were exercised for gross proceeds of \$788,900.

*Year Ended October 31, 2025*

During the year ended October 31, 2025, 750,000 warrants were exercised for gross proceeds of \$152,500.

On 15th August 2025, the Company has closed the non-brokered private placement, issuing 17,738,500 units (the "Units") at a price of C\$0.16 per Unit for aggregate gross proceeds of C\$2,838,160. Each unit consisted of one common share and one common share purchase warrant. Each warrant is exercisable by the holder to acquire one common share at an exercise price of \$0.32 per share, expiring August 14, 2029.

(c) **Warrants**

A summary of the number of common shares reserved pursuant to the Company's outstanding warrants at April 30, 2026 and October 31, 2025, and the changes for the periods ended on those dates is as follows:

	2026		2025	
	Number	Weighted Average Exercise Price \$	Number	Weighted Average Exercise Price \$
Balance beginning of year	79,837,630	0.20	62,856,130	0.17
Issued	-	-	17,738,500	0.32
Exercised	-	-	(750,000)	0.20
Expired	-	-	(7,000)	0.225
Balance end of year	<b>79,837,630</b>	0.20	<b>79,837,630</b>	0.20

The following table summarizes information about the number of common shares reserved pursuant to the Company's warrants outstanding and exercisable at April 30, 2026:

Number	Exercise Price \$	Expiry Date
21,639,130	0.225	August 23, 2027
33,900,000	0.20	July 23, 2028
6,560,000	0.20	September 26, 2028
17,738,500	0.32	August 14, 2029
<b>79,837,630</b>	<b>0.20</b>	

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**7. Share Capital** (continued)

(d) **Share Option Plan**

The Company has established a rolling share option plan (the "Plan"), in which the maximum number of common shares which can be reserved for issuance under the Plan is 10% of the issued and outstanding shares of the Company. The minimum exercise price of the options is set at the Company's closing share price on the day before the grant date, less allowable discounts. Options granted may be subject to vesting provisions as determined by the Board of Directors and have a maximum term of up to five years.

*Six months Ended April 30, 2026*

7,200,000 stock options were granted at an exercise price of \$0.31 during the six months ended April 30, 2026 (2025 – 6,700,000). The value of options granted was determined using the Black-Scholes option pricing model. A weighted average grant date fair value of \$0.25211 (2025 – \$0.20253) was calculated using expected stock price volatility of 114.13%, risk free rate of 3.11% and option life of five years are based on the Company's historical share price volatility and option life.

*Year Ended October 31, 2025*

6,700,000 stock options were granted at an exercise price of \$0.24 during the year ended October 31, 2025 (2024 – 9,200,000). The value of options granted was determined using the Black-Scholes option pricing model. A weighted average grant date fair value of \$0.20253 (2024 – \$0.08075) was calculated using expected stock price volatility of 112.55%, risk free rate of 2.84% and option life of five years are based on the Company's historical share price volatility and option life.

150,000 stock options were granted at an exercise price of \$0.24 during the year ended October 31, 2025 (2024 – 450,000). The value of options granted was determined using the Black-Scholes option pricing model. A weighted average grant date fair value of \$0.17061 (2024 – \$0.06191) was calculated using expected stock price volatility of 110.75%, risk free rate of 2.65% and option life of three years are based on the Company's historical share price volatility and option life.

Option-pricing models require the use of estimates and assumptions including the expected volatility. Changes in the underlying assumptions can materially affect the fair value estimates and, therefore, existing models do not necessarily provide reliable measure of the fair value of the Company's share options.

A summary of the Company's share options at April 30, 2026 and October 31, 2025 and the changes for the year ended on those dates is as follows:

	<b>2026</b>		<b>2025</b>	
	<b>Number of Options Outstanding</b>	<b>Weighted Average Exercise Price \$</b>	<b>Number of Options Outstanding</b>	<b>Weighted Average Exercise Price \$</b>
Balance beginning of year	21,900,000	0.17	18,250,000	0.22
Issued	7,200,000	0.31	6,850,000	0.24
Exercised	(5,980,000)	0.13		
Expired	-	-	(3,200,000)	0.62
Balance end of period	<b>23,120,000</b>	0.22	<b>21,900,000</b>	0.17

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**7. Share Capital** (continued)

The following table summarizes information about the share options outstanding and exercisable at April 30, 2026:

<b>Number Outstanding</b>	<b>Number Exercisable</b>	<b>Exercise Price \$</b>	<b>Expiry Date</b>
700,000	700,000	0.20	November 3, 2027
2,700,000	2,700,000	0.195	April 26, 2028
450,000	450,000	0.10	April 26, 2027
5,220,000	5,220,000	0.10	April 25, 2029
6,700,000	4,422,000	0.24	April 23, 2030
150,000	99,000	0.24	April 23, 2028
7,200,000	2,376,000	0.31	April 27, 2031
<b>23,120,000</b>	<b>15,967,000</b>		

**8. Related Party Disclosures**

Key management personnel include those persons having authority and responsibility for planning, directing and controlling the activities of the Company as a whole. The Company has determined that key management personnel consist of members of the Company's Board of Directors and its executive officers.

(a) During the six months ended April 30, 2026 and 2025 the following compensation was incurred:

	<b>2026 \$</b>	<b>2025 \$</b>
Directors and officer's compensation (current and former)	147,307	270,944
Share based compensation (current and former)	<u>1,001,398</u>	<u>689,056</u>
	<b>1,148,705</b>	<b>960,000</b>

As at April 30, 2026, \$7,757 (October 31, 2025 - \$ 7,798) remained unpaid and has been included in accounts payable and accrued liabilities.

Out of the total Directors' and Officers' compensation of \$273,525, CEO's compensation of \$126,315 has been capitalized to Exploration and Evaluation assets.

**9. Income per share**

As at April 30, 2026 and 2025, the weighted average number of common shares for the purpose of calculating diluted income per share reconciles to the weighted average number of common shares used in the calculation of basic income per share as follows:

<b>Particulars</b>	<b>Three months ended April 30,</b>		<b>Six months ended April 30,</b>	
	<b>2026 \$</b>	<b>2025 \$</b>	<b>2026 \$</b>	<b>2025 \$</b>
Net loss for the period	(1,357,598)	(1,179,168)	(2,103,545)	(1,848,384)
Basic weighted average number of shares outstanding	256,530,449	232,112,501	252,072,769	232,112,501
Diluted weighted average number of shares outstanding	256,530,449	232,112,501	252,072,769	232,112,501
<b>Loss per share – basic and diluted</b>	<b>(\$0.01)</b>	<b>(\$0.01)</b>	<b>(\$0.01)</b>	<b>(\$0.01)</b>

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**10. Financial Instruments and Risk Management**

***Categories of Financial Assets and Financial Liabilities***

Financial instruments are classified into one of the following categories: fair value through profit or loss ("FVTPL"); amortized cost; fair value through other comprehensive income ("FVOCI"). The carrying values of the Company's financial instruments are classified into the following categories:

<b>Financial Instrument</b>	<b>Category</b>	<b>April 30, 2026 \$</b>	<b>October 31, 2025 \$</b>
Cash	FVTPL	553,800	1,860,654
Reclamation deposit	amortized cost	162,322	162,696
Investments	FVTPL	-	29,167
Accounts payable and accrued liabilities	amortized cost	(291,593)	(384,380)
Property acquisition obligation	amortized cost	(589,342)	(593,392)

The Company's financial instruments recorded at fair value require disclosure about how the fair value was determined based on significant levels of inputs described in the following hierarchy:

Level 1 - Quoted prices are available in active markets for identical assets or liabilities as of the reporting date. Active markets are those in which transactions occur in sufficient frequency and value to provide pricing information on an ongoing basis.

Level 2 - Pricing inputs are other than quoted prices in active markets included in Level 1. Prices in Level 2 are either directly or indirectly observable as of the reporting date. Level 2 valuations are based on inputs including quoted forward prices for commodities, time value and volatility factors, which can be substantially observed or corroborated in the marketplace.

Level 3 - Valuations in this level are those with inputs for the asset or liability that are not based on observable market data.

The recorded amounts for amounts receivable and accounts payable and accrued liabilities approximate their fair value due to their short term nature. The recorded amounts for the reclamation deposit, investments and property acquisition obligation approximates their fair value. The Company's fair value of cash under the fair value hierarchy is measured using Level 1.

The Company's risk exposures and the impact on the Company's financial instruments are summarized below:

*Credit Risk*

Credit risk is the risk of loss associated with a counterparty's inability to fulfill its payment obligations. The Company's credit risk is primarily attributable to cash, amounts receivable and reclamation deposit.

Management believes that the credit risk concentration with respect to financial instruments included in cash, amounts receivable and reclamation deposit is remote.

*Liquidity Risk*

Liquidity risk is the risk that the Company will not have the resources to meet its obligations as they fall due. The Company manages this risk by closely monitoring cash forecasts and managing resources to ensure that it will have sufficient liquidity to meet its obligations. The following table is based on the contractual maturity dates of financial assets and liabilities and the earliest date on which the Company can be required to settle financial liabilities.

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**10. Financial Instruments and Risk Management (continued)**

**Contractual Maturity Analysis at April 30, 2026**

	Carrying Amount \$	Contractual Cash Flows \$	Less than 3 Months \$	1 - 5 Years \$	Over 5 Years \$
Cash	553,800	553,800	553,800	-	-
Reclamation deposit	162,322	162,322	-	-	162,322
Accounts payable and accrued liabilities	(291,593)	(291,593)	(291,593)	-	-
Property acquisition obligation	(589,342)	(589,342)	-	(589,342)	-

*Market Risk*

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign exchange rates, and commodity and equity prices. These fluctuations may be significant.

*Interest Rate Risk*

The Company is exposed to interest rate risk to the extent that the cash bear floating rates of interest. The interest rate risk on cash and on the Company's obligations are not considered significant.

*Foreign Currency Risk*

The Company's functional currency is the Canadian Dollar and major transactions are transacted in Canadian Dollars, Swedish Krona ("SEK") and Romanian Leu ("RON"). The Company maintains SEK bank accounts in Sweden and RON bank balances in Romania to support the cash needs of its foreign operations. Management believes the foreign exchange risk related to currency conversions is minimal and therefore does not hedge its foreign exchange risk. At April 30, 2026, 1 Canadian Dollar was equal to 6.7872 SEK as per Swedish Central Bank and 1 Canadian Dollar was equal to 3.2654 RON as per Romania Bank. Balances are as follows:

	SEK	CDN \$ Equivalent	RON	CDN \$ Equivalent
Cash	1,000,295	147,379	113,405	34,729
VAT receivable	346,834	51,101	285,057	87,296
Reclamation deposit	748,781	110,322	-	-
Accounts payable and accrued liabilities	(1,031,910)	(152,037)	(155,192)	(47,526)
Property acquisition obligation	(4,000,000)	(589,342)	-	-
	<b>(2,936,000)</b>	<b>(432,577)</b>	<b>243,270</b>	<b>74,499</b>

Based on the net exposures as of April 30, 2026 and assuming that all other variables remain constant, a 10% fluctuation of the Canadian Dollar against the SEK and RON would result in the Company's net impact being approximately respectively \$43,258 and \$7,450 higher or lower.

*Capital Management*

The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company, in order to support the acquisition and exploration mineral properties. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the

Company's management to sustain development of the business. The Company defines capital that it manages as share capital and cash. The Company will continue to assess new properties and seek to acquire an interest in additional properties if it feels there is sufficient geologic or economic potential and if it has adequate financial resources to do so. Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable.

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**11. Supplemental Cash Flow Information**

During the six months ended April 30, 2026 and 2025 non-cash activities were conducted by the Company as follows:

	<b>2026</b>	<b>2025</b>
	<b>\$</b>	<b>\$</b>
Operating activity		
Provision for site restoration	(274,805)	250,710
Investing activity		
Revisions of estimates on property, plant and equipment	274,805	(250,710)

**12. Segmented Information**

The Company is involved in the exploration and development of resource properties in Sweden with corporate operations in Canada and accordingly, has no reportable segment revenues or operating results. The Company's total assets are segmented geographically as follows:

	<b>As at April 30, 2026</b>			
	<b>Corporate Canada \$</b>	<b>Mineral Operations Sweden \$</b>	<b>Mineral Operations Romania \$</b>	<b>Total \$</b>
Current assets	401,748	237,167	205,047	843,962
Exploration and evaluation assets	-	18,888,653	4,610,631	23,499,284
Property, plant and equipment	-	5,177,308	146,643	5,323,951
Reclamation deposit	-	162,322	-	162,322
Right-of-use asset	-	-	23,439	23,439
	<u>401,748</u>	<u>24,465,450</u>	<u>4,985,760</u>	<u>29,852,958</u>

  

	<b>As at October 31, 2025</b>			
	<b>Corporate Canada \$</b>	<b>Mineral Operations Sweden \$</b>	<b>Mineral Operations Romania \$</b>	<b>Total \$</b>
Current assets	1,609,534	183,891	484,146	2,277,571
Exploration and evaluation assets	-	18,261,271	4,120,826	22,382,097
Property, plant and equipment	-	5,442,493	174,296	5,616,789
Reclamation deposit	-	162,696	-	162,696
Right-of-use asset	-	-	29,536	29,536
	<u>1,609,534</u>	<u>24,050,351</u>	<u>4,808,804</u>	<u>30,468,689</u>

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**13. Commitments**

In Romania, for exploration licenses applied through the public bid process, an investment offer is presented for each exploration license, the offer of which represents the total amounts required to be spent in order to maintain possession of the concession area at the end of the five-year investment period. Accordingly, should the Company wish to retain possession of the exploration license in Romania it holds as at April 30, 2026, the Company's expenditure commitment for the five-year period ending May 15, 2027 was budgeted as \$6,484,813 Euros (approx. \$9,532,675 CAD) of which \$4,610,631 CAD has been spent as at April 30, 2026. The Company is in discussions with the relevant authorities in Romania to change categories of work e.g. underground channel sampling for drilling. The proposal will generate the same volume of geological data and is intended to meet the same exploration objectives. It will also reduce expenditure.

**14. Events after the Reporting Period**

- On May 26, 2026, the Company announced it had agreed to increase its stake in the Bihor Sud Exploration Licence joint venture to 90%, following an amendment to the shareholders joint venture agreement ("JVA") originally entered into with REMAT Group Management SRL ("REMAT") on August 9, 2018. The amended shareholders JVA recognises the Company's significant investment in the licence over the past eight years.
- On June 9, 2026, the Company announced testwork results on ore sourced from the Company's 100% owned Woxna Graphite Mine ("Woxna"). The programme was designed to evaluate new processing techniques aimed at producing large-flake, high-purity flake graphite concentrate suitable for premium industrial and battery applications.



**LEADING EDGE MATERIALS CORP.**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
QUARTERLY HIGHLIGHTS  
FOR THE SIX MONTHS ENDED APRIL 30, 2026**

This Management's Discussion and Analysis ("Interim MD&A") of Leading Edge Materials Corp. ("Leading Edge Materials" or the "Company"), dated June 19, 2026, should be read in conjunction with the unaudited condensed consolidated interim financial statements for the six months ended April 30, 2026, and the most recent annual audited consolidated financial statements and annual Management's Discussion and Analysis. The following disclosure and associated financial statements are presented in accordance with IFRS Accounting Standards ("IFRS"). Except as otherwise disclosed, all dollar figures are quoted in Canadian dollars. Additional information relevant to the Company's activities can be found on SEDAR at [www.sedar.com](http://www.sedar.com) and on the Company's website [www.leadingedgematerials.com](http://www.leadingedgematerials.com).

**Forward Looking Statements**

Certain information in this MD&A may constitute forward-looking statements or forward-looking information within the meaning of applicable Canadian securities laws (collectively, "Forward-Looking Statements"). All statements, other than statements of historical fact, addressing activities, events or developments that the Company believes, expects or anticipates will or may occur in the future are Forward-Looking Statements. Forward-Looking Statements are often, but not always, identified by the use of words such as "seek," "anticipate," "believe," "plan," "estimate," "expect," and "intend" and statements that an event or result "may," "will," "can," "should," "could," or "might" occur or be achieved and other similar expressions. Forward-Looking Statements are based upon the opinions and expectations of the Company based on information currently available to the Company. Forward-Looking Statements are subject to a number of factors, risks and uncertainties that may cause the actual results of the Company to differ materially from those discussed in the Forward-Looking Statements including, among other things, the Company has yet to generate a profit from its activities; there can be no guarantee that the estimates of quantities or qualities of minerals disclosed in the Company's public record will be economically recoverable; uncertainties relating to the availability and costs of financing needed in the future; competition with other companies within the mining industry; the success of the Company is largely dependent upon the performance of its directors and officers and the Company's ability to attract and train key personnel; changes in world metal markets and equity markets beyond the Company's control; the possibility of write-downs and impairments; the risks associated with uninsurable risks arising during the course of exploration; development and production; the risks associated with changes in the mining regulatory regime governing the Company; the risks associated with tenure to the Norra Kärr property; the risks associated with the various environmental regulations the Company is subject to; rehabilitation and restitution costs; the Woxna project has never defined a mineral reserve or a feasibility study and the associated increased risk of technical and economic failure in case of restarting production.

Forward-looking statements relate, among other things, to statements regarding the future plans and objectives of Leading Edge Materials Corp., the feasibility study results, in-situ value, resource exploration and expansion results, future prospects of the Bihor Sud exploration permit or surrounding property, estimate of future metal prices, anticipated future revenue streams, and financing activities. It involves various risks assumptions, estimates and uncertainties that are based on current expectations and actual results may differ materially from those contained in such information. These risks, assumptions, estimates and uncertainties could adversely affect the outcome and financial effects of the plans and events described herein.

Although the Company has attempted to identify important factors that could cause actual results to differ materially from those contained in the Forward-Looking Statements, there may be other factors that cause results not to be as anticipated, estimated or intended. There can be no assurance that such Forward-Looking

Statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such Forward-Looking Statements. Such Forward-Looking Statements has been provided for the purpose of assisting investors in understanding the Company's business, operations and exploration plans and may not be appropriate for other purposes. Accordingly, readers should not place undue reliance on Forward-Looking Statements. Forward-Looking Statements are made as of the date hereof, and the Company does not undertake to update such Forward-Looking Statements except in accordance with applicable securities laws.

## Corporate Overview

The Company was incorporated on October 27, 2010, under the *Business Corporations Act* (British Columbia) as Tasex Capital Limited. The Company's common shares began trading on the TSX Venture Exchange (the "TSXV") as a capital pool company on June 10, 2011. On February 22, 2012, the Company completed the acquisition of the Woxna Project and changed its name to Flinders Resources Limited. On August 25, 2016, the Company completed the acquisition of Tasman Metals Ltd. ("Tasman") and changed its name to Leading Edge Materials Corp. The Company's common shares trade on the TSXV as a Tier 1 mining issuer under the symbol "LEM", on the OTCQB under the symbol "LEMIF", on Nasdaq First North Stockholm under the symbol "LEMSE" and on Frankfurt under the symbol "7FL". The Company's principal office is located at 14th Floor, 1040 West Georgia Street, Vancouver, British Columbia V6E 4H1. The Company's strategy is focused on developing a portfolio of critical raw material projects located in the European Union, including, in Sweden, the 100% owned Norra Kärr Heavy Rare Earth Element project, recognized as one of Europe's most significant deposits of heavy rare earth elements crucial for permanent magnets, and the 100% owned Woxna Graphite mine, and, in Romania, the Bihor Sud Nickel-Cobalt exploration alliance. This diversified portfolio encompasses critical raw materials, defined by their economic importance and supply risk, essential to the energy transition and European defence.

On May 26, 2026, the Company announced it had agreed to increase its stake in the Bihor Sud Exploration Licence joint venture to 90%, following an amendment to the shareholders joint venture agreement ("JVA") originally entered into with REMAT Group Management SRL ("REMAT") on August 9, 2018. The amended shareholders JVA recognises the Company's significant investment in the licence over the past eight years.

As at the date of this MD&A the Board of Directors and Officers of the Company are:

Kurt Budge	- CEO
Eric Krafft	- Director
Manuela Balaj-Coroiu	- Corporate Secretary
Sanjay Swarup	- CFO
Lars-Eric Johansson	- Director and Non-Executive Chairman
Daniel Major	- Director

Svensk Kapitalmarknadsgranskning ("SKMG") is the Company's Certified Adviser for the Nasdaq First North Growth Market (Stockholm).

## Highlights During and After the Fiscal 2026

During the six months ended April 30, 2026:

- On February 2, 2026, the Company provided an update on its exploration activities in Romania and latest assay results.
- On February 8, 2026, the Company announced that its 100% owned Swedish subsidiary Greenna Mineral AB ("GMAB") had signed an MoU with Ascension Earth Resources ("Ascension") in relation to HREE recovery from Norra Kärr eudialyte.
- On March 10, 2026, the Company announced that the Mining Inspectorate had chosen to submit the Company's application for an Exploitation Concession for Norra Kärr to the Swedish Government for a final decision. The Mining Inspectorate itself recommends in its decision that the application should be approved.
- On March 18, 2026, the Company announced that the Competent Person's Report ("CPR") for the Bihor Sud Polymetallic Exploration Project ("Bihor Sud") in Romania had been filed on the System for Electronic Document Analysis and Retrieval ("SEDAR").
- On April 19, 2026, the Company provided a status update on the Company's application for an Exploitation Concession for Norra Kärr and that the Company had been in formal communication with the Government ministry responsible for handling the application.
- On April 28, 2026, the Company announced granting of stock options (the "Options") to directors and officers of the Company to purchase an aggregate of 7,200,000 common shares (the "Optioned Shares") of the Company, at exercise price of C\$0.31 per Optioned Share, expiring on the date that is 5 years from the date of grant for directors and officers and three years from the date of grant for consultants. The Options will vest 33% on the date of the grant, 33% one year after the date of grant and 34% two years after the date of grant. The Options were issued pursuant to the terms of the Company's Option Plan.

After the six months ended April 30, 2026:

- On May 26, 2026, the Company announced it had increased its stake in the Bihor Sud Exploration Licence joint venture to 90%, following an amendment to the shareholders joint venture agreement ("JVA") originally entered into with REMAT Group Management SRL ("REMAT") on August 9, 2018.
- On June 9, 2026, the Company announced testwork results on ore sourced from the Woxna Graphite Mine ("Woxna"). The programme was designed to evaluate new processing techniques aimed at producing large-flake, high-purity flake graphite concentrate suitable for premium industrial and battery applications. The testwork, using a simple, industrially practical two-stage alkaline process (without an energy-intensive pre-heating step), achieved 99.96% LOI (loss on ignition) – suggesting a preferred route for commercial scale-up to meet high-end industrial specifications.

## Outlook

The imperative for Europe to secure critical raw materials — to protect both its industrial base and its national security — has never been more urgent. The supply outlook for heavy rare earth elements remains acutely critical: these materials are irreplaceable inputs for permanent magnet manufacturing across defence systems, electric vehicles, and wind turbines. The future shape of global alliances and trade flows remains deeply uncertain. Businesses and governments cannot afford to wait for clarity that may not come. Local supply and shorter supply chains are no longer optional — they are a strategic necessity.

The temporary diplomatic détente between Washington and Beijing has provided partial, time-limited relief, without resolving Europe's underlying vulnerability. China suspended its October 2025 wave of rare earth

export controls through to November 2026 — but this is a tactical pause, not a structural shift. The April 2025 licensing regime covering terbium, dysprosium, yttrium and other critical heavy rare earths was never suspended and remains active. The November 2026 expiry of the Wave 2 suspension is the next critical decision point, with no public clarity on whether it will be extended.

The EU has launched several initiatives — RESourceEU, a critical minerals centre, Strategic Projects under the Critical Raw Materials Act. Yet while policy frameworks multiply, progress in scaling investment across the value chain has lagged. Frameworks do not equate to supply. Europe must create new supply options wherever they exist.

This is precisely why the Company's Norra Kärr and Woxna Graphite projects occupy such a compelling position — sitting at the convergence of urgent European demand, unprecedented policy support, and a fundamental reorientation in how Western nations assess supply chain risk. The strategic calculus has shifted permanently. This is no longer a commercial question. It is a matter of economic security.

### ***Norra Kärr Heavy Rare Earth Element ("HREE") Project***

On March 10, 2026, the Mining Inspectorate submitted the Company's application to the Swedish Government for a final decision. The Mining Inspectorate itself recommended in its decision that the application should be approved. This followed the positive consultation responses from the County Administrative Boards ("CABs") of Jönköping and Östergötland in December last year.

The drastic shortage of heavy rare earth elements - particularly Dysprosium and Terbium - was highlighted in a Reuters article titled 'West scrambles to fill heavy rare earth gap as China rivalry deepens', published November 19, 2025 (<https://www.reuters.com/sustainability/climate-energy/west-scrambles-fill-heavy-rare-earth-gap-china-rivalry-deepens-2025-11-19/>). The article underscored the critical supply chain vulnerability that Europe has failed to address for more than a decade.

At the G7 finance ministers' summit in Paris in May 2026, Germany's finance minister Lars Klingbeil warned that Western nations are already deep in a critical minerals dependency they cannot afford to ignore. He called on G7 countries to expand rare earth production, improve procurement coordination, and introduce recycling quotas — stressing there was "no time to lose." Drawing a direct parallel with Europe's past dependency on Russian gas, Klingbeil cautioned against sleepwalking into an equivalent reliance on China for materials essential to electric vehicles, renewable energy, and defence systems.

Norra Kärr's strategic importance to Europe has never been clearer. In its capacity as an expert authority for issues relating to geology and minerals in Sweden, the Swedish Geological Survey ("SGU") has stated that the deposit at Norra Kärr is very important for Sweden's and the EU's supply of rare earth metals, and that Norra Kärr is one of Europe's richest deposits for these minerals - especially with regard to heavy rare earth elements.

Norra Kärr is estimated to produce 248 tonnes of Dysprosium and 36 tonnes of Terbium oxides annually over an initial 26-year mine life - covering only 30% of the currently defined resource, which remains open for expansion. As a comparison, on 25 October 2025, Australian company Lynas Rare Earths ("Lynas") announced plans for an expanded heavy rare earths separation facility in Malaysia, with nameplate capacity of 250 tonnes of Dysprosium and 50 tonnes of Terbium oxides

Source: <https://wcsecure.weblink.com.au/pdf/LYC/03015215.pdf>

The financials for producing mixed rare earth oxides were modelled as part of the Preliminary Economic Assessment ("PEA") in 2021, the Project had a pre-tax NPV10 of over US\$1B. Edison Research ("Edison") has been retained by the Company and in its Initiation Note, published April 21, 2026, Edison valued Norra Kärr at US\$1.8bn on an unrisks NPV10 basis, or US\$0.9bn risk-weighted, with the Company trading at US\$92 per tonne of contained TREO — against a peer group average of US\$562/t.

Source: <https://www.edisongroup.com/research/addressing-the-european-ree-shortage/BM-2909/>

In an update published on June 9, 2026, Edison calculated an even greater discount on a dysprosium-equivalent basis, with the Company trading at US\$632/t versus a peer average of US\$5,617/t. Edison attributed this to the market not yet fully reflecting Norra Kärr's 80,000 tonne dysprosium-equivalent resource, its Swedish location within the EU, and its exceptional heavy rare earth profile — a 52% HREO share and 5.7% DyTb content that gives it direct exposure to the most supply-constrained part of the magnet rare earth market.

Source: <https://www.edisongroup.com/research/exceptional-dytb-exposure-at-a-hefty-discount-2/BM-3491/>

As a dual pricing regime emerges in which non-Chinese supply security commands a visible premium over Chinese benchmarks, Edison's view is that the discount is difficult to justify. As one of the largest HREE deposits globally - and the most advanced in Europe - Norra Kärr has the potential to become a cornerstone supplier for Western magnet producers.

### ***Woxna Graphite Mine***

The Woxna Graphite Mine remains on a production-ready footing, with holding costs carefully managed. The Company is collaborating with an engineering consultant to update a 2022 internal restart study, incorporating completed metallurgical testwork to evaluate targeted improvements to the existing processing facility. These enhancements aim to maximise operational efficiency and position the mine to produce premium high-grade flake graphite concentrate or value-added products, underpinning a new business case.

According to Benchmark Mineral Intelligence ("Benchmark"), global demand for natural flake graphite is forecast to more than double within a decade — rising from approximately 1.2 million tonnes in 2025 to nearly 3 million tonnes by 2035 — driven by the rapid expansion of electric vehicle production and battery energy storage.

Benchmark projects a persistent supply shortfall in the -100 mesh, 94-95% carbon segment, with the deficit growing to almost 1 million tonnes by 2040.

Against this backdrop, the geographic concentration of production — with China accounting for the vast majority of global natural flake graphite supply and controlling almost all anode refining capacity — has prompted downstream battery manufacturers and automakers to accelerate diversification of their supply chains.

Woxna, as one of Europe's few fully permitted and production-ready natural flake graphite operations, is strategically positioned to meet growing regional demand for responsibly sourced, low-carbon graphite — offering European battery and industrial customers a credible, sovereign alternative to Chinese supply.

### ***Bihor Sud Nickel-Cobalt Exploration Project***

In February this year, the Company provided an update on its exploration activities in Romania and latest assay results.

From the 2025 exploration campaign, mapping and sampling data revealed extensive mineralisation, notably in the form uranium oxide associated with jasperoid silicification; polymetallic (copper (Cu), cobalt (Co), nickel (Ni), lead (Pb) and zinc (Zn)) sulphides hosted in silica-carbonate rocks (including uranium occurrences); and crystalline carbonate (limestone) exhibiting disseminated and stockwork-style sulphide mineralisation. Supergene enrichment phases, such as erythrite and annabergite, further characterise the mineralogical diversity of the licence area.

Notably, massive sulphide mineralisation is present at the Valea Leucii, Dibarz, and Avram Iancu prospects, with a possibility that these occurrences are interconnected, forming part of a broader mineral system. Moreover, historical prospecting rock chip data reported evidence of widespread and pervasive uranium, base and precious metal mineralisation.

Although mineralisation has been intercepted with channel sampling, more analysis and further study is required to fully understand its geometry, but it appears open in all directions. From channel sampling, significant intercepts appear to show reasonably wide zones of low-grade mineralisation encompassing higher grade cores, which is extremely encouraging.

The Bihor Sud licence possesses a diverse and lengthy mining history, and despite considerable historical extraction, the potential for a profitable, modern mining operation likely remains, with significant areas of mineralisation observed underground in Valea Leucii, Dibarz and Avram Iancu, and potential across the wider exploration licence.

A Competent Person Report ("CPR") has now been completed, while management continues to explore alternative financing options to advance project development. The CPR consolidates the substantial work completed to date and establishes a clear roadmap for the project.

## Financial Information

The report for nine months ending July 31, 2026, is expected to be published on or about September 18, 2026.

### Selected Financial Data

The following selected financial information is derived from the unaudited condensed consolidated interim financial statements of the Company prepared in accordance with IFRS.

Three Months Ended	Fiscal 2026		Fiscal 2025				Fiscal 2024	
	April 30, 2026 \$	January 31, 2026 \$	October 31, 2025 \$	July 31, 2025 \$	April 30, 2025 \$	January 31, 2025 \$	October 31, 2024 \$	July 31, 2024 \$
<b>Operations</b>								
Expenses	(1,381,717)	(791,117)	(731,190)	(697,621)	(1,070,402)	(696,037)	(97,209)	(797,070)
Other items	24,119	45,170	(25,684)	86,314	(108,766)	26,821	(222,820)	(25,168)
Comprehensive profit/(loss)	(1,357,598)	(745,947)	(756,874)	(611,307)	(1,179,168)	(669,216)	(320,029)	(822,238)
Basic Profit/(loss) per share	(0.01)	(0.00)	(0.00)	(0.00)	(0.01)	(0.00)	(0.00)	(0.00)
Diluted profit/(loss) per share	(0.01)	(0.00)	(0.00)	(0.00)	(0.01)	(0.00)	(0.00)	(0.00)
<b>Financial Position</b>								
Working capital	539,488	804,249	1,880,436	679,695	1,191,514	2,198,641	3,337,686	3,973,458
Total assets	29,852,958	30,082,554	30,468,689	29,503,036	28,361,774	28,480,311	29,343,716	28,454,783
Total non-current liabilities	(5,838,263)	(6,088,012)	(6,056,852)	(6,806,650)	(6,009,933)	(5,596,369)	(5,641,854)	(5,683,545)

### Results of Operations

#### *Three Months Ended April 30, 2026, Compared to Three Months Ended January 31, 2026*

During the three months ended April 30, 2026 ("Q2 2026") the Company reported a net loss of \$1,357,598 compared to a reported net loss of \$745,947 for the three months ended January 31, 2026 ("Q1 2026"), an increase in loss of \$611,651 is due to share based compensation of \$804,590 in Q2 2026 (Q1 2026- \$205,574).

#### *Three Months Ended April 30, 2026, Compared to Three months Ended April 30, 2025*

During the three months ended April 30, 2026 ("2026 period"), the Company reported a net loss of \$1,357,598 compared to a net loss of \$1,179,168 for the three months ended April 30, 2025 ("2025 period"), an increase in loss of \$178,430, the increase in loss mainly due to share based compensation of \$804,590 (Q2 2025- \$585,529) and professional fees of \$60,358 (Q2 2025- \$4,886).

Specific expenses of note during three months ended April 30, 2026 are as follows:

- (i) incurred \$73,490 (2025 - \$78,270) for directors and officer's compensation.
- (ii) incurred \$62,886 (2025 - \$56,994) for listing and regulatory fees with respect to ongoing fees for the Company's listing of its common shares on the TSXV, Nasdaq First North and OTC exchanges.
- (iii) incurred a total of \$47,533 (2025 - \$40,690) for accounting and audit out of which the Company incurred \$14,784 (2025 - \$15,504) for accounting services along with \$14,323 (2025 - \$6,932) for bookkeeping and accounting services for subsidiary companies provided by other independent accountants;
- (iv) incurred Research, development, and general exploration expenses of \$46,697 (2025 - \$77,449);
- (v) incurred \$97,437 (2025 - \$60,957) in costs for operations;

Interest income is primarily generated from cash held on deposit with the Bank of Montreal. During the three months ended April 30, 2026 the Company reported interest income of \$2,393 compared to \$12,286 during the three months ended April 30, 2025.

During the three months ended April 30, 2026, the Company recorded a foreign exchange loss of \$4,429 due to changes in exchange rates, compared to a loss of \$117,063 during the three months ended April 30, 2025.

#### *Financings*

During the six months ended April 30, 2026, 5,980,000 stock options were exercised for gross proceeds of \$788,900.

During the year ended October 31, 2025, 750,000 warrants were exercised for gross proceeds of \$152,500.

On 15th August 2025, the Company has closed the non-brokered private placement, issuing 17,738,500 units (the "Units") at a price of C\$0.16 per Unit for aggregate gross proceeds of C\$2,838,160. Each unit consisted of one common share and one common share purchase warrant. Each warrant is exercisable by the holder to acquire one common share at an exercise price of \$0.32 per share, expiring August 14, 2029.

#### **Financial Condition / Capital Resources**

During the three months ended April 30, 2026, the Company recorded a net loss of \$1,357,598 and, as of April 30, 2026, the Company had an accumulated deficit of \$54,672,768 and working capital of \$539,488. The Company is maintaining its Woxna Graphite Mine on a "production-ready" basis to minimize costs. The Company continues to review options for Woxna, which include the possibility of contracting with a long-term partner willing to pay for secure natural graphite produced to the highest ESG and sustainability standards.

The Company currently lacks sufficient financial resources to fund its operations and meet its obligations for the next twelve months from the date these financial statements are issued. Continued operations are dependent on the Company's ability to secure additional financing.

Management is actively pursuing several options to address this liquidity shortfall, including raising capital through public or private equity financing (including a potential financing under the listed issuer financing exemption), and implementing cost-control measures to reduce operating cash burn. After the reporting date, a director and significant shareholder exercised stock options. The Company's long-term cornerstone shareholder has indicated an intention to provide continued financial support to the Company. The exercise prices of certain other stock options and warrants outstanding may also provide an incentive for holders to exercise these instruments, which, if exercised, would result in additional capital being raised. The Company has, in prior periods, faced similar funding requirements and has been successful in securing the financing necessary to continue its activities, and management believes it can do so again.

In addition, the Company is awaiting a final decision on the Norra Kärr mining licence from the Swedish Government. In March 2026, the Mining Inspectorate recommended that the Company's application should be approved. This followed the positive consultation responses from the County Administrative Boards ("CABs") of Jönköping and Östergötland in December last year. Norra Kärr remains Europe's most advanced heavy rare earth elements project - with significant quantities of dysprosium, terbium and yttrium - and management believes that the granting of the mining licence should improve the Company's ability to attract financing on acceptable terms.

There is no assurance that any such additional capital will be available to the Company on acceptable terms, that outstanding options or warrants will be exercised, that the mining licence will be granted, or that the indicated shareholder support will be formalised. Accordingly, the Company has restricted its activities until further financing is completed. These conditions indicate the existence of material uncertainties that may cast significant doubt about the Company's ability to continue as a going concern.

In the longer term the recoverability of the carrying value of the Company's long-lived assets is dependent upon the Company's ability to preserve its interest in the underlying mineral property interests, the discovery of economically recoverable reserves, the achievement of profitable operations and the ability of the Company to obtain financing to support its ongoing exploration programs and mining operations.

### Off-Balance Sheet Arrangements

The Company has no off-balance sheet arrangements.

### Proposed Transactions

The Company has no proposed transactions.

### Critical Accounting Estimates

The preparation of financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenditures during the reporting period. Examples of significant estimates made by management include estimating the fair values of financial instruments, valuation allowances for deferred income tax assets and assumptions used for share-based compensation. Actual results may differ from those estimates.

A detailed summary of all the Company's critical accounting estimates is included in Note 3 to the October 31, 2025 audited annual consolidated financial statements.

### Changes in Accounting Policies

There is no change in accounting policy during the year ended October 31, 2025.

A detailed summary of all the Company's material accounting policies and accounting standards and interpretations issued but not yet effective, is included in Note 3 to the October 31, 2025 audited annual consolidated financial statements.

### Related Party Transactions and Balances

Key management personnel include those persons having authority and responsibility for planning, directing and controlling the activities of the Company as a whole. The Company has determined that key management personnel consist of members of the Company's current and former Board of Directors and its executive officers.

(a) During the six months ended April 30, 2026 and 2025 the following compensation was incurred:

	<b>2026</b>	<b>2025</b>
	<b>\$</b>	<b>\$</b>
Mr. Kurt Budge, CEO	180,450	177,175
Mr. Lars-Eric Johansson, Chairman and director	16,200	16,200
Mr. Eric Krafft, interim CEO and director	16,200	16,200
Mr. Daniel Major, director	16,200	16,200
Mr. Sanjay Swarup, CFO	19,275	19,968
Ms. Manuela Balaj-Coroiu, Corporate Secretary	25,200	25,200
	<b>273,525</b>	<b>270,944</b>

Out of the total Directors' and Officers' compensation of \$273,525, CEO's compensation of \$125,315 has been capitalized to Exploration and Evaluation assets.

(c) In addition, the company incurred share-based compensation for key management personnel as follows:

	<b>2026</b>	<b>2025</b>
	<b>\$</b>	<b>\$</b>
Mr. Eric Krafft	213,014	186,515
Mr. Kurt Budge	329,848	194,231
Mr. Lars-Eric Johansson	211,039	143,383
Mr. Daniel Major	211,039	143,383
Ms. Manuela Balaj-Coroiu	22,389	11,557
Mr. Sanjay Swarup	14,069	9,987
	<b>1,001,398</b>	<b>689,056</b>

### **Outstanding Share Data**

The Company's authorized share capital is unlimited common shares without par value. As of June 19, 2026, there were 257,530,449 issued and outstanding common shares, 79,837,630 warrants outstanding with exercise prices ranging from \$0.20 to \$0.32 per share and 23,120,000 share options outstanding with exercise prices ranging from \$0.10 to \$0.24 per share.