



LEADING EDGE MATERIALS CORP.

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE NINE MONTHS ENDED
JULY 31, 2025

(Unaudited - 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
(Unaudited - Expressed in Canadian Dollars)

	Note	July 31, 2025 \$	October 31, 2024 \$
ASSETS			
Current assets			
Cash		900,293	3,460,217
GST/VAT and other receivables		188,253	304,568
Prepaid expenses		72,023	114,471
Investments	3	15,918	22,550
Total current assets		1,176,487	3,901,806
Non-current assets			
Exploration and evaluation assets	4	21,720,583	19,892,252
Property, plant and equipment	5	6,500,045	5,453,089
Reclamation deposit	6	105,921	96,569
Total non-current assets		28,326,549	25,441,910
TOTAL ASSETS		29,503,036	29,343,716
LIABILITIES			
Current liabilities			
Accounts payable and accrued liabilities		496,792	564,120
Non-current liabilities			
Provision for site restoration	6	6,238,853	5,121,374
Property acquisition obligation	4(a), 5	567,797	520,480
Total non-current liabilities		6,806,650	5,641,854
TOTAL LIABILITIES		7,303,442	6,205,974
SHAREHOLDERS' EQUITY			
Share capital	7	64,296,086	63,697,686
Share-based payments reserve	7(d)	9,715,857	8,792,714
Deficit		(51,812,349)	(49,352,658)
TOTAL SHAREHOLDERS' EQUITY		22,199,594	23,137,742
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		29,503,036	29,343,716

Nature of Operations - Note 1

Events after the Reporting Period – Note 14

These condensed consolidated interim financial statements were approved for issue by the Board of Directors on September 19, 2025 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

(Unaudited - Expressed in Canadian Dollars)

		Three Months Ended July 31,		Nine Months Ended July 31,	
	Notes	2025 \$	2024 \$	2025 \$	2024 \$
Expenses					
Accretion of provision for site restoration	6	32,218	31,280	96,654	93,840
Corporate development		47,212	87,320	157,718	186,461
Depreciation		22,451	7,393	47,018	20,775
Directors and officer's compensation	8(a)	74,099	115,338	229,878	208,142
Research, development and general exploration	4	10,526	192,866	150,483	404,233
Accounting and audit	8(b)	44,370	36,327	156,607	145,669
General and administration		41,957	14,892	99,810	42,204
Listing and regulatory costs		43,093	48,840	150,032	138,958
Operations		73,938	62,773	212,814	218,998
Salaries, compensation and benefits		43,222	43,008	122,442	131,795
Professional fees		10,588	9,285	21,444	40,153
Share based compensation	8(a)	208,322	133,295	923,143	642,643
Travel		45,625	14,453	96,017	47,561
Loss before other items		(697,621)	(797,070)	(2,464,060)	(2,321,432)
Other items					
Interest income		5,637	13,521	43,399	58,618
Foreign exchange gain/(loss)		80,335	(21,253)	(35,038)	8,964
Mark to market adjustment loss		-	(17,475)	(6,632)	(114,211)
Other Income		342	39	2,640	366
		86,314	(25,168)	4,369	(46,263)
Net loss and comprehensive loss		(611,307)	(822,238)	(2,459,691)	(2,367,695)
Loss per share – basic and diluted		(\$0.00)	(\$0.00)	(\$0.01)	(\$0.01)
Weighted average number of common shares outstanding - basic and diluted		232,979,449	192,187,794	232,404,660	191,183,414

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

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

Nine Months Ended July 31, 2025					
	Share Capital		Share- Based Payments Reserve \$	Deficit \$	Total Equity \$
	Number of Shares	Amount \$			
Balance at October 31, 2024	232,061,949	63,697,686	8,792,714	(49,352,658)	23,137,742
Common shares issued for:					
Share issued	3,552,500	568,400	-	-	568,400
Warrants Exercised	150,000	30,000	-	-	30,000
Share-based compensation	-	-	923,143	-	923,143
Net loss for the period	-	-	-	(2,459,691)	(2,459,691)
Balance at July 31, 2025	235,764,449	64,296,086	9,715,857	(51,812,349)	22,199,594

Nine Months Ended July 31, 2024					
	Share Capital		Share- Based Payments Reserve \$	Deficit \$	Total Equity \$
	Number of Shares	Amount \$			
Balance at October 31, 2023	187,262,663	59,220,772	8,016,774	(46,850,300)	20,387,246
Common shares issued for:					
Warrants exercised	3,689,286	368,929	-	-	368,929
Share issued	34,400,000	3,439,985	-	-	3,439,985
Share Issue cost (Finder's Fees)	-	(3,000)	-	-	(3,000)
Share-based compensation	-	-	642,643	-	642,643
Net loss for the period	-	-	-	(2,367,695)	(2,367,695)
Balance at July 31, 2024	225,351,949	63,026,686	8,659,417	(49,217,995)	22,468,108

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

LEADING EDGE MATERIALS CORP.
CONSOLIDATED STATEMENTS OF CASH FLOWS

(Unaudited - Expressed in Canadian Dollars)

	Three Months Ended July 31,		Nine Months Ended July 31,	
	2025	2024	2025	2024
	\$	\$	\$	\$
Operating activities				
Net loss for the period	(611,307)	(822,238)	(2,459,691)	(2,367,695)
Adjustments for:				
Accretion of provision for site restoration	32,218	31,280	96,654	93,840
Depreciation	22,451	7,393	47,018	20,775
Foreign exchange	(4,717)	8,848	37,965	11,556
Mark to market adjustment loss	-	17,475	6,632	114,211
Share based compensation	208,322	133,295	923,143	642,643
Changes in non-cash working capital items:				
GST/VAT and other receivables	(77,398)	(51,402)	116,315	(31,348)
Prepaid expenses and other	21,559	11,794	42,448	52,374
Accounts payable and accrued liabilities	179,130	133,004	(67,328)	(26,283)
Net cash from (used in) operating activities	(229,742)	(530,551)	(1,256,844)	(1,489,927)
Investing activity				
Expenditures on exploration and evaluation assets	(698,817)	(370,475)	(1,828,331)	(867,996)
Additions to property, plant and equipment	(28,369)	(67,537)	(73,149)	(82,450)
Net cash from (used in) investing activity	(727,186)	(438,012)	(1,901,480)	(950,446)
Financing activities				
Issuance of common shares	568,400	3,439,985	598,400	3,808,914
Share issue costs	-	(3,000)	-	(3,000)
Net cash provided by financing activities	568,400	3,436,985	598,400	3,805,914
Net change in cash	(388,528)	2,468,422	(2,559,924)	1,365,541
Cash at beginning of the period	1,288,821	1,324,430	3,460,217	2,427,311
Cash at end of the period	900,293	3,792,852	900,293	3,792,852

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 CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE NINE MONTHS ENDED JULY 31, 2025
(Unaudited - Expressed in Canadian Dollars)

1. Nature of Operations

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), 100% owned Norra Kärr HREE project (Sweden) and the 51% 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 on 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 Nine Months ended July 31, 2025 the Company recorded a net loss of \$2,459,691 and, as at July 31, 2025, the Company had an accumulated deficit of \$51,812,349 and working capital of \$679,695.

The Company is maintaining the Woxna Graphite Mine in a production-ready state while minimizing holding costs. An internal study completed in early 2022 assessed the potential for restarting operations and upgrading the processing plant to produce high-quality flake graphite concentrate. Work is now underway to update this study, forming the basis of a business plan to support potential project financing, customer prepayments, and access to Swedish or EU public funding.

The Company is developing a Rapid Development Plan ("RDP") for Norra Kärr to enable the earliest possible production of heavy rare earth element (HREE)-rich eudialyte concentrate and industrial mineral nepheline syenite. A phased, small-scale start is under consideration to allow early access to the deposit, initial sales of nepheline syenite, early cash flow, and stockpiling of eudialyte concentrate for future processing. This approach is designed to reduce both risk and environmental impact. On 24 March 2025, the EU announced its first list of Strategic Projects under the Critical Raw Materials Act (CRMA); Norra Kärr was not included. The Company plans to reapply in the next round of applications.

Exploration activities at the Bihor Sud project continued in 2025, supported by the addition of four new geologists in January. Work included underground mapping, diamond drilling, geophysics, core logging, and sampling. The Company's goal is to define a large-scale, mineable mineral resource. Drilling began in gallery G2 in 2025, targeting promising Zinc-Lead-Copper-Silver mineralization. Results to date are encouraging and underscore the project's strong potential for a significant polymetallic discovery.

The Company anticipates that it has sufficient funding to meet anticipated levels of corporate administration and overheads for the ensuing twelve months, however, it will need additional capital to recommence operations at the Woxna Graphite Mine and/or modernize the plant to produce value added production and to fund future development of the Norra Kärr Property. There is no assurance such additional capital will be available to the Company on acceptable terms or at all. 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 and development programs, and mining operations.

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 CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE NINE MONTHS ENDED JULY 31, 2025
(Unaudited - Expressed in Canadian Dollars)

2. Basis of Preparation

Statement of Compliance

These condensed consolidated interim financial statements have been prepared using accounting policies consistent with IFRS Accounting Standards ("IFRS"), and in accordance with International Accounting Standards ("IAS") 34, Interim Financial Reporting, as issued by the International Accounting Standards Board ("IASB"). These condensed consolidated interim financial statements should be read in conjunction with the audited consolidated financial statements for the year ended October 31, 2024, which have been prepared in accordance with IFRS as issued by the IASB. The accounting policies followed in these condensed consolidated interim financial statements are consistent with those applied in the Company's consolidated financial statements for the year ended October 31, 2024.

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:

<u>Company</u>	<u>Location of Incorporation</u>	<u>Ownership Interest</u>
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")	Romania	51%

3. Investments

Investments held by the Company are as follows:

<u>Particulars</u>	<u>July 31, 2025 \$</u>	<u>October 31, 2024 \$</u>
132,647 shares in United Lithium Corp. (ULTH)	15,918	22,550
Total	15,918	22,550

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

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NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE NINE MONTHS ENDED JULY 31, 2025
(Unaudited - Expressed in Canadian Dollars)

4. Exploration and Evaluation Assets

	As at July 31, 2025			As at October 31, 2024		
	Acquisition Costs \$	Deferred Exploration Costs \$	Total \$	Acquisition Costs \$	Deferred Exploration Costs \$	Total \$
Graphite Concessions	10,081	4,706	14,787	10,081	4,706	14,787
Norra Kärr	15,402,622	2,541,739	17,944,361	15,402,622	1,932,082	17,334,704
Romania	187,999	3,573,436	3,761,435	187,999	2,354,762	2,542,761
	15,600,702	6,119,881	21,720,583	15,600,702	4,291,550	19,892,252
		Graphite concessions \$	Norra Kärr \$	Romania \$	Total \$	
Balance at October 31, 2023 (as restated)		14,787	16,554,050	1,361,001	17,929,838	
Costs						
Additions during the year		-	780,654	1,181,760	1,962,414	
Balance at October 31, 2024		14,787	17,334,704	2,542,761	19,892,252	
Costs						
Additions during the period		-	609,657	1,218,674	1,828,331	
Balance at July 31, 2025		14,787	17,944,361	3,761,435	21,720,583	

(a) *Graphite Concessions*

Through Woxna, the Company holds a 100% interest in the Woxna Graphite Mine including the Kringelgruvan concession. The Woxna Graphite Mine is located in Ovanaker Municipality, Gavleborg County, central Sweden. Concessions over Mattsmyra, Gropabo and Mansberg have lapsed. The Company applied for exploration permits over Mattsmyra and Gropabo areas, which were declined. The Company has appealed this decision. The Company has been granted an exploration permit over Mansberg.

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").

Payment of the Property Acquisition Obligation and the Additional Consideration is to be made to a Swedish governmental agency and will be based on annual production, at a rate of SEK 20 per metric ton processed and is payable only once accumulated profits have been generated from the individual concessions.

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4. Exploration and Evaluation Assets (continued)

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 5.

Management has reviewed the fair value of the asset as at June 30, 2025, and concluded that no impairment write-down is required.

(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. In August 2024, the Company submitted an application for Strategic Project status under the European Union's Critical Raw Materials Act ("CRMA") and, in December 2024, submitted a new application for an Exploitation Concession ("Bearbetningskoncession") 25-year mining lease to the Mining Inspectorate of Sweden ("Bergsstaten"). A decision on the Bearbetningskoncession is expected in Q4 2025.

(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%.

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.

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5. Property, Plant and Equipment

Cost:	Vehicles \$	Equipment and Tools \$	Building \$	Manufacturing and Processing Facility \$	Mineral Property Acquisition and Development Costs \$	Total \$
Balance at October 31, 2023	16,094	290,428	344,139	7,567,878	5,661,423	13,879,962
Addition	-	152,688	-	-	-	152,688
Adjustment to site restoration	-	-	-	-	822,759	822,759
Balance at October 31, 2024	16,094	443,116	344,139	7,567,878	6,484,182	14,855,409
Addition	-	73,151	-	-	-	73,151
Adjustment to site restoration	-	-	-	-	1,020,824	1,020,824
Balance at July 31, 2025	16,094	516,267	344,139	7,567,878	7,505,006	15,949,384
Accumulated Depreciation and Impairment:						
Balance at October 31, 2023	(5,174)	(266,537)	(188,928)	(3,910,218)	(5,000,000)	(9,370,857)
Depreciation	(1,000)	(1,877)	(28,586)	-	-	(31,463)
Balance at October 31, 2024	(6,174)	(268,414)	(217,514)	(3,910,218)	(5,000,000)	(9,402,320)
Depreciation	(1,495)	(2,806)	(42,718)	-	-	(47,019)
Balance at July 31, 2025	(7,669)	(271,220)	(260,232)	(3,910,218)	(5,000,000)	(9,449,339)
Carrying Value:						
Balance at October 31, 2024	9,920	174,702	126,625	3,657,660	1,484,182	5,453,089
Balance at July 31, 2025	8,425	245,047	83,907	3,657,660	2,505,006	6,500,045

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 July 31, 2025 the Company has recognized \$567,797 (October 31, 2024 - \$520,480) for the Property Acquisition Obligation associated with the Kringelgruvan concession, as described in Note 4(a)(i).

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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 1.41% (2024 - 2.097%) and an inflation factor of 2.00% (2024 - 2.00%). 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:

	\$
Balance at October 31, 2023	4,173,494
Accretion	125,121
Revision of estimates	628,188
Foreign exchange adjustment	194,571
Balance at October 31, 2024	5,121,374
Accretion	96,654
Revision of estimates	555,240
Foreign exchange adjustment	465,585
Balance at July 31, 2025	6,238,853

As at July 31, 2025 reclamation deposits totaling \$105,921 (October 31, 2024 - \$96,569) have been paid. The reclamation deposits were placed as security for site restoration on the Kringelgruvan concession and on certain exploration and evaluation assets. The Company has no other property restoration obligations.

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***

Nine Months ended July 31, 2025

During the Nine Months ended July 31, 2025, 150,000 warrants were exercised for gross proceeds of \$30,000.

During the Nine Months ended July 31, 2025, a non-brokered private placement of up to 3,552,500 units ("Units") at a price of C\$0.16 per Unit for aggregate gross proceeds of up to C\$568,400 (the "Private Placement").

Year Ended October 31, 2024

During the year ended October 31, 2024, 3,689,286 warrants were exercised for gross proceeds of \$368,929.

On July 23, 2024, the Company has closed a first tranche of the private placement, issuing 34,400,000 common shares at a price of \$0.10/share for gross proceeds of \$3,440,000. Each unit consisted of one

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7. Share Capital (continued)

common share and one common share purchase warrant. Each warrant is exercisable by the holder to acquire one additional common share at an exercise price of \$0.20 per share, expiring July 23, 2028. The Company also paid finders' fees of \$3,000.

On September 26, 2024, announces that the Company has closed the second and final tranche of the private placement announced previously on July 15, 2024, issuing 6,710,000 common shares at a price of \$0.10/share for gross proceeds of \$671,000. Each unit consisted of one common share and one common share purchase warrant. Each warrant is exercisable by the holder to acquire one additional common share at an exercise price of \$0.20 per share, expiring September 26, 2028.

(c) **Warrants**

A summary of the number of common shares reserved pursuant to the Company's outstanding warrants at July 31, 2025 and October 31, 2024 and the changes for the periods ended on those dates is as follows:

	2025		2024	
	Number	Weighted Average Exercise Price \$	Number	Weighted Average Exercise Price \$
Balance beginning of period	62,856,130	0.26	57,825,416	0.21
Issued	-		41,110,000	0.20
Exercised	(150,000)	0.20	(3,689,286)	0.10
Expired	(7,000)	0.23	(32,390,000)	0.10
Balance end of period	62,699,130	0.17	62,856,130	0.26

The following table summarizes information about the number of common shares reserved pursuant to the Company's warrants outstanding and exercisable at July 31, 2025:

Number	Exercise Price \$	Expiry Date
21,739,130	0.225	August 23, 2027
34,400,000	0.20	July 23, 2028
6,560,000	0.20	September 26, 2028
62,699,130	0.17	

(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.

6,700,000 stock options were granted at an exercise price of \$0.24 during the Nine Months ended July 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.

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7. Share Capital (continued)

150,000 stock options were granted at an exercise price of \$0.24 during the Nine Months ended July 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 five years are based on the Company's historical share price volatility and option life.

Year Ended October 31, 2024

9,200,000 stock options were granted at an exercise price of \$0.10 during the year ended October 31, 2024 (2023 – 4,200,000). The value of options granted was determined using the Black-Scholes option pricing model. A weighted average grant date fair value of \$0.08075 (2023 – \$0.15438) was calculated using expected stock price volatility of 111.55%, risk free rate of 3.98% and option life of five years are based on the Company's historical share price volatility and option life.

450,000 stock options were granted at an exercise price of \$0.10 during the year ended October 31, 2024 (2023 – 500,000). The value of options granted was determined using the Black-Scholes option pricing model. A weighted average grant date fair value of \$0.06191 (2023 – \$0.12430) was calculated using expected stock price volatility of 95.94%, risk free rate of 4.22 % 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 July 31, 2025 and October 31, 2024 and the changes for the period ended on those dates is as follows:

	2025		2024	
	Number of Options Outstanding	Weighted Average Exercise Price \$	Number of Options Outstanding	Weighted Average Exercise Price \$
Balance beginning of period	18,250,000	0.22	8,600,000	0.36
Issued	6,850,000	0.24	9,650,000	0.10
Exercised	-	-	-	-
Expired	(3,200,000)	0.62	-	-
Balance end of period	21,900,000	0.17	18,250,000	0.22

The following table summarizes information about the share options outstanding and exercisable at July 31, 2025:

Number Outstanding	Number Exercisable	Exercise Price \$	Expiry Date
500,000	500,000	0.195	April 26, 2026
700,000	462,000	0.20	November 3, 2027
4,200,000	4,200,000	0.195	April 26, 2028
450,000	297,000	0.10	April 26, 2027
9,200,000	6,072,000	0.10	April 25, 2029
6,700,000	2,211,000	0.24	April 23, 2030
150,000	49,500	0.24	April 23, 2028
21,900,000	13,791,500	0.17	

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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 periods ended July 31, 2025 and 2024 the following compensation was incurred:

Particulars	Three months Ended July 31,		Nine months Ended July 31,	
	2025	2024	2025	2024
	\$	\$	\$	\$
Directors and officer's compensation	137,576	115,338	408,250	208,142
Share based compensation (current and former)	201,977	-	891,033	577,426
	339,553	115,338	1,299,283	785,568

As at July 31, 2025, \$45,568 (October 31, 2024 - \$7,236) remained unpaid and has been included in accounts payable and accrued liabilities.

Out of the total Directors' and Officers' compensation of \$267,587, CEO's compensation of \$178,641 has been capitalized to Exploration and Evaluation assets.

- (b) SKS Business Services Ltd., a private corporation owned by Sanjay Swarup (appointed as Chief Financial Officer ("CFO") of the Company on March 1, 2021), provides accounting and administrative services. During the year ended July 31, 2025, the Company incurred \$45,401 (2024 - \$43,894) for accounting services by SKS Business Services.

9. Income per share

As at July 31, 2025 and 2024, 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:

Particulars	Three months ended July 31,		Nine Months ended July 31,	
	2025	2024	2025	2024
	\$	\$	\$	\$
Net loss for the period	(611,307)	(822,238)	(2,459,691)	(2,367,695)
Basic weighted average number of shares outstanding	232,979,449	192,187,794	232,404,660	191,183,414
Diluted weighted average number of shares outstanding	232,979,449	192,187,794	232,404,660	191,183,414
Loss per share – basic and diluted	(\$0.00)	(\$0.00)	(\$0.01)	(\$0.01)

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:

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10. Financial Instruments and Risk Management (continued)

Financial Instrument	Category	July 31, 2025 \$	October 31, 2024 \$
Cash	FVTPL	900,293	3,460,217
Reclamation deposit	amortized cost	105,921	96,569
Investments	FVTPL	15,918	22,550
Accounts payable and accrued liabilities	amortized cost	(496,792)	(564,120)
Property acquisition obligation	amortized cost	(567,797)	(520,480)

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 and property acquisition obligation approximate 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.

Contractual Maturity Analysis at July 31, 2025

	Carrying Amount \$	Contractual Cash Flows \$	Less than 3 Months \$	1 - 5 Years \$	Over 5 Years \$
Cash	900,293	900,293	900,293	-	-
Reclamation deposit	105,921	105,921	-	-	105,921
Investments	15,918	15,918	-	15,918	-
Accounts payable and accrued liabilities	(496,792)	(496,792)	(496,792)	-	-
Property acquisition obligation	(567,797)	(567,797)	-	(567,797)	-

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10. Financial Instruments and Risk Management (continued)

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 July 31, 2025, 1 Canadian Dollar was equal to 7.0448 SEK as per Swedish Central Bank and 1 Canadian Dollar was equal to 3.2054 RON as per Romania Bank.

Balances are as follows:

	SEK	CDN \$ Equivalent	RON	CDN \$ Equivalent
Cash	331,294	47,027	270,263	84,314
VAT receivable	294,795	41,846	460,923	143,794
Reclamation deposit	746,189	105,921	-	-
Accounts payable and accrued liabilities	(1,779,939)	(252,661)	(152,938)	(47,712)
Property acquisition obligation	(4,000,000)	(567,797)	-	-
	(4,407,661)	(625,664)	578,248	180,396

Based on the net exposures as of July 31, 2025 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 \$62,566 & \$18,040 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. 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 three months ended July 31, 2025 and 2024 non-cash activities were conducted by the Company as follows:

	2025 \$	2024 \$
Operating activity		
Provision for site restoration	1,020,824	900,318
Investing activity		
Revisions of estimates on property, plant and equipment	(1,020,824)	(900,318)

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:

	As at July 31, 2025			
	Corporate Canada \$	Mineral Operations Sweden \$	Mineral Operations Romania \$	Total \$
Current assets	817,659	130,720	228,108	1,176,487
Exploration and evaluation assets	-	17,959,148	3,761,435	21,720,583
Property, plant and equipment	-	6,308,966	191,079	6,500,045
Reclamation deposit	-	105,921	-	105,921
	817,659	24,504,755	4,180,622	29,503,036
	As at October 31, 2024			
	Corporate Canada \$	Mineral Operations Sweden \$	Mineral Operations Romania \$	Total \$
Current assets	3,000,394	472,491	428,921	3,901,806
Exploration and evaluation assets	-	17,349,491	2,542,761	19,892,252
Property, plant and equipment	-	5,306,256	146,833	5,453,089
Reclamation deposit	-	96,569	-	96,569
	3,000,394	23,224,807	3,118,515	29,343,716

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 October 31, 2023, the Company's expenditure commitment for the five-year period ending May 15, 2027 is Euros 6,484,813 (approx. \$9,532,675) of which \$3,761,435 has been spent as at July 31, 2025.

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14. Events after the Reporting Period

- On August 15, 2025, announces announce the closing of the non-brokered private placement financing (the "Private Placement") previously announced on June 10, 2025. Pursuant to the Private Placement, the Company has issued 17,738,500 units (the "Units") at a price of C\$0.16 per Unit for aggregate gross proceeds of C\$2,838,160.



LEADING EDGE MATERIALS CORP.

MANAGEMENT'S DISCUSSION AND ANALYSIS QUARTERLY HIGHLIGHTS FOR THE NINE MONTHS ENDED JULY 31, 2025

This Management's Discussion and Analysis ("Interim MD&A") of Leading Edge Materials Corp. ("Leading Edge Materials" or the "Company"), dated September 19, 2025, should be read in conjunction with the unaudited condensed consolidated interim financial statements for the nine months ended July 31, 2025, 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 and on the Company's website 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 Graphite 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. Critical raw materials are determined as such by the European Union based on their economic importance and supply risk. They are directly linked to high growth technologies such as lithium-ion batteries and permanent magnets for electric motors, wind turbines and defense applications. 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 51% owned Bihor Sud Nickel Cobalt exploration project (Romania).

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 Market (Stockholm).

Highlights During and After the Quarter

During the three months ended July 31, 2025:

- On June 9, 2025, the Company announced signing of an agreement with Svensk Kapitalmarknadsgranskning ("SKMG") for an assignment as Certified Adviser for the Nasdaq First North Growth Market (Stockholm).

After nine months ended July 31, 2025:

- On August 15, 2025, the Company closed the non-brokered private placement financing (the "Private Placement") previously announced on June 10, 2025. Pursuant to the Private Placement, the Company has issued 17,738,500 units (the "Units") at a price of C\$0.16 per Unit for aggregate gross proceeds of C\$2,838,160.

Outlook

Current geopolitical dynamics have elevated critical raw materials to ongoing international prominence. As nations and corporations work to establish supply chains independent of China, the Company's Norra Kårr and Woxna Graphite projects remain strategically positioned within this evolving landscape.

In the rare earth elements sector, the European Union successfully negotiated a relaxation of China's export restrictions on 24 July, following measures initially imposed in April. This development underscores the urgent requirement for dependable and secure critical raw materials supply chains. The earlier export restrictions led to substantial price increases for heavy rare earth elements, particularly dysprosium and terbium, due to their limited availability outside of Chinese sources. Norra Kårr's heavy rare earth element profile positions it as directly relevant to addressing these supply constraints.

International governments—including the United States, Canada, and Australia—are actively supporting rare earth element mining initiatives through financial backing and structured pricing mechanisms, including price floors and long-term purchase agreements. These coordinated efforts are strengthening investor confidence while establishing the critical supply infrastructure necessary to counterbalance China's market dominance, built over decades through comprehensive state-directed industrial policy.

Woxna Graphite Mine

The Company maintains the Woxna Graphite Mine in production-ready condition while keeping operational holding costs to a minimum.

In partnership with an engineering consultant, the Company is currently updating its internal production restart study, which was initially completed in 2022. Recent crushing tests on Woxna ore have been successfully completed to investigate enhanced liberation techniques and better preservation of graphite flakes. Metallurgical testing is now underway on this material to assess potential improvements to the processing facility that could maximize operational efficiency.

The Company's goal is to deliver premium-quality, high-grade flake graphite concentrate. Market interest remains strong, reinforcing confidence in Woxna's commercial potential.

This comprehensive technical work will inform the creation of an updated business plan, and it is hoped enable project financing discussions, including potential access to Swedish or European Union public funding programmes.

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

Throughout the summer months, the Company has been responding to feedback from the County Administrative Boards of Jönköping and Östergötland regarding its application for a new Exploitation Concession ("Bearbetningskoncession") - a 25-year mining lease for the Norra Kärr project. The Company must submit its comprehensive responses to the Chief Mining Inspector by 20 September and anticipates a decision in Q4 2025.

Concurrent with the mining lease approval process, Pre-feasibility Study ("PFS") activities are progressing across multiple fronts. This includes mineral processing trials designed to optimize HREE-rich eudialyte mineral concentrate production, as well as development of industrial mineral nepheline syenite products. A comprehensive market evaluation for nepheline syenite applications is also in preparation. The Company is targeting PFS completion during H1 2026.

Bihor Sud Nickel-Cobalt Exploration Project

Following the substantial addition of ownership and operational permits for the Avram Iancu mine within the exploration area, the Company is reassessing its highest-value prospects. The Avram Iancu site benefits from extensive historical mining and exploration activities that have established hundreds of kilometres of underground galleries and workings. Historical data indicates the presence of massive sulphide zones within carbonate-replacement deposits, featuring primary copper-bearing minerals such as chalcocite and bornite.

A Competent Person Report is currently under development, while management concurrently explores alternative financing options to advance project development. This technical report will consolidate the substantial work completed to date and establish a clear roadmap for the project.

Financial Information

The report for the year ending October 31, 2025, is expected to be published on or about January 23, 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.

	Fiscal 2025			Fiscal 2024				Fiscal 2023
Three Months Ended	July 31, 2025 \$	April 30, 2025 \$	January 31, 2025 \$	October 31, 2024 \$	July 31, 2024 \$	April 30, 2024 \$	January 31, 2024 \$	October 31, 2023 (Restated) \$
Operations								
Expenses	(697,621)	(1,070,402)	(696,037)	(97,209)	(797,070)	(863,745)	(660,617)	(457,890)
Other items	86,314	(108,766)	26,821	(222,820)	(25,168)	4,216	(25,311)	195,209
Comprehensive profit/(loss)	(611,307)	(1,179,168)	(669,216)	(320,029)	(822,238)	(859,529)	(685,928)	(262,681)
Basic Profit/(loss) per share	(0.00)	(0.01)	(0.00)	(0.00)	(0.00)	(0.01)	(0.00)	(0.00)
Diluted profit/(loss) per share	(0.00)	(0.01)	(0.00)	(0.00)	(0.00)	(0.01)	(0.00)	(0.00)
Financial Position								
Working capital	679,695	1,191,514	2,198,641	3,337,686	3,973,458	1,610,635	2,316,098	2,713,098
Total assets	29,503,036	28,361,774	28,480,311	29,343,716	28,454,783	24,991,481	26,003,943	25,512,111
Total non-current liabilities	(6,806,650)	(6,009,933)	(5,596,369)	(5,641,854)	(5,683,545)	(5,101,289)	(5,489,843)	(4,670,790)

Results of Operations

Three Months Ended July 31, 2025, Compared to Three Months Ended April 30, 2025

During the three months ended July 31, 2025 ("Q3 2025") the Company reported a net loss of \$611,307 compared to a reported net loss of \$1,179,168 for the three months ended April 30, 2025 ("Q2 2025"), a decrease in loss by \$567,861, the decrease in loss mainly due to share based compensation expenses of \$208,322 (Q2 2025 - \$585,529) and foreign exchange gain of \$80,335 (Q2 2025 loss - \$117,063).

Three Months Ended July 31, 2025, Compared to Three Months Ended July 31, 2024

During the three months ended July 31, 2025 ("2025 period"), the Company reported a net loss of \$611,307 compared to a net loss of \$822,238 for the three months ended July 31, 2024 ("2024 period"), a decrease in loss of \$210,931, the decrease in loss mainly due to Research, development and general exploration expenses of \$10,526 (Q3 2024 - \$192,866), share based compensation expenses of \$208,322 (Q3 2024 - \$133,295) and foreign exchange gain of \$80,335 (Q3 2024 loss - \$21,253).

Specific expenses of note during three months ended July 31, 2025 are as follows:

- (i) incurred \$74,099 (2024 - \$115,338) for directors and officer's compensation.
- (ii) incurred \$43,093 (2024 - \$48,840) 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 \$44,370 (2024 - \$36,327) for accounting and audit out of which the Company incurred \$14,734 (2024 - \$14,707) for accounting services of SKS Business Services along with \$11,439 (2024 - \$6,072) for bookkeeping and accounting services for subsidiary companies provided by other independent accountants.

- (iv) incurred Research, development, and general exploration expenses of \$10,526 (2024 - \$192,866).
- (v) incurred \$73,938 (2024 - \$62,773) in costs for operations.

Interest income is primarily generated from cash held on deposit with the Bank of Montreal. During the three months ended July 31, 2025 the Company reported interest income of \$5,637 compared to \$13,521 during the three months ended July 31, 2024.

During the three months ended July 31, 2025, the Company recorded a foreign exchange gain of \$80,335 due to changes in exchange rates, compared to a loss of \$21,253 during the three months ended July 31, 2024.

Financings

During the nine months ended July 31, 2025, 150,000 warrants were exercised for gross proceeds of \$30,000.

During nine months ended July 31, 2025, 6,850,000 stock options were granted at an exercise price of \$0.24.

During the year ended October 31, 2024, 3,689,286 warrants were exercised for gross proceeds of \$368,929.

On July 23, 2024, the Company closed a first tranche of the private placement, issuing 34,400,000 common shares at a price of \$0.10/share for gross proceeds of \$3,440,000. Each unit consisted of one common share and one common share purchase warrant. Each warrant is exercisable by the holder to acquire one additional common share at an exercise price of \$0.20 per share, expiring July 23, 2028. The Company also paid finders' fees of \$3,000.

On September 26, 2024, the Company closed the second and final tranche of the private placement announced previously on July 15, 2024, issuing 6,710,000 common shares at a price of \$0.10/share for gross proceeds of \$671,000. Each unit consisted of one common share and one common share purchase warrant. Each warrant is exercisable by the holder to acquire one additional common share at an exercise price of \$0.20 per share, expiring September 26, 2028.

Financial Condition / Capital Resources

During the three months ended July 31, 2025, the Company recorded a net loss of \$611,307 and, as of July 31, 2025, the Company had an accumulated deficit of \$51,812,349 and working capital of \$679,695. The Company maintains its Woxna Graphite mine in a "production-ready" basis while minimizing costs. The Company is also evaluating a potential restart of flake graphite concentrate production. The Company anticipates that it has sufficient funding to meet anticipated levels of corporate administration and overheads for the ensuing twelve months however, it will need additional capital to provide working capital and recommence operations at the Woxna Graphite, to fund future development of the Norra Kärr Property or to complete exploration activities in Romania. There is no assurance such additional capital will be available to the Company on acceptable terms or at all. 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, 2024, audited annual consolidated financial statements.

Changes in Accounting Policies

There is no change in accounting policy during the nine months ended July 31, 2025.

A detailed summary of all the Company's significant accounting policies and accounting standards and interpretations issued but not yet effective, is included in Note 3 to the October 31, 2024, 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 nine months ended July 31, 2025 and 2024 the following compensation was incurred:

	2025	2024
	\$	\$
Mr. Kurt Budge, CEO ⁽¹⁾	267,857	68,859
Mr. Lars-Eric Johansson, Chairman and director	24,300	24,300
Mr. Eric Krafft, director ⁽¹⁾	24,300	24,300
Mr. Daniel Major, director	24,303	24,303
Mr. Sanjay Swarup, CFO	29,963	28,580
Ms. Manuela Balaj-Coroiu, Corporate Secretary	37,800	37,800
	408,250	208,142

(1) On May 19, 2024, Kurt Budge was appointed as Chief Executive Officer ("CEO") taking over from Eric Krafft.

Out of the total Directors' and Officers' compensation of \$267,857, CEO's compensation of \$178,641 has been capitalized to Exploration and Evaluation assets.

(b) During the nine months ended July 31, 2025, the Company incurred \$45,401 (2024 - \$43,894) for accounting services of SKS Business Services.

- (c) In addition, during the nine months ending July 31, 2025 and 2024 the company incurred share-based compensation for key management personnel as follows:

	2025	2024
	\$	\$
Mr. Eric Krafft	234,785	208,644
Mr. Kurt Budge	255,159	110,224
Mr. Lars-Eric Johansson	186,505	109,310
Mr. Daniel Major	186,505	109,310
Ms. Manuela Balaj-Coroiu	15,217	13,883
Mr. Sanjay Swarup	12,862	8,096
Mr. Filip Kozłowski	-	17,959
	891,033	577,426

Outstanding Share Data

The Company's authorized share capital is unlimited common shares without par value. As of September 19, 2025, there were 249,950,449 issued and outstanding common shares 80,437,630 warrants outstanding with exercise prices ranging from \$0.20 to \$0.32 per share and 21,900,000 share options outstanding with exercise prices ranging from \$0.10 to \$0.24 per share.