



# **LEADING EDGE MATERIALS CORP.**

CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEARS ENDED  
OCTOBER 31, 2024 AND 2023

*(Expressed in Canadian Dollars)*



## Independent Auditor's Report

To the Shareholders of Leading Edge Materials Corp.

### Opinion

We have audited the consolidated financial statements of Leading Edge Materials Corp. (the “Company”), which comprise the consolidated statements of financial position as at October 31, 2024 and October 31, 2023, and the consolidated statements of comprehensive loss, consolidated statements of changes in equity and consolidated statements of cash flows for the years then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Company as at October 31, 2024 and October 31, 2023, and its financial performance and its cash flows for the years then ended in accordance with IFRS Accounting Standards.

### Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Emphasis of Matter - Restated Comparative Information

We draw attention to Note 14 to the consolidated financial statements, which explains that certain comparative information presented for the year ended October 31, 2023 has been restated. Our opinion is not modified in respect of this matter.

### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the year ended October 31, 2024. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

### Assessment of Impairment Indicators of Exploration and Evaluation Assets

#### *Description*

Management assesses whether there are indicators of impairment to exploration and evaluation assets when facts and circumstances suggest that the carrying amount of an exploration and evaluation asset may exceed the recoverable amount. Management applies judgement in assessing whether impairment indicators are present. No impairment indicators were identified by management as of October 31, 2024.

This matter was significant to our audit because the carrying value of the Company's exploration and evaluation assets at October 31, 2024, was \$ 19,892,252, which represents a significant portion of the Company's total assets and management applies significant judgement in assessing whether impairment indicators are present. See Note 3 and Note 5 to the consolidated financial statements.

#### *How the Key Audit Matter Was Addressed in the Audit*

Our approach to addressing the matter included the following procedures, among others:

Evaluated management's assessment as to whether there were any indicators of impairment to exploration and evaluation assets, which included the following:

- Obtained all mineral claim and permit listings held by the Company and confirmed the mineral claims held with the related mining authorities.
- Considered the Company's intentions to carry out future exploration and evaluation expenditures which included reading Board of Directors' meeting minutes and enquiring as to the intentions and strategy of the Company.
- Assessed whether there were other changes in circumstances indicating that the exploration and evaluation expenditures may not be recoverable, based on the evidence obtained in other areas of the audit.

#### **Other Information**

Management is responsible for the other information. The other information comprises the information included in Management's Discussion and Analysis.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We obtained Management's Discussion and Analysis prior to the date of this auditor's report. If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact in this auditor's report. We have nothing to report in this regard.

#### **Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements**

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

### **Auditor's Responsibilities for the Audit of the Consolidated Financial Statements**

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements. As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.



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From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Carly Bergman.

Vancouver, B.C.  
January 24, 2025

***"D&H Group LLP"***

**Chartered Professional Accountants**

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

	Note	October 31, 2024 \$	October 31, 2023 (as restated – Note 14) \$
<b>ASSETS</b>			
<b>Current assets</b>			
Cash		3,460,217	2,427,311
GST/VAT receivables		304,568	193,246
Prepaid expenses		114,471	110,901
Investments	4	22,550	150,462
Inventory		-	77,236
Plant stores and supplies		-	83,355
<b>Total current assets</b>		<b><u>3,901,806</u></b>	<b><u>3,042,511</u></b>
<b>Non-current assets</b>			
Exploration and evaluation assets	5	19,892,252	17,929,838
Property, plant and equipment	6	5,453,089	4,509,105
Reclamation deposit	7	96,569	91,361
<b>Total non-current assets</b>		<b><u>25,441,910</u></b>	<b><u>22,530,304</u></b>
<b>TOTAL ASSETS</b>		<b><u>29,343,716</u></b>	<b><u>25,572,815</u></b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Accounts payable and accrued liabilities		564,120	329,413
<b>Non-current liabilities</b>			
Provision for site restoration	7	5,121,374	4,173,494
Property acquisition obligation	5(a), 6	520,480	497,296
<b>Total non-current liabilities</b>		<b><u>5,641,854</u></b>	<b><u>4,670,790</u></b>
<b>TOTAL LIABILITIES</b>		<b><u>6,205,974</u></b>	<b><u>5,000,203</u></b>
<b>SHAREHOLDERS' EQUITY</b>			
Share capital	8	63,697,686	59,220,772
Share-based payments reserve	8(d)	8,792,714	8,016,774
Deficit		(49,352,658)	(46,664,934)
<b>TOTAL SHAREHOLDERS' EQUITY</b>		<b><u>23,137,742</u></b>	<b><u>20,572,612</u></b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>		<b><u>29,343,716</u></b>	<b><u>25,572,815</u></b>

**Nature of Operations** - Note 1

**Event after the Reporting Period** – Note 16

These consolidated financial statements were approved for issue by the Board of Directors on January 24, 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**  
*(Expressed in Canadian Dollars)*

	Notes	Year Ended October 31,	
		2024 \$	2023 (as restated - Note 14) \$
<b>Expenses</b>			
Accretion of provision for site restoration	7	125,121	105,028
Corporate development		190,599	68,406
Depreciation		31,463	23,027
Directors and officer's compensation	9(a)	232,702	182,341
Research, development and general exploration	5	126,503	101,967
Accounting and audit	9(b)	183,944	158,872
General and administration		59,066	51,421
Listing and regulatory costs		198,621	183,568
Operations		258,067	225,469
Salaries, compensation and benefits		170,931	221,723
Professional fees		7,766	15,812
Share based compensation	9(a)	775,940	854,275
Travel		57,918	56,841
		<u>2,418,641</u>	<u>2,248,750</u>
<b>Loss before other items</b>		<u>(2,418,641)</u>	<u>(2,248,750)</u>
<b>Other items</b>			
Interest income		97,375	61,492
Other Income		406	7,172
Foreign exchange gain/(loss)		(73,283)	(137,529)
Mark to market adjustment gain/(loss)		(127,912)	1,625
Write off of Inventory		(165,669)	-
Write off of Exploration and Evaluation assets		-	(81,117)
		<u>(269,083)</u>	<u>(148,357)</u>
<b>Net loss and comprehensive loss</b>		<u>(2,687,724)</u>	<u>(2,397,107)</u>
<b>Loss per share - basic and diluted</b>		<u>(\$0.01)</u>	<u>(\$0.01)</u>
<b>Weighted average number of common shares outstanding - basic and diluted</b>		<u>200,413,893</u>	<u>167,139,971</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)*

Year Ended October 31, 2024					
Share Capital					
	Number of Shares	Amount \$	Share- Based Payments Reserve \$	Deficit \$	Total Equity \$
<b>Balance as at October 31, 2023 (as restated – Note 14)</b>	<b>187,262,663</b>	<b>59,220,772</b>	<b>8,016,774</b>	<b>(46,664,934)</b>	<b>20,572,612</b>
Common shares issued for:					
Warrants exercised	3,689,286	368,929	-	-	368,929
Shares issued	41,110,000	4,110,985	-	-	4,110,985
Share Issue Cost (Finder's fees)	-	(3,000)	-	-	(3,000)
Share-based compensation	-	-	775,940	-	775,940
Net loss for the period	-	-	-	(2,687,724)	(2,687,724)
<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>
Year Ended October 31, 2023					
Share Capital					
	Number of Shares	Amount \$	Share- Based Payments Reserve \$	Deficit \$	Total Equity \$
<b>Balance as at October 31, 2022 (as restated)</b>	<b>152,523,533</b>	<b>55,442,053</b>	<b>7,162,148</b>	<b>(44,267,827)</b>	<b>18,336,374</b>
Common shares issued for:					
Warrants exercised	13,000,000	1,300,000	-	-	1,300,000
Shares issued	21,739,130	2,500,000	-	-	2,500,000
Share Issue Cost	-	(21,281)	351	-	(20,930)
Share-based compensation	-	-	854,275	-	854,275
Net loss for the period (as restated – Note 14)	-	-	-	(2,397,107)	(2,397,107)
<b>Balance at October 31, 2023 (as restated – Note 14)</b>	<b>187,262,663</b>	<b>59,220,772</b>	<b>8,016,774</b>	<b>(46,664,934)</b>	<b>20,572,612</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>Year Ended October 31,</b>	
	<b>2024</b>	<b>2023</b>
	\$	(as restated – Note 14) \$
<b>Operating activities</b>		
Net loss for the year	(2,687,724)	(2,397,107)
Adjustments for:		
Accretion of provision for site restoration	125,121	105,028
Depreciation	31,463	23,027
Foreign exchange	12,898	6,589
Share based compensation	775,940	854,275
Mark to market adjustment loss	127,912	(1,625)
Write off of Inventory	165,669	-
Write off of Exploration and Evaluation assets	-	81,117
Changes in non-cash working capital items:		
GST/VAT receivables	(111,322)	(177,331)
Prepaid expenses and other	(3,570)	(65,551)
Accounts payable and accrued liabilities	234,707	125,987
<b>Net cash from (used in) operating activities</b>	<u>(1,328,906)</u>	<u>(1,445,591)</u>
<b>Investing activity</b>		
Additions to property, plant and equipment	(152,688)	(3,410)
Expenditures on exploration and evaluation assets	(1,962,414)	(1,101,294)
<b>Net cash from (used in) investing activity</b>	<u>(2,115,102)</u>	<u>(1,104,704)</u>
<b>Financing activities</b>		
Issuance of common shares	4,479,914	3,800,000
Share issue costs	(3,000)	(20,930)
<b>Net cash provided by financing activities</b>	<u>4,476,914</u>	<u>3,779,070</u>
<b>Net change in cash</b>	1,032,906	1,228,775
<b>Cash at beginning of year</b>	<u>2,427,311</u>	<u>1,198,536</u>
<b>Cash at end of year</b>	<u>3,460,217</u>	<u>2,427,311</u>

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

**LEADING EDGE MATERIALS CORP.**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED OCTOBER 31, 2024 AND 2023**  
*(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), 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 year ended October 31, 2024, the Company recorded a net loss of \$2,687,724 and, as at October 31, 2024, the Company had an accumulated deficit of \$49,352,658 and working capital of \$3,337,686.

For the Woxna Graphite Mine, the Company is maintaining its assets 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, higher specialty products such as high purity graphite for battery and other specialty end uses, produced to the highest ESG and sustainability standards.

For the Norra Kärr HREE project, 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 is expected on Strategic Project status in the first quarter of 2025, and thereafter the Bearbetningskoncession. The Company is also planning for the start of Pre-feasibility ("PFS") in the second quarter of 2025.

Finally, for Bihor Sud project, the Company continued exploration activities during the year, with the appointment of a Chief Geologist in the summer and the start of drilling in gallery G7 in September 2024; following-up on the extensive Cobalt-Nickel-Gold mineralized zone that was identified towards the end of 2023. Activities have included underground diamond drilling, geophysics, core logging, and sampling. The Company's objective at Bihor Sud, is to define a large-scale, mineable mineral resource, and, in 2025, the Company will start drilling in gallery G2 which has shown potential for extensive Zinc-Lead-Copper-Silver mineralization. The findings to date are encouraging and highlight the strong potential for discovering a significant polymetallic deposit.

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 CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED OCTOBER 31, 2024 AND 2023**  
*(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")	Romania	51%

**3. Material Accounting Policies**

***Critical Judgments and Sources of Estimation Uncertainty***

The preparation of these consolidated financial statements requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the consolidated financial statements and reported amounts of expenses during the reporting period. Actual outcomes could differ from these estimates. These consolidated financial statements include estimates which, by their nature, are uncertain. The impacts of such estimates are pervasive throughout the consolidated financial statements and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised and future periods if the revision affects both current and future periods. These estimates are based on historical experience, current and future economic conditions and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

***Critical Judgments***

The following are critical judgments that management has made in the process of applying accounting policies and that have the most significant effect on the amounts recognized in the consolidated financial statements:

- (i) The determination of categories of financial assets and financial liabilities has been identified as an accounting policy which involves judgments or assessments made by management.

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**3. Material Accounting Policies** (continued)

- (ii) Management is required to assess the functional currency of each entity of the Company. In concluding that the Canadian dollar is the functional currency of the parent and its subsidiary companies, management considered the currency that mainly influences the cost of providing goods and services in each jurisdiction in which the Company operates. As no single currency was clearly dominant the Company also considered secondary indicators including the currency in which funds from financing activities are denominated and the currency in which funds are retained.
- (iii) Management is required to assess impairment of intangible exploration and evaluation assets. The triggering events are defined in IFRS 6. In making the assessment, management is required to make judgments on the status of each project and the future plans toward finding commercial reserves. The nature of exploration and evaluation activity is such that only a proportion of projects are ultimately successful and some assets are likely to be impaired in future periods. In fiscal 2024 and 2023 management determined that there were no impairment indicators and no impairment charge was required.
- (iv) Management is required to assess impairment in respect of property, plant and equipment. The triggering events are defined in IAS 36. In making the assessment, management is required to make judgments on the status of the project and the future plans toward finding commercial reserves to which the property, plant and equipment relate to. In fiscal 2024 and 2023 management determined that there were no impairment indicators and no impairment charge was required.
- (v) Although the Company takes steps to verify title to exploration and evaluation assets in which it has an interest, these procedures do not guarantee the Company's title. Such properties may be subject to prior agreements or transfers and title may be affected by undetected defects.
- (vi) The assessment of the probability of future taxable income in which deferred tax assets can be utilized is based on the Company's estimate of future profits or losses adjusted for significant non-taxable income and expenses and specific limits to the use of any unused tax loss or credit. The tax rules in the jurisdictions in which the Company operates are also carefully taken into consideration. If a positive forecast of taxable income indicates the probable use of a deferred tax asset, especially when it can be utilized without a time limit, that deferred tax asset is usually recognized to the extent of the amount expected to be utilized. The recognition of deferred tax assets that are subject to certain legal or economic limits or uncertainties is assessed individually by management based on the specific facts and circumstances. Details of these can be found in Note 13.

*Estimation Uncertainty*

The following are key assumptions concerning the future and other key sources of estimation uncertainty that have a significant risk of resulting in a material adjustment to the carrying amount of assets and liabilities within the next financial year:

- (i) Depreciation and depletion expenses are allocated based on assumed asset lives and depletion/depreciation rates. Should the asset life or depletion/depreciation rate differ from the initial estimate, an adjustment would be made in the statement of operations.
- (ii) The cost estimates are updated periodically during the life of a mine to reflect known developments, (e.g. revisions to cost estimates and to the estimated lives of operations), and are subject to review at regular intervals. Decommissioning, restoration and similar liabilities are estimated based on the Company's interpretation of current regulatory requirements, constructive obligations and are measured at fair value. Fair value is determined based on the net present value of estimated future cash expenditures for the settlement of decommissioning, restoration or similar liabilities that may occur upon decommissioning of the mine. Such estimates are subject to change based on changes in laws and regulations and negotiations with regulatory authorities.
- (iii) Provisions for income taxes are made using the best estimate of the amount expected to be paid based on a qualitative assessment of all relevant factors. The Company reviews the adequacy of these

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**FOR THE YEARS ENDED OCTOBER 31, 2024 AND 2023**  
*(Expressed in Canadian Dollars)*

**3. Material Accounting Policies** (continued)

provisions at the end of the reporting period. However, it is possible that at some future date an additional liability could result from audits by taxing authorities. Where the final outcome of these tax-related matters is different from the amounts that were originally recorded, such differences will affect the tax provisions in the period in which such determination is made.

- (iv) Determining the fair value of warrants and stock options requires estimates related to the choice of a pricing model, the estimation of stock price volatility, the expected forfeiture rate and the expected term of the underlying instruments. Any changes in the estimates or inputs utilized to determine fair value could have a significant impact on the Company's future operating results or on other components of shareholders' equity (deficit).
- (v) The fair value of securities traded in active markets are based on quoted market prices at the close of trading on the reporting date. The fair value of securities that are subject to trading restrictions are recorded at a value which takes into account the length and nature of the restriction.

***Cash and Cash Equivalents***

Cash includes cash in bank and demand deposits. Cash equivalents include short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value. The Company is not exposed to significant credit or interest rate risk although cash is held in excess of federally insured limits with a major financial institution. At October 31, 2024 and 2023 the Company did not have any cash equivalents.

***Amounts Receivable***

Receivables are recognized initially at fair value and classified as amortized cost. Receivables are subsequently measured at amortized cost using the effective interest method, less expected credit losses. At each reporting date, the Company records credit losses at an amount equal to the lifetime expected credit losses using a present value and probability weighted model.

***Inventory***

Processed graphite inventory is valued at the lower of cost and net realizable value. Cost is determined as the average production cost of saleable graphite and net realizable value is determined as the calculated selling price less selling costs.

***Plant Stores and Supplies***

Plant stores and supplies are valued at the lower of cost and replacement cost.

***Accounts Payable and Accrued Liabilities***

Payables are obligations to pay for materials or services that have been acquired in the ordinary course of business from suppliers. Payables are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

Payables are classified as amortized cost initially at fair value and are subsequently measured at amortized cost using the effective interest method.

***Exploration and Evaluation Assets***

The Company follows the practice of capitalizing all costs relating to the acquisition of, exploration for and development of mineral properties when the company obtains legal rights to explore a specific area. All proceeds received are credited against the cost of the related properties. Such costs include, but are not exclusive to, geological and geophysical studies, exploratory drilling and sampling. At such time as commercial production

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**3. Material Accounting Policies** (continued)

commences, these costs will be charged to operations on a unit-of-production method based on proven and probable reserves. The aggregate costs related to abandoned mineral properties are charged to operations at the time of any abandonment, or when it has been determined that there is evidence of a permanent impairment. An impairment charge relating to a mineral property is subsequently reversed when new exploration results or actual or potential proceeds on sale or farmout of the property result in a revised estimate

of the recoverable amount, but only to the extent that this does not exceed the original carrying value of the property that would have resulted if no impairment had been recognized.

The recoverability of amounts shown for exploration and evaluation assets is dependent upon the discovery of economically recoverable reserves, the ability of the Company to obtain financing to complete development of the properties, and on future production or proceeds of disposition.

The Company recognizes income costs recovered on mineral properties when amounts received or receivable are in excess of the carrying amount.

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

All capitalized exploration and evaluation expenditures are monitored for indications of impairment. Where a potential impairment is indicated, assessments are performed for each area of interest. To the extent that exploration expenditure is not expected to be recovered, it is charged to the results of operations.

***Property, Plant and Equipment***

Property, plant and equipment are carried at cost, less accumulated depreciation and accumulated impairment losses.

The cost of an item of property, plant and equipment consists of the purchase price, any costs directly attributable to bringing the asset to the location and condition necessary for its intended use and an initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located.

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on disposal of the asset, determined as the difference between the net disposal proceeds and the carrying amount of the asset, is recognized in profit or loss in the consolidated statement of comprehensive loss.

Where an item of plant and equipment comprises major components with different useful lives, the components are accounted for as separate items of plant and equipment. Expenditures incurred to replace a component of an item of plant and equipment that is accounted for separately, including major inspection and overhaul expenditures are capitalized. Property, plant and equipment are depreciated annually on a straight-line basis or on a unit of production basis over the estimated useful life of the assets commencing when the related asset is available for use as follows:

Vehicles	20%
Equipment and tools	20%
Building	5% to 10%
Manufacturing and processing facility	20% or on a unit of production basis
Mineral property acquisition and development costs	Unit of production basis

Depreciation of assets commence when the plant and equipment are available for use and in the condition necessary for them to be operating in the manner intended by management.

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**3. Material Accounting Policies** (continued)

***Impairment of Assets***

At each financial position reporting date, the carrying amounts of the Company's assets are reviewed to determine whether there is any indication that those assets are impaired. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment, if any. Where the asset does not generate cash flows that are independent from other assets, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

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

time value of money and the risks specific to the asset. If the recoverable amount of an asset or cash generating unit is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount and the impairment loss is recognized in the profit or loss for the period.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but only to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash generating unit) in prior years. A reversal of an impairment loss is recognized immediately in profit or loss.

***Provision for Site Restoration***

An obligation to incur restoration, rehabilitation and environmental costs arises when environmental disturbance is caused by the exploration, development or ongoing production of a mineral interest by or on behalf of the Company. Costs for restoration of site damage which is created on an ongoing basis during exploration and evaluation are provided for at their net present values and charged against profits in the period such exploration and evaluation occurs. Discount rates using a risk free rate that reflects the time value of money are used to calculate the net present value. The related liability is adjusted for each period for the unwinding of the discount rate and for changes to the current risk free discount rate, amount or timing of the underlying cash flows needed to settle the obligation.

***Financial Instruments***

The Company classifies its financial assets and financial liabilities in the following measurement categories: (i) those to be measured subsequently at FVTPL; (ii) those to be measured subsequently at fair value through other comprehensive income (FVOCI); and (iii) those to be measured at amortized cost. The classification of financial assets depends on the business model for managing the financial assets and the contractual terms of the cash flows. Financial liabilities are classified as those to be measured at amortized cost unless they are designated as those to be measured subsequently at FVTPL (irrevocable election at the time of recognition). For assets and liabilities measured at fair value, gains and losses are either recorded in profit or loss or other comprehensive income.

All financial instruments are required to be measured at fair value on initial recognition, plus, in the case of a financial asset or financial liability not at FVTPL, transaction costs that are directly attributable to the acquisition or issuance of the financial asset or financial liability. Transaction costs of financial assets and financial liabilities carried at FVTPL are expensed in profit or loss. Financial assets and financial liabilities with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Financial assets that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortized cost at the end of the subsequent accounting periods. All other

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**3. Material Accounting Policies** (continued)

financial assets including equity investments are measured at their fair values at the end of subsequent accounting periods, with any changes taken through profit and loss or other comprehensive income (irrevocable election at the time of recognition). For financial liabilities measured subsequently at FVTPL, changes in fair value due to credit risk are recorded in other comprehensive income.

***Share Capital***

Common shares issued by the Company are classified as equity. Costs directly attributable to the issue of common shares, share purchase warrants and share options are recognized as a deduction from equity, net of any related income tax effects.

***Equity Financing***

The Company engages in equity financing transactions to obtain the funds necessary to continue operations and explore and evaluate mineral properties. These equity financing transactions may involve issuance of common shares or units. Units typically comprise a certain number of common shares and share purchase warrants. Depending on the terms and conditions of each equity financing transaction, the warrants are exercisable into additional common shares at a price prior to expiry as stipulated by the terms of the transaction. The Company has adopted the residual value method with respect to the allocation of proceeds received on sale of units to the underlying common shares and share purchase warrants issued as private placement units. The fair value of the common shares issued in private placements is determined by the closing quoted bid price on the announcement date. The balance, if any, is allocated to the attached share purchase warrants.

***Share-Based Payment Transactions***

The share option plan allows Company employees and consultants to acquire shares of the Company. The fair value of share options granted is recognized as a share-based compensation expense with a corresponding increase in the equity settled share-based payments reserve in equity. An individual is classified as an employee when the individual is an employee for legal or tax purposes (direct employee) or provides services similar to those performed by a direct employee.

For employees the fair value is measured at grant date and each tranche is recognized separately on a straight line basis over the period during which the share options vest. The fair value of the share options granted is measured using the Black-Scholes option pricing model taking into account the terms and conditions upon which the share options were granted. Expected volatility is based on available historical volume of the Company's share price. At the end of each reporting period, the amount recognized as an expense is adjusted to reflect the actual number of share options that are expected to vest.

Equity-settled share-based payment transactions with non-employees are measured at the fair value of the goods or services received. However, if the fair value cannot be estimated reliably, the share-based payment transaction is measured at the fair value of the equity instruments granted at the date the Company receives the goods or the services.

***Current and Deferred Income Taxes***

Income tax expense comprises current and deferred income tax. Income tax is recognized in the statement of comprehensive loss, except to the extent that it relates to items recognized in other comprehensive income or directly in equity. In this case the income tax is also recognized in other comprehensive income or directly in equity, respectively.

***Current Income Tax***

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the statement of financial position date in the countries where the Company's subsidiaries and associates operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to



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**3. Material Accounting Policies** (continued)

situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

*Deferred Income Tax*

Deferred income tax is recognized, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the statement of financial position date and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.

Deferred income tax assets are recognized only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilized.

Deferred income tax is provided on temporary differences arising on investments in subsidiaries, except where the timing of the reversal of the temporary difference is controlled by the Company and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax assets and liabilities relate to income taxes levied by the same taxation authority on either the taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

***Loss per Share***

Basic loss per share is computed by dividing income available to common shareholders by the weighted average number of common shares outstanding during the period. The computation of diluted loss per share assumes the conversion, exercise or contingent issuance of securities only when such conversion, exercise or issuance would have a dilutive effect on loss per share. The dilutive effect of convertible securities is reflected in diluted earnings per share by application of the "if converted" method. The dilutive effect of outstanding options and warrants and their equivalents is reflected in diluted earnings per share.

***Foreign Currency Translation***

*Functional and Presentation Currency*

The financial statements of each of the Company's subsidiaries are prepared in the local currency of their home jurisdictions. Consolidation of each subsidiary includes re-measurement from the local currency to the subsidiary's functional currency. Each subsidiary's functional currency, being the currency of the primary economic environment in which the subsidiary operates, is the Canadian dollar. The consolidated financial statements are presented in Canadian dollars.

Exchange rates published by the Bank of Canada were used to translate subsidiary financial statements into the consolidated financial statements. Income and expenses for each statement of comprehensive loss presented are translated using the rates prevailing on the transaction dates. All resulting foreign exchange differences are recognized in comprehensive loss.

*Foreign Currency Transactions*

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing on the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in comprehensive loss.

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**3. Material Accounting Policies** (continued)

***Accounting Standards and Interpretations Issued but Not Yet Effective***

(i) Classification of Liabilities as Current or Non-Current (Amendments to IAS 1)

The IASB has published Classification of Liabilities as Current or Non-Current (Amendments to IAS 1) which clarifies the guidance on whether a liability should be classified as either current or non-current. The amendments:

- clarify that the classification of liabilities as current or non-current should only be based on rights that are in place "at the end of the reporting period".
- clarify that classification is unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability; and
- make clear that settlement includes transfers to the counterparty of cash, equity instruments, other assets or services that result in extinguishment of the liability.

This amendment is effective for annual periods beginning on or after January 1, 2024. Earlier application is permitted. The extent of the impact of adoption of this amendment has not yet been determined.

**4. Investments**

Investments held by the Company are as follows:

<b>Particulars</b>	<b>October 31, 2024 \$</b>	<b>October 31, 2023 \$</b>
132,647 shares in United Lithium Corp. (ULTH)	22,550	119,383
Warrants in United Lithium Corp. (Expired on April 29,2024)	-	31,079
<b>Total</b>	<b>22,550</b>	<b>150,462</b>

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

**5. Exploration and Evaluation Assets**

	<b>As at October 31, 2024</b>			<b>As at October 31, 2023</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 (as restated – Note 14)	15,402,622	1,932,082	17,334,704	15,402,622	1,151,428	16,554,050
Woxna graphite Romania	-	-	-	-	-	-
	187,999	2,354,762	2,542,761	187,999	1,173,002	1,361,001
	<b>15,600,702</b>	<b>4,291,550</b>	<b>19,892,252</b>	<b>15,600,702</b>	<b>2,329,136</b>	<b>17,929,838</b>

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

	Graphite concessions \$	Anode Project \$	Norra Karr \$	Romania \$	Total \$
<b>Balance at October 31, 2022</b>	<b>14,787</b>	<b>81,117</b>	<b>16,361,351</b>	<b>452,408</b>	<b>16,909,663</b>
<b>Costs</b>					
Additions during the year (as restated – Note 14)	-	-	192,699	908,593	1,101,292
Write Off	-	(81,117)	-	-	(81,117)
<b>Balance at October 31, 2023</b> <b>(as restated – Note 14)</b>	<b>14,787</b>	<b>-</b>	<b>16,554,050</b>	<b>1,361,001</b>	<b>17,929,838</b>
<b>Costs</b>					
Additions during the year	-	-	780,654	1,181,760	1,962,414
<b>Balance at October 31, 2024</b>	<b>14,787</b>	<b>-</b>	<b>17,334,704</b>	<b>2,542,761</b>	<b>19,892,252</b>

(a) *Graphite Concessions*

Through Woxna, the Company holds a 100% interest in the Woxna Graphite Mine, comprising four concessions, known as Kringelgruvan, Mattsmyra, Gropabo and Mansberg. The Woxna Graphite Mine is located 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”).

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. No production has commenced on the Mattsmyra, Gropabo and Mansberg concessions and the additional payments are considered to be contingent amounts and will only be recognized as obligations when production commences on these concessions.

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. 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 is expected on Strategic Project status in the first quarter of 2025, and thereafter the Bearbetningskoncession. The Company is also planning for the start of Pre-feasibility (“PFS”) in the second quarter of 2025.

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

(c) *Anode Project*

The Anode Project encompasses the ongoing development towards the possible production of a high purity natural graphite anode material for the lithium-ion battery industry using flake graphite concentrate from the Woxna Graphite mine as a feedstock. The development work involves various metallurgical test work and engineering of the production process and if successful would eventually lead to the establishment of a dedicated anode material factory in Sweden.

During the year ended October 31, 2022 \$81,117 of exploration cost were capitalized. Based on assessment made, the nature of these expenses were found to be general exploration expense in nature and do not qualify to be capitalized as per IFRS 6 Exploration and Evaluation of Exploration properties, accordingly during the year ended October 31, 2023, the company recognized a write-off of \$81,117 of exploration and evaluation asset.

(d) *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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**6. 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>Total \$</b>
Balance at October 31, 2022	<b>16,094</b>	<b>287,018</b>	<b>344,139</b>	<b>7,567,878</b>	<b>6,388,736</b>	<b>14,603,865</b>
Addition	-	3,410	-	-	-	3,410
Adjustment to site restoration	-	-	-	-	(727,313)	(727,313)
Balance at October 31, 2023	<b>16,094</b>	<b>290,428</b>	<b>344,139</b>	<b>7,567,878</b>	<b>5,661,423</b>	<b>13,879,962</b>
Addition	-	152,688	-	-	-	152,688
Adjustment to site restoration	-	-	-	-	822,759	822,759
<b>Balance at October 31, 2024</b>	<b>16,094</b>	<b>443,116</b>	<b>344,139</b>	<b>7,567,878</b>	<b>6,484,182</b>	<b>14,855,409</b>
<b>Accumulated Depreciation and Impairment:</b>						
Balance at October 31, 2022	<b>(4,442)</b>	<b>(265,163)</b>	<b>(168,006)</b>	<b>(3,910,218)</b>	<b>(5,000,000)</b>	<b>(9,347,830)</b>
Depreciation	(732)	(1,374)	(20,922)	-	-	(23,027)
Balance at October 31, 2023	<b>(5,174)</b>	<b>(266,537)</b>	<b>(188,928)</b>	<b>(3,910,218)</b>	<b>(5,000,000)</b>	<b>(9,370,857)</b>
Depreciation	(1,000)	(1,877)	(28,586)	-	-	(31,463)
<b>Balance at October 31, 2024</b>	<b>(6,174)</b>	<b>(268,414)</b>	<b>(217,514)</b>	<b>(3,910,218)</b>	<b>(5,000,000)</b>	<b>(9,402,320)</b>
<b>Carrying Value:</b>						
Balance at October 31, 2023	<b>10,920</b>	<b>23,891</b>	<b>155,211</b>	<b>3,657,660</b>	<b>661,423</b>	<b>4,509,105</b>
Balance at October 31, 2024	<b>9,920</b>	<b>174,702</b>	<b>126,625</b>	<b>3,657,660</b>	<b>1,484,182</b>	<b>5,453,089</b>

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 October 31, 2024 the Company has recognized \$520,480 (October 31, 2023 - \$497,296) for the Property Acquisition Obligation associated with the Kringelgruvan concession, as described in Note 5(a)(i).

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**7. 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 2.097% (2023-2.998%) and an inflation factor of 2.0% (2023 - 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, 2022</b>	<b>4,795,779</b>
Accretion	105,028
Revision of estimates	(731,725)
Foreign exchange adjustment	4,412
	<hr/>
<b>Balance at October 31, 2023</b>	<b>4,173,494</b>
Accretion	125,121
Revision of estimates	628,188
Foreign exchange adjustment	194,571
	<hr/>
<b>Balance at October 31, 2024</b>	<b>5,121,374</b>
	<hr/>

As at October 31, 2024 reclamation deposits totaling \$96,569 (October 31, 2023 - \$91,361) have been paid. The reclamation deposits were placed as security for site restoration on the Kringelgruvan concession and on certain exploration and evaluation assets.

As at October 31, 2024 the Mattsmyra, Gropabo and Mansberg concessions remain undeveloped and there are no property restoration obligations relating to these concessions.

**8. 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**

*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 23rd July 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 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 26th September 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

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**8. Share Capital** (continued)

of \$0.10/share for gross proceeds of CAD\$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.

*Year Ended October 31, 2023*

During the year ended October 31, 2023, 13,000,000 warrants were exercised for gross proceeds of \$1,300,000.

On August 23, 2023 the Company completed a private placement financing of 21,739,130 units at a price of \$0.115 per unit for gross proceeds of \$2,500,000. 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 \$0.225 per share, expiring August 23, 2027. The Company paid finders' fees of \$20,930 cash and issued 7,000 finder's warrants.

(c) **Warrants**

A summary of the number of common shares reserved pursuant to the Company's outstanding warrants at October 31, 2024 and October 31, 2023, and the changes for the periods ended on those dates is as follows:

	2024		2023	
	Number	Weighted Average Exercise Price \$	Number	Weighted Average Exercise Price \$
Balance beginning of year	57,825,416	0.21	49,079,286	0.17
Issued	41,110,000	0.20	21,746,130	0.225
Exercised	(3,689,286)	0.10	(13,000,000)	0.10
Expired	(32,390,000)	0.10	-	-
Balance end of year	<b>62,856,130</b>	0.26	<b>57,825,416</b>	0.21

The following table summarizes information about the number of common shares reserved pursuant to the Company's warrants outstanding and exercisable at October 31, 2024:

Number	Exercise Price \$	Expiry Date
7,000	0.225	August 23, 2025
21,739,130	0.225	August 23, 2027
34,400,000	0.20	July 23, 2028
6,710,000	0.20	September 26, 2028
<b>62,856,130</b>	<b>0.26</b>	

(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.

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**8. Share Capital** (continued)

*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.

*Year Ended October 31, 2023*

4,200,000 stock options were granted at an exercise price of \$0.195 during the year ended October 31, 2023. The value of options granted was determined using the Black-Scholes option pricing model. A weighted average grant date fair value of \$0.154 was calculated using expected stock price volatility of 114.79%, risk free rate of 2.98% and option life of five years are based on the Company's historical share price volatility and option life.

500,000 stock options were granted at an exercise price of \$0.195 during the during the year ended October 31, 2023. The value of options granted was determined using the Black-Scholes option pricing model. A weighted average grant date fair value of \$0.124 was calculated using expected stock price volatility of 106.38%, risk free rate of 2.98% and option life of three years are based on the Company's historical share price volatility and option life.

700,000 stock options were granted at an exercise price of \$0.20 during the during the year ended October 31, 2023. The value of options granted was determined using the Black-Scholes option pricing model. A weighted average grant date fair value of \$0.139 was calculated using expected stock price volatility of 99.96%, risk free rate of 3.59% and option life of five 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 October 31, 2024 and 2023 and the changes for the year ended on those dates is as follows:

	<b>2024</b>		<b>2023</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	8,600,000	0.36	8,070,000	0.43
Issued	9,650,000	0.10	5,400,000	0.20
Exercised	-	-	-	-
Expired	-	-	(4,870,000)	0.29
Balance end of period	<b>18,250,000</b>	0.22	<b>8,600,000</b>	0.36



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**8. Share Capital** (continued)

The following table summarizes information about the share options outstanding and exercisable at October 31, 2024:

<b>Number Outstanding</b>	<b>Number Exercisable</b>	<b>Exercise Price \$</b>	<b>Expiry Date</b>
3,200,000	3,200,000	0.62	January 27, 2025
500,000	330,000	0.195	April 26, 2026
700,000	231,000	0.20	November 3, 2027
4,200,000	2,772,000	0.195	April 26, 2028
450,000	148,500	0.10	April 26, 2027
<u>9,200,000</u>	<u>3,036,000</u>	0.10	April 25, 2029
<b><u>18,250,000</u></b>	<b><u>9,717,500</u></b>		

**9. 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 year ended October 31, 2024 and 2023 the following compensation was incurred:

	<b>2024 \$</b>	<b>2023 \$</b>
Directors and officer's compensation (current and former)	342,338	182,341
Share based compensation (current and former)	<u>699,203</u>	<u>635,010</u>
	<b><u>1,041,541</u></b>	<b><u>817,351</u></b>

As at October 31, 2024, \$7,236 (October 31, 2023 - \$4,536) remained unpaid and has been included in accounts payable and accrued liabilities.

Out of the total Directors and Officers' compensation of \$342,338, CEO's compensation of \$109,636 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 October 31, 2024, the Company incurred \$58,533 (2023 - \$57,948) for accounting services by SKS Business Services.

**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)**

<b>Financial Instrument</b>	<b>Category</b>	<b>October 31, 2024 \$</b>	<b>October 31, 2023 \$</b>
Cash	FVTPL	3,460,217	2,427,311
Reclamation deposit	amortized cost	96,569	91,361
Investments	FVTPL	22,550	150,462
Accounts payable and accrued liabilities	amortized cost	(564,120)	(329,413)
Property acquisition obligation	amortized cost	(520,480)	(497,296)

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 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.

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

**Contractual Maturity Analysis at October 31, 2024**

	Carrying Amount \$	Contractual Cash Flows \$	Less than 3 Months \$	1 - 5 Years \$	Over 5 Years \$
Cash	3,460,217	3,460,217	3,460,217	-	-
Reclamation deposit	96,569	96,569	-	-	96,569
Investments	22,550	22,550	-	22,550	-
Accounts payable and accrued liabilities	(564,120)	(564,120)	(564,120)	-	-
Property acquisition obligation	(520,480)	(520,480)	-	(520,480)	-

*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 October 31, 2024, 1 Canadian Dollar was equal to 7.6852 SEK as per Swedish Central Bank and 1 Canadian Dollar was equal to 3.2805RON as per Romania Bank. Balances are as follows:

	SEK	CDN \$ Equivalent	RON	CDN \$ Equivalent
Cash	2,805,202	365,013	652,209	198,813
VAT receivable	506,548	65,912	754,873	230,108
Reclamation deposit	742,153	96,569	-	-
Accounts payable and accrued liabilities	(2,988,809)	(388,904)	(241,659)	(73,665)
Property acquisition obligation	(4,000,000)	(520,480)	-	-
	<b>(2,934,906)</b>	<b>(381,890)</b>	<b>1,165,423</b>	<b>355,256</b>

Based on the net exposures as of October 31, 2024 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 \$38,189 & \$35,526 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

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

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.

**11. Supplemental Cash Flow Information**

During the year ended October 31, 2024 and 2023 non-cash activities were conducted by the Company as follows:

	<b>2024</b>	<b>2023</b>
	<b>\$</b>	<b>\$</b>
Operating activity		
Provision for site restoration	822,759	(727,313)
Investing activity		
Revisions of estimates on property, plant and equipment	(822,759)	727,313
Share-based payment reserve	-	351
Share issue costs	-	(351)
	<u>(822,759)</u>	<u>727,313</u>

**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 October 31, 2024</b>			
	<b>Corporate Canada \$</b>	<b>Mineral Operations Sweden \$</b>	<b>Mineral Operations Romania \$</b>	<b>Total \$</b>
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
	<u>3,000,394</u>	<u>23,244,807</u>	<u>3,118,515</u>	<u>29,343,716</u>
	<b>As at October 31, 2023</b>			
	<b>Corporate Canada \$</b>	<b>Mineral Operations Sweden \$</b>	<b>Mineral Operations Romania \$</b>	<b>Total \$</b>
Current assets	2,144,215	700,431	197,865	3,042,511
Exploration and evaluation assets (as restated)	-	16,568,837	1,361,001	17,929,838
Property, plant and equipment	-	4,506,344	2,761	4,509,105
Reclamation deposit	-	91,361	-	91,361
	<u>2,144,215</u>	<u>21,866,973</u>	<u>1,561,627</u>	<u>25,572,815</u>

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**13. Income Taxes**

Deferred income tax assets are as follows:	<b>2024</b>	<b>2023</b>
	<b>\$</b>	<b>\$</b>
Deferred income tax assets(liabilities):		
Losses carried forward	<u>12,147,901</u>	<u>10,970,030</u>
	12,147,901	10,970,030
Valuation allowance	<u>(12,147,901)</u>	<u>(10,970,030)</u>
Deferred income tax assets	<u>-</u>	<u>-</u>

The recovery of income taxes shown in the consolidated statements of comprehensive loss differ from the amounts obtained by applying statutory rates to the loss before provision for income taxes due to the following:

	<b>2024</b>	<b>2023</b>
	<b>\$</b>	<b>\$</b>
Income tax rate reconciliation		
Combined federal and provincial income tax rate	<u>27%</u>	<u>27%</u>
Expected income tax recovery	(631,302)	(647,805)
Effect of change in tax rates	-	-
Foreign income tax rate difference	115,532	32,321
Non-deductible share-based compensation	209,504	230,654
Other (net addbacks and deductions)	32,472	(15,583)
Unrecognized benefit of income tax losses	<u>273,794</u>	<u>400,413</u>
	<u>-</u>	<u>-</u>

As at October 31, 2024 the Company has non-capital losses of approximately \$26,810,736 (2023-\$25,310,896) and cumulative pools of approximately \$85,800 (2023-\$85,800) for Canadian income tax purposes and are available to reduce Canadian taxable income in future years. The non-capital losses expire commencing 2030 through 2044. The Company's Sweden subsidiaries have losses for income tax purposes of approximately \$18,181,491 (2023-\$15,945,656) which may be carried forward indefinitely. The Company's Romania subsidiary is small company that are subject to pay 3% tax on income and do not carry forward losses.

**14. Prior Year Restatement**

For the year ended October 31, 2024, management has determined that the consolidated financial statements for the year ended October 31, 2023 are restated to capitalize \$185,366 to Exploration and evaluation assets from Research, development and general exploration & Professional fees.

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**14. Prior Year Restatement** (continued)

**Impact on Consolidated Statement of Financial Position as at October 31, 2023:**

	Previously Reported \$	October 31, 2023 Restatement \$	October 31, 2023 Restated \$
<b>ASSETS</b>			
<b>Current assets</b>			
Cash	2,427,311	-	2,427,311
GST/VAT receivables	193,246	-	193,246
Prepaid expenses	110,901	-	110,901
Investments	150,462	-	150,462
Inventory	77,236	-	77,236
Plant stores and supplies	83,355	-	83,355
<b>Total current assets</b>	<b>3,042,511</b>	-	<b>3,042,511</b>
<b>Non-current assets</b>			
Exploration and evaluation assets	17,744,472	185,366	17,929,838
Property, plant and equipment	4,509,105	-	4,509,105
Reclamation deposit	91,361	-	91,361
<b>Total non-current assets</b>	<b>22,344,938</b>	185,366	<b>22,530,304</b>
<b>TOTAL ASSETS</b>	<b>25,387,449</b>	185,366	<b>25,572,815</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Accounts payable and accrued liabilities	329,413	-	329,413
<b>Non-current liabilities</b>			
Provision for site restoration	4,173,494	-	4,173,494
Property acquisition obligation	497,296	-	497,296
<b>Total non-current liabilities</b>	4,670,790	-	4,670,790
<b>TOTAL LIABILITIES</b>	<b>5,000,203</b>	-	<b>5,000,203</b>
<b>SHAREHOLDERS' EQUITY</b>			
Share capital	59,220,772	-	59,220,772
Share-based payments reserve	8,016,774	-	8,016,774
Deficit	(46,850,300)	185,366	(46,664,934)
<b>TOTAL SHAREHOLDERS' EQUITY</b>	<b>20,387,246</b>	185,366	<b>20,572,612</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>	<b>25,387,449</b>	<b>185,366</b>	<b>25,572,815</b>

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**14. Prior Year Restatement** (continued)

**Impact on Consolidated Statements of Comprehensive Income for the year ended October 31, 2023:**

	<b>Previously Reported \$</b>	<b>October 31, 2023 Restatement \$</b>	<b>October 31, 2023 Restated \$</b>
<b>Expenses</b>			
Accretion of provision for site restoration	105,028	-	105,028
Corporate development	68,406	-	68,406
Depreciation	23,027	-	23,027
Directors and officer's compensation	182,341	-	182,341
Research, development and general exploration	268,143	(166,176)	101,967
Accounting and audit	158,872	-	158,872
General and administration	51,421	-	51,421
Listing and regulatory costs	183,568	-	183,568
Operations	225,469	-	225,469
Salaries, compensation and benefits	221,723	-	221,723
Professional fees	35,002	(19,190)	15,812
Share based compensation	854,275	-	854,275
Travel	56,841	-	56,841
	<u>2,434,116</u>	<u>(185,366)</u>	<u>2,248,750</u>
<b>Loss before other items</b>	<b>(2,434,116)</b>	<b>185,366</b>	<b>(2,248,750)</b>
<b>Other items</b>			
Interest income	61,492	-	61,492
Other Income	7,172	-	7,172
Foreign exchange	(137,529)	-	(137,529)
Mark to market adjustment loss	1,625	-	1,625
Gain/Loss on sale of investment	-	-	-
Write off of Exploration and Evaluation assets	(81,117)	-	(81,117)
	<u>(148,357)</u>	<u>-</u>	<u>(148,357)</u>
<b>Net loss and comprehensive loss</b>	<b>(2,582,473)</b>	<b>185,366</b>	<b>(2,397,107)</b>
<b>Loss per share - basic and diluted</b>	<b>(\$0.02)</b>	<b>\$0.01</b>	<b>(\$0.01)</b>
<b>Weighted average number of common shares outstanding - basic and diluted</b>	<b>167,139,971</b>	<b>-</b>	<b>151,801,734</b>

**Impact on Consolidated Statements of Changes in Equity for the year ended October 31, 2023:**

**Year Ended October 31, 2023** (as restated – Note 14)

	<u>Share Capital</u>				
	<b>Number of Shares</b>	<b>Amount \$</b>	<b>Share-Based Payments Reserve \$</b>	<b>Deficit \$</b>	<b>Total Equity \$</b>
Previously reported balance as at October 31, 2023	<b>187,262,663</b>	<b>59,220,772</b>	<b>8,016,774</b>	<b>(46,850,300)</b>	<b>20,387,246</b>
Restatement Adjustment	-	-	-	185,366	185,366
<b>Restated balance as at October 31, 2023</b>	<b>187,262,663</b>	<b>59,220,772</b>	<b>8,016,774</b>	<b>(46,664,934)</b>	<b>20,572,612</b>

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**14. Prior Year Restatement** (continued)

**Impact on the Consolidated Statements of Cash Flows for the year ended October 31, 2023:**

	<b>Previously Reported \$</b>	<b>October 31, 2023 Restatement \$</b>	<b>October 31, 2023 Restated \$</b>
<b>Operating activities</b>			
Net loss for the year	(2,582,473)	185,366	(2,397,107)
Adjustments for:		-	
Accretion of provision for site restoration	105,028	-	105,028
Depreciation	23,027	-	23,027
Foreign exchange	6,589	-	6,589
Share based compensation	854,275	-	854,275
Mark to market adjustment loss	(1,625)	-	(1,625)
Loss on sale of investments	-	-	-
Write off of Exploration and Evaluation assets	81,117	-	81,117
Changes in non-cash working capital items:			
GST/VAT receivables	(177,331)	-	(177,331)
Prepaid expenses and other	(65,551)	-	(65,551)
Accounts payable and accrued liabilities	125,987	-	125,987
<b>Net cash used in operating activities</b>	<b>(1,630,957)</b>	<b>185,366</b>	<b>(1,445,591)</b>
<b>Investing activity</b>			
Additions to property, plant and equipment	(3,410)	-	(3,410)
Expenditures on exploration and evaluation assets	(915,928)	(185,366)	(1,101,294)
<b>Net cash from (used in) investing activity</b>	<b>(919,338)</b>	<b>(185,366)</b>	<b>(1,104,704)</b>
<b>Financing activities</b>			
Issuance of common shares	3,800,000	-	3,800,000
Share issue costs	(20,930)	-	(20,930)
<b>Net cash provided by financing activities</b>	<b>3,779,070</b>	<b>-</b>	<b>3,779,070</b>
<b>Net change in cash</b>	<b>1,228,775</b>	<b>-</b>	<b>1,228,775</b>
<b>Cash at beginning of year</b>	<b>1,198,536</b>	<b>-</b>	<b>1,198,536</b>
<b>Cash at end of year</b>	<b>2,427,311</b>	<b>-</b>	<b>2,427,311</b>

**15. 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, 2024, the Company's expenditure commitment for the five-year period ending May 15, 2027 is \$6,484,813 Euros (approx. \$9,532,675 CAD) of which \$2,542,761 CAD has been spent as at October 31, 2024.

**16. Event after the Reporting Period**

- On December 8, 2024, the Company applied to the Mining Inspectorate of Sweden ("Bergsstaten") for an Exploitation Concession ("Bearbetningskoncession") 25-year mining lease for Norra Kärr.





**LEADING EDGE MATERIALS CORP.**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED OCTOBER 31, 2024**

This discussion and analysis of financial position and results of operation is prepared as at January 24, 2025 and should be read in conjunction with the audited consolidated financial statements for the year ended October 31, 2024 of Leading Edge Materials Corp. ("Leading Edge Materials" or the "Company"). The following disclosure and associated financial statements are presented in accordance with IFRS Accounting Standards ("IFRS"). Except as otherwise disclosed, all dollar figures included therein and in the following management discussion and analysis ("MD&A") are quoted in Canadian dollars. Additional information relevant to the Company's activities can be found on SEDAR+ at [www.sedarplus.com](http://www.sedarplus.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. 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 batteries for electromobility and energy storage and permanent magnets for electric motors and wind power that underpin the clean energy transition towards climate neutrality. The portfolio of projects includes the 100% owned Woxna Graphite mine (Sweden), the 100% owned Norra Kärr Heavy Rare Earths ("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

Mangold Fondkommission AB is the Company's Certified Adviser on Nasdaq First North.

## Highlights During and After the Fiscal 2024

During the fiscal year ended October 31, 2024:

- On December 14, 2023, the Company announced further positive assay results for Co-Ni-Au from gallery G7 at the Bihor Sud project in Romania. The findings extend the zone of identified Co-Ni-Au occurrences by about 250 m to a total length of roughly 400 m NNW-SSE and constitute the central-southern part of G7. Highlights included 6.7% Co, 13.0% Ni, 7.5 g/t Au.
- On May 19, 2024, Mr. Kurt Budge was appointed Chief Executive Officer of the Company.
- On June 18, 2024, at Bihor Sud, the Company announced that it had identified extensive Zn-Pb-Ag+/-Cu mineralization in galleries G2 and G7.
- On July 23, 2024, the Company closed the first tranche of the private placement announced previously on July 15, 2024, issuing 34,400,000 common shares at a price of \$0.10/share for gross proceeds of \$3,440,000.
- On August 11, 2024, the Company announced that an application for Strategic Project designation for the Norra Kärr Heavy Rare Earths ("HREE") Project has been submitted.
- On September 26, 2024, 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.

After the fiscal year ended October 31, 2024:

- On December 8, 2024, the Company applied to the Mining Inspectorate of Sweden ("Bergsstaten") for an Exploitation Concession ("Bearbetningskoncession") 25-year mining lease for Norra Kärr.

### Outlook

2024 marked a breakthrough year for policy support within the European Union, driving the development and exploration of critical raw materials projects.

The Critical Raw Materials Act ("CRMA"), adopted by the European Council on March 18, 2024, represents a potential game-changer for the Company's portfolio. The CRMA is at the forefront of the EU's efforts to build secure and sustainable supply chains for critical raw materials.

On May 23, 2024, the EU opened a call for Strategic Projects as defined by the CRMA. These projects are key to expanding the EU's capacity to extract, process, and recycle strategic raw materials, as well as diversifying supply sources from third countries. These materials are vital to the success of the green and digital transitions, and to the resilience of the defence and aerospace sectors.

Further supporting these goals, on July 31, the European Bank for Reconstruction and Development ("EBRD") and the EU launched a joint facility aimed at providing equity investments of up to €100 million for the exploration of critical and strategic raw materials. This new initiative directly aligns with the EU's CRMA objectives and the REPowerEU Plan, both essential to the EU's green and digital transitions.

The urgency to back development and attract investment is not lost on President-elect Donald Trump who posted in December 2024 that "Any person or company investing ONE BILLION DOLLARS, OR MORE, in the United States of America, will receive fully expedited approvals and permits, including, but in no way limited to, all Environmental approvals. GET READY TO ROCK!!!"

While the substance may be lacking for now, the intent is clear, and new policies could see an acceleration of investments already being made by the U.S. International Development Finance Corporation ("DFC") in critical raw materials projects.

The EU is also mobilizing investment with, on December 3, the European Commission and the European Investment Bank (“EIB”) announcing a new partnership to support investments in the EU’s battery manufacturing sector, a further €1.8 billion committed to investments in the wider battery value chain, as part of €3 billion of public support in total for the development of a competitive and sustainable European battery industry.

Against this backdrop, the Company has made good progress during the year, with Norra Kärr being the priority; having completed a fundraising, 2025 is shaping up to be even better, with key decisions awaited, first on Strategic Project status, and second on the Exploitation Concession application. In addition, a new plan for Woxna, and we hope exploration success at Bihor Sud.

### **Woxna Graphite Mine**

As the only built and permitted natural flake graphite mine in Europe, Woxna Graphite is well-positioned to play a significant role in the production of a ‘headline news’ critical raw material, natural graphite, as feedstock to the European anode value chain or industrial graphite markets.

China’s influence on graphite is clear. In October 2023, China’s Ministry of Commerce and the General Administration of Customs announced that effective December 2023, export permits would be imposed on key lithium-ion battery anode raw materials. The affected products were high purity synthetic graphite and its products, and natural flake graphite and its products, including spherical and expanded graphite. The export controls were imposed by China on the grounds of safeguarding domestic interests.

The US responded, in June, announcing 25% tariffs on imports of natural and synthetic graphite anodes from China, following the previous announcement of 25% tariffs on natural graphite imports beginning in 2026. Fastmarkets analyst Georgi Georgiev has said “graphite has emerged as Washington’s ‘Achilles Heel’ in its trade confrontation with Beijing”.<sup>1</sup>

The case for regional primary raw material supply is further strengthened when a major natural graphite producer Syrah Resources declares ‘force majeure’ for its Balama operations in Mozambique, caused by post-general election civil unrest and violent protests across the country’s major cities. Syrah is one of the few established graphite producers outside of China but has been unable to produce at Balama since October. Syrah reports it is working on restoring operations “as quick as possible” but has acknowledged that will be a lengthy process.

While graphite may have been the forgotten part of the lithium-ion battery until now, it’s becoming harder to ignore, and if we are to have a successful energy transition, then e-mobility and renewables generation are key, and for those end-uses you need lots of graphite for manufacturing anodes. Stable jurisdictions, such as the Nordics, can contribute to delivering the essential raw materials needed to support the European battery industry. The EU currently imports approximately 100,000 tonnes per year of natural graphite.

Woxna has had its challenges over the years, but the broader context is very different now, the adoption of the CRMA, uncertain geopolitics and trade flows, increasing the strategic importance of natural graphite to Sweden and the European Union, and by extension new opportunities to raise finance for exploration and development.

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 believes that the market must value and pay for these attributes, and that transparency initiatives will create a barrier to entry for non-compliant raw materials and be a driver for their improved performance.

<sup>1</sup> [The graphite fight: US tariffs trigger race to build non-Chinese supply chain, Financial Times, 9 June 2024, https://www.ft.com/content/9117e5e6-baf9-4bdf-8080-9aa019ef1bfc](https://www.ft.com/content/9117e5e6-baf9-4bdf-8080-9aa019ef1bfc)

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

In August, the Company applied for Strategic Project status under the CRMA and, in December, submitted a new application for an Exploitation Concession, 25-year mining lease, to the Mining Inspectorate of Sweden.

The Norra Kärr journey started long ago, with its discovery by the Geological Survey of Sweden (“SGU”) in the early 1900s. In more recent times, July 2011, SGU designated Norra Kärr a mineral deposit of national interest linked to its potential for providing a supply of rare earth elements (“REE”) to Sweden and Europe. Norra Kärr is the only NI 43-101 compliant REE resource in mainland Europe.

The EU is almost 100% dependent on China for HREEs (Source: <https://www.consilium.europa.eu/en/infographics/critical-raw-materials>) and Norra Kärr represents the region's first step towards primary production and establishment of a secure, sustainable, and resilient supply chain for HREEs.

With EU demand for rare earth metals expected to increase six-fold by 2030 (Source: [https://single-market-economy.ec.europa.eu/sectors/raw-materials/areas-specific-interest/critical-raw-materials/critical-raw-materials-act\\_en#overview-of-the-critical-raw-materials-act](https://single-market-economy.ec.europa.eu/sectors/raw-materials/areas-specific-interest/critical-raw-materials/critical-raw-materials-act_en#overview-of-the-critical-raw-materials-act)), wars, uncertainty around geopolitics and global trade policies mean that security of supply of critical raw materials is of paramount importance.

The 2014 report by The European Rare Earths Competency Network (“ERECON”) titled ‘Strengthening The European Rare Earths Supply-Chain’, stated that ‘The development of new sources of heavy rare earths outside of China and greater recycling must [therefore] remain an urgent priority...’.

In 2023, the EU imported 18,300 tonnes of rare earth elements, with imports split between China 39%, Malaysia 33%, and Russia 22%. Clearly, supply disruption from anyone of these sources would be damaging for the EU. The geopolitical risk is self-evident. In the current design, Norra Kärr is estimated to produce 5,341 tonnes of rare earth oxides over a production life of 26 years, with only a third of the defined resource being exploited. The critical importance of the deposit to the EU cannot be underestimated.

Looking ahead, 2025 is shaping up to be a transformational year for Norra Kärr, with a decision expected on Strategic Project status in the first quarter, and thereafter the Exploitation Concession. The Company is also planning for the start of Pre-feasibility (“PFS”) in the second quarter.

The Company believes that the decoupling of extraction and downstream processing, with a quarry at Norra Kärr producing two valuable products, a HREE magnetic concentrate and the industrial mineral nepheline syenite, and an industrial plant conceptually located at Luleå, could expedite permitting timelines.

The scope of the downstream is being considered, with one option being to create a rare earths processing hub that could import concentrates as well as process Norra Kärr material. This would not only capture the value chain in Sweden, but also increase the significance of the overall project, as the Company is in effect creating two strategically important businesses instead of one.

When the financials were modelled for the Preliminary Economic Assessment (“PEA”) in 2021, the Project had a pre-tax NPV<sub>10</sub> of over US\$1B. While the numbers will be updated in PFS, we have a robust project, and the Company is already mapping the funding options that could be available as we progress. As one of the largest HREE deposits globally - and the most advanced within the EU - Norra Kärr has the potential to become a cornerstone supplier for Western magnet producers<sup>2</sup>.

<sup>2</sup> <https://www.fastmarkets.com/insights/rare-earth-magnet-production-outside-asia-gearing-up-2024-preview/>

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

Drilling at Bihor Sud was initially delayed over the summer, due to the late arrival of the drill rig and the need to implement robust health and safety protocols and finally started at the end of September. Since then, steady progress has been made as the team operating the Company's rig has been training 'on the job' and drilling in gallery G7.

To accelerate the programme, the Company is hiring four new geologists and will be signing up a new drill contractor to start drilling gallery G2. The driller is expected to be on site at the end of January 2025.

Bihor Sud remains a very exciting brownfield exploration project. It's a historic mining area with tens of kilometers of underground galleries, or tunnels, developed in the licence area. Between the 1960-90s the responsible division of the Romanian State only targeted what was then called 'strategic metals', principally uranium, and explored for nothing else.

The Company's objective at Bihor Sud, is to define a large-scale, mineable mineral resource. Initially, we are following-up on the work done in gallery G7 last year, and the extensive Cobalt-Nickel-Gold mineralized zone that was identified, and in the new year starting to drill in gallery G2 which has shown its potential for extensive Zinc-Lead-Copper-Silver mineralization. We are encouraged by the findings to date, which highlight the strong potential for discovering a significant polymetallic deposit

## **Projects Overview**

### ***Woxna Graphite Mine and Anode Project***

The Woxna graphite mine and production facility is comprised of four graphite deposits, an open pit mine, a permit to process 100,000 tonnes of mineralized material per annum, a processing plant and tailings dam, all located some 8 kilometres ("km") WNW of the town of Edsbyn, Sweden, approximately a 3.5 hour drive north of Stockholm. Access is via 10 km of all-weather forest road from Highway 301. The principal property is the Kringlegruvan concession, where permission to mine remains current until 2041.

Ongoing development has been directed towards test work focused on the possible production and modification of high purity graphite using thermal purification technologies for emerging high growth high value markets, one such example being the lithium-ion battery industry (the "Anode Project"). Other potential high-value end-markets being investigated are purified micronized graphite for metallurgical and electroconductive additives and purified large flake graphite as a precursor for producing expandable graphite suitable as a feed for graphite foil and fuel cell bipolar plates.

On June 9, 2021, the Company announced the results of a Preliminary Economic Assessment ("PEA") for a vertically integrated mine to anode material production, the full details subsequently included in the technical report entitled "NI 43-101 Technical Report – Woxna Graphite" prepared for Woxna Graphite AB with effective date June 9, 2021 and issue date July 23, 2021, available on Leading Edge's website [www.leadingedgematerials.com](http://www.leadingedgematerials.com) and under its SEDAR profile [www.sedar.com](http://www.sedar.com). The main results, where all figures are US dollars unless otherwise specified, follow;

### **Main PEA Highlights**

- Financially robust Project with average annual EBITDA of \$49m and a pre-tax Internal Rate of Return (IRR) of 42.9%;
- Opportunity to produce Swedish battery grade graphite anode material utilizing an existing graphite mine and concentrator with the addition of an offsite value-add processing facility;
- Thermal purification combined with access to low-cost hydropower means a low carbon footprint for the Project, validated in a subsequent life cycle assessment (LCA) report; and
- PEA is based on only one of four permitted graphite deposits.

## Project Financial Highlights

- Pre- and post-tax Net Present Value (NPV) of \$317m and \$248m using an 8% discount rate Pre- and Post-tax IRR of 42.9% and 37.4% Accumulated Project Revenues of \$1,425m;
- Average annual EBITDA of \$49m;
- Initial Capital Expenditures (CAPEX) of \$121m;
- Pre-tax Payback Period from first production of 2.24 years; and
- Operating cost per tonne of coated spherical purified graphite ("CSPG") of \$2,519 after revenue credit from micronized graphite product.

## Operational Highlights

- Life of Project (LOP) is 19 years;
- Life of Mine (LOM) is 15 years;
- LOM average annual plant feed of 159,967 tonnes;
- LOM average annual CSPG product 7,435 tonnes;
- LOM average annual micronized graphite product 8,421 tonnes; and
- LOM average strip ratio of 3.7:1.

## Mineral Resource Estimate – Measured and Indicated

Property	Classification of Mineral Resource	Tonnes (Mt)	Grade C (%)
Kringel	Measured	0.96	9.21
	Indicated	1.65	9.09
	Sub-total Measured + Indicated	2.61	9.13
Gropabo	Indicated	2.33	7.72
Matt Smyra		5.83	7.14
Total	Measured + Indicated	10.77	7.75

## Mineral Resource Estimate – Inferred

Property	Classification of Mineral Resource	Tonnes (Mt)	Grade C (%)
Kringel	Inferred	0.39	8.72
Gropabo		0.61	8.07
Matt Smyra		1.51	8.06
Total	Inferred	2.51	8.16

Source: ReedLeyton 2021

### Notes:

- Inconsistencies in totals are due to rounding;
- 4% Cg mill cut-off grade applied for reporting purposes constrained within the MPlan 2021 pitshell;
- Reported according to CIM Definition Standards 2011;
- Reported according to CIM Mineral Exploration Best Practice Guidelines (November 2018);
- No geological losses applied;
- Default Density of 2.7 t/m<sup>3</sup> applied to in situ, then Density of 2.82 t/m<sup>3</sup> applied to Type A Graphite and Density of 2.86 t/m<sup>3</sup> applied to Type B Graphite for Gropabo and Matt Smyra; and Default Density 2.7 t/m<sup>3</sup> used for Kringel;
- The previous Mineral Resource Estimates for the Project were developed without the constraint of an applied mine plan and open-pit shell. In the light of more rigorous compliance requirements, the Mineral Resources were reported by ReedLeyton within the constraints of the PEA mine plan as a

means of demonstrating “reasonable prospects for economic extraction” as required by numerous international reporting codes. No new exploration data was included in the reporting process;

- Effective date of Mineral Resource Estimate is June 9, 2021; and
- Mineral resources are not mineral reserves and do not have demonstrated economic viability.

The PEA is preliminary in nature, it includes inferred mineral resources that are considered too speculative geologically to have the economic considerations applied to them that would enable them to be categorized as mineral reserves, and there is no certainty that the PEA will be realized.

On June 21, 2021, preliminary LCA results were announced, subsequently confirmed in the final report, showing that the production of 1 tonne of natural graphite anode material CSPG from natural graphite extracted at Woxna is forecast to have an impact of 1.8 tonnes CO<sub>2</sub> eq. Minviro applied the same methodology in the report to evaluate current Chinese natural and synthetic graphite anode material, with Woxna CSPG demonstrating an 85% to 90% lower impact than the current market dominant Chinese alternatives. A significant factor influencing the dramatically reduced carbon footprint for Woxna is the access to low-cost hydropower as the main energy source.

### ***Norra Karr Heavy Rare Earth Elements Project***

Located in southern Sweden, Norra Kärr is a globally significant deposit of heavy rare earth elements (“HREE”) with enrichment of the high value elements, dysprosium and terbium.

The Norra Kärr peralkaline intrusion was identified by the Geological Survey of Sweden (“SGU”) in the early years of the 20th century and first described by Törnebohm in 1906. Limited exploration of Norra Kärr for zirconium and nepheline was conducted by the Swedish mining company Boliden AB in the 1940s and again in the 1970s.

Norra Kärr has been subject to extensive multi-disciplinary studies undertaken by known industry leading consultants. In 2013, the Project was granted an Exploitation Concession, 25-year mining lease, for a much larger operation, for which a Prefeasibility Study was completed in 2015 (“PFS 2015”). Subsequently, the Concession was appealed and the Company left to reapply.

With new investment from a Swedish strategic shareholder, in 2021, the Project was redesigned, increasing resource utilization and efficiency, improving environmental, social and governance factors, minimizing the local footprint by limiting activities taking place at the mine site. This formed the basis of a Preliminary Economic Assessment in 2021 (“PEA 2021”).

More than 20,000 m of drilling has been completed, with consistent resource drilling to 200 m vertical depth. The deposit remains open below 300 m. The deposit has a Mineral Resource Statement prepared by SRK with an effective date of August 18, 2021.

There is a railway within 30 kilometers of the Norra Kärr site. The location provides uninterrupted road, rail and Baltic port access to European markets where both REE refining capacity and REE enabled technology consumers are located.

In May 2023, the European Raw Materials Alliance (ERMA), in the report titled Materials for Energy Storage and Conversion – A European Call for Action, identified over 50 investment cases targeting materials for energy storage and conversion across Europe and beyond, and a total investment need exceeding EUR 15 billion. Norra Kärr was one of the projects identified, that combined with the others, if realized, would make a significant contribution to the EU’s needs by 2030. The report acknowledged that there is limited primary production within the EU and for some materials related to energy storage, the EU relies almost entirely on imports. Norra Kärr represents the EU’s first step towards primary production and establishment of a secure, sustainable, and resilient supply chain for HREEs.

On July 22, 2021, the Company announced the result of the PEA for Norra Kärr, the full details included in the technical report titled “PRELIMINARY ECONOMIC ASSESSMENT OF NORRA KÄRR RARE EARTH DEPOSIT AND POTENTIAL BY-PRODUCTS, SWEDEN” prepared for Leading Edge Materials Corp. with effective date August 18, 2021 and issue date August 19, 2021, available on Leading Edge Material’s website



www.leadingedgematerials.com and under its SEDAR profile [www.sedar.com](http://www.sedar.com). The main results of the PEA, where all figures are US dollars unless otherwise specified, follow:

### **Main PEA Highlights** (In comparison to the PFS 2015)

- Significant increase in resource utilization by proposing recovery of nepheline syenite (NS) industrial mineral, zirconium oxide (Zr) and niobium oxide (Nb) products in addition to the rare earth oxide ("REO") products. Greater than 50% of total mined material is planned to be sold as products compared with previously less than 1% in the PFS 2015.
- Opportunities to valorize the residual excavated materials which could potentially result in the conversion of all mineralized material into commercial products.
- Revised Project flowsheet to minimize the environmental footprint at Norra Kärr. Processing at site will only include mining, crushing, milling and magnetic separation, eliminating all chemical processing and associated waste versus the PFS 2015. This results in an approximate 65% reduction in land area use at the Norra Kärr site compared with the PFS 2015. In addition, water requirements and discharge volumes become significantly reduced compared to the PFS 2015.
- The HREE concentrate will be shipped to a process facility conceptually proposed in the industrial centre of Luleå where production of REEs, Nb and Zr products through leaching will occur.
- Control of water on site and management to prevent impacts to the catchment of Lake Vättern includes minimising the need to abstract water from the lake and aiming to have a zero-discharge circuit with utilization of all site contact water.
- Total on-site mine waste has been reduced from 42Mt to 16.9Mt over the Life of Mine (9.4Mt waste rock and 7.5Mt magnetic separation waste) of which 21% of mine waste rock will be backfilled into the pit. The reduced amount of waste enables a switch to dry tailings leaving a significantly smaller and more benign waste footprint during mine life and on closure at the Norra Kärr site relative to the PFS 2015.

### **Project Financial Highlights**

- Pre- and Post-tax Net Present Value (NPV) of \$1,026M and \$762M using a 10% discount rate;
- Pre- and Post-tax Internal Rate of Return (IRR) of 30.8% and 26.3%;
- Accumulated LoM project revenues of \$9,962M;
- Average annual EBITDA of \$206M;
- Initial Capital Expenditures (CAPEX) of \$487M;
- Pre-tax Payback Period from first production of 5.1 years;
- Life of mine ("LOM") average gross basket price per kg of separated mixed REO product at \$53;
- Operating cost per kg of separated mixed REO product at \$33 including toll separation charges;
- By-product revenue per kg of separated mixed REO product \$19; and
- Operating cost per kg of separated mixed REO product including toll separation charges and after by-product credit at \$14.57.

### **Operational Highlights**

- LOM is 26 years
- LOM average annual
  - Mining rate of 1,150,000 tonnes
  - Strip ratio of 0.32
  - TREO 5,341 tonnes
  - Main magnet rare earth oxides ("MagREO") (Nd, Pr, Dy, Tb) 1,005 tonnes
    - Dy<sub>2</sub>O<sub>3</sub>: 248 tonnes
    - Tb<sub>2</sub>O<sub>3</sub>: 36 tonnes
    - Nd<sub>2</sub>O<sub>3</sub>: 578 tonnes
    - Pr<sub>2</sub>O<sub>3</sub>: 143 tonnes
  - Nepheline Syenite 732,885 tonnes
  - Zirconium dioxide 10,200 tonnes
  - Niobium oxide 525 tonnes

The Norra Kärr deposit average concentration of uranium and thorium based on 9,987 samples are extremely low (U 11.4 ppm and Th 10.9 ppm), especially compared with other REE deposits. The various material

streams from the new design of the Project have not been tested for radionuclide content. However previous testwork, on both material and waste streams conclude that amounts of uranium and thorium, activity concentrations and indexes would likely fall below thresholds of radioactivity as per the definition of a radioactive substance by the International Atomic Energy Agency (IAEA) and EU guidelines (ANSTO, 2014).

SRK conducted a hazardous waste assessment through HazWasteOnline™ as part of the PEA to determine whether the waste materials contain any hazardous properties. The assessment uses the multi-element assays for the composites and average assays per material type for the 65 waste rock samples plus calculated weighted averages. Based on the project geochemistry the waste rock is classified as non-hazardous, non-inert by the Swedish Waste Ordinance (SFS 2020:614).

**Norra Kärr Mineral Resource Statement (SRK, 18 August 2021)\***

Mineral Resource Classification	Tonnes (Mt)	TREO (%)	ZrO <sub>2</sub> (%)	Nb <sub>2</sub> O <sub>5</sub> (%)	Nepheline Syenite (%)
Inferred	110	0.5	1.7	0.05	65

\*Notes:

1. Effective date 18 August 2021.
2. Qualified Person Mr Martin Pittuck MSc C.Eng.
3. Mineral Resources are not Mineral Reserves until they have Indicated, or Measured confidence and they have modifying factors applied and they have demonstrated economic viability based on a Feasibility Study or Prefeasibility Study.
4. There is no guarantee that Inferred Mineral Resources will convert to a higher confidence category after future work is conducted.
5. The Mineral Resources reported have been constrained using an open pit shell assuming the deposit will be mined using open pit bulk mining methods and above a cut-off grade of USD150/t, including a 30% premium on projected commodity prices and unconstrained by commodity production rates and the 260m highway buffer zone.
6. The Mineral Resources reported represent estimated contained metal in the ground and has not been adjusted for metallurgical recovery.
7. Total Rare Earth Oxides (TREO) include both Light and Heavy REO as shown in the table below.
8. HREO is 52% of TREO.

**Norra Kärr Rare Earth Element Distribution**

Light REO proportion of Total REO					Heavy REO proportion of Total REO									
La <sub>2</sub> O <sub>3</sub>	Ce <sub>2</sub> O <sub>3</sub>	Pr <sub>2</sub> O <sub>3</sub>	Nd <sub>2</sub> O <sub>3</sub>	Sm <sub>2</sub> O <sub>3</sub>	Eu <sub>2</sub> O <sub>3</sub>	Gd <sub>2</sub> O <sub>3</sub>	Tb <sub>2</sub> O <sub>3</sub>	Dy <sub>2</sub> O <sub>3</sub>	Ho <sub>2</sub> O <sub>3</sub>	Er <sub>2</sub> O <sub>3</sub>	Tm <sub>2</sub> O <sub>3</sub>	Yb <sub>2</sub> O <sub>3</sub>	Lu <sub>2</sub> O <sub>3</sub>	Y <sub>2</sub> O <sub>3</sub>
0.100	0.210	0.030	0.110	0.030	0.004	0.030	0.007	0.050	0.010	0.034	0.005	0.033	0.005	0.340
0.48					0.52									

The PEA is preliminary in nature, it includes inferred mineral resources that are considered too speculative geologically to have the economic considerations applied to them that would enable them to be categorized as mineral reserves, and there is no certainty that the PEA will be realized.

The rationale for re-evaluation of the Project at the PEA level is justified for the following reasons; recognition of potentially economic constituents in the mineralization not evaluated in the PFS 2015, namely nepheline syenite, niobium and zircon; recognition of the redesigned Project with reduced environmental footprint, having eliminated the need for a large wet tailing’s storage facility at Norra Kärr; and recognition of the decoupling of upstream operations and downstream processing.

The Company does not expect the mineral resource estimates contained in the PEA to be materially affected by metallurgical, environmental, permitting, legal, taxation, socio-economic, political, and marketing or other relevant issues.

An Exploitation Concession, 25-year mining lease, was granted to the Company’s Swedish subsidiary Tasman Metals AB, renamed GREENNA Mineral AB, covering Norra Kärr in 2013 by The Mining Inspectorate of Sweden (Bergsstaten) with approval of the local County Administrative Board. In 2014, the Government of Sweden

upheld the granting of the Exploitation Concession after an appeal. In 2016, following an appeal to the Supreme Administrative Court (SAC) in Sweden regarding the decision-making process of the Mining Inspectorate under the Minerals Act, the Norra Kärr Exploitation Concession reverted from granted to application status. On May 5, 2021, the Mining Inspectorate rejected the Company's revised application with the motivation that since the Company had not acquired a Natura 2000 permit for the Project, the Mining Inspectorate was not able to rule on the application.

Since that decision, on 29 May 2024, the Government of Sweden introduced amendments to the Minerals Act permit procedures for mines in Sweden, to improve efficiency in the permitting process. The Parliament (Riksdag) voted in favour of the Government's proposal for amendments to the Minerals Act, according to which Natura 2000 permits will no longer be a precondition for being able to grant an application for an Exploitation Concession. The Parliament considers that the proposal meets the EU's legal requirements for complete, precise and definitive conclusions on the impact on habitats and species in a Natura 2000 area. The new rules came into force on 1 July 2024.

The previously awarded Exploitation Concession was for a much larger and more complex project. With new investment from a Swedish strategic shareholder, in 2021, the Project was redesigned, increasing resource utilization and efficiency, improving environmental, social and governance factors, minimizing the local footprint by limiting activities taking place at the mine site. This formed the basis of the PEA 2021 and the Company's application for a new Exploitation Concession submitted in December 2024.

With regards to the Exploration License covering Norra Kärr, in June 2020, the license was extended to August 31, 2024. Subsequently the Swedish parliament passed legislation to mitigate the impacts of COVID-19 by giving exploration companies an additional year to carry out their work and so the licence was extended to August 31, 2025. The extension of the license was appealed, and the administrative court of Luleå rejected the appeal in March 2021. A further appeal was made, but this was denied leave to appeal in March 2022. On June 10, 2022, additional legislation in response to COVID-19 extended the license to August 31, 2026.

#### ***Bihor Sud Nickel-Cobalt and Polymetallic Project***

In 2018, the Company initiated an Exploration Alliance (the "Exploration Alliance") in Romania focused on the discovery and development of lithium-ion battery raw materials. Following technical and commercial due diligence, the Company established a local branch company ("LEM Romania") of which it is the majority shareholder with the right to earn a 90% interest. During 2018 and early 2019, LEM Romania completed various prospecting, sampling and geological activity across an area of 25.5 sq km (2,550 ha) pertaining to the Bihor Sud Prospecting Permit in central western Romania. Based on positive results, in October 2019 LEM Romania elected to submit an Exploration License application to the permitting authority Agenția Națională Pentru Resurse Minerale ("NAMR") for the Bihor Sud area in a competitive tender process. In May 2022, LEM Romania signed the exclusive exploration license with NAMR.

The exploration license perimeter covers a 25 square kilometer area in the Northern Apuseni Mountains of Transylvania. The Apuseni Mountains are in the northern extension of the Western Tethyan Metallogenic Belt, one of the world's more prominent orogenic belts that hosts numerous significant past producing mines and newly discovered mineral deposits. LEM Romania applied for the License with the goal to expand on indications of high-grade cobalt, nickel and polymetallic mineralization collected in the framework of its earlier prospecting license covering the same area.

Located approximately 90 km south-east from Oradea which is the administrative capital of Bihor County, Bihor Sud lies within the Upper Cretaceous and Neogene Carpathian magmatic arcs which extend from Turkey to Hungary and are host to several well-known mines and mineral deposits such as the Timok-Bor-Majdanpek copper-gold zone, Skouries and Chelopec. The Northern Apuseni Mountains have documented high grade skarn and carbonate replacement mineral deposits and historic production of Cu, Mo, Ag, Au, Zn, U and Pb associated with Tethyan Arc intrusions. Within the License area, there is a significant amount of historical mine works including a substantial former underground uranium mine which stopped production in the 1990s. Approximately 15 km northwest from the License, The Company's local joint-venture partner operates a high-quality dolomite mine, the Baita Skarn Mine, which has historic mining of Cu, Mo, Bi, Au, Ag, Zn, Pb and W.

Under the earlier prospecting work, staff and consultants to LEM Romania compiled historic data, sampled historic mine waste dumps and completed preliminary ground geophysics and soil sampling. Historic mining in the area tapped Co-Ni mineralization deposited at the top of a regional carbonate level and overlying dark schist in the form of replacement bodies and dissemination. Within a 5 x 2 km zone, grab samples were taken from 7 waste dumps near gallery mouths, showing mostly disseminated mineralization in dark schist and carbonate. Both, cobalt and nickel grades in these rocks, are often in the percent-range, increasing strongly as stringers occur, which locally lead to massive Co-Ni-ore pockets.

On December 14, 2023, the company announced further positive assay results for Co-Ni-Au from gallery G7 at the Bihor Sud project in Romania. The findings extend the zone of identified Co-Ni-Au occurrences by about 250 m to a total length of roughly 400 m NNW-SSE and constitute the central-southern part of G7. Highlights included 6.7% Co, 13.0% Ni, 7.5 g/t Au.

### **Qualified Person**

The scientific, technical and economic information related to the Norra Kärr project has been reviewed and approved by Dr. Rob Bowell of SRK Consulting (UK) Ltd, a chartered chemist of the Royal Society of Chemistry, a chartered geologist of the Geological Society of London, and a Fellow of the Institute of Mining, Metallurgy and Materials, who is an independent Qualified Person under the terms of NI 43-101 for REE deposits.

The scientific, technical and economic information related to the Woxna Graphite project has been reviewed and verified by Christopher Stinton of Zenito Limited, BSc (Hons), CEng MIMMM, an independent Qualified Person as defined by NI 43-101.

Martin S. Oczlon, PhD Geo, CEng MIMMM, a consultant to Leading Edge Materials and Qualified Person as defined in NI 43-101, has reviewed and verified the technical content related to the Bihor Sud project.

## Financial Information

The report for three months ending January 31, 2025, is expected to be published on or about March 21, 2025.

### 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 2024				Fiscal 2023			
	October 31, 2024 \$	July 31, 2024 \$	April 30, 2024 \$	January 31, 2024 \$	October 31, 2023 (Restated) \$	July 31, 2023 (Restated) \$	April 30, 2023 (Restated) \$	January 31, 2023 (Restated) \$
<b>Operations</b>								
Expenses	(97,209)	(797,070)	(863,745)	(660,617)	(457,890)	(309,832)	(1,014,364)	(466,664)
Other items	(222,820)	(25,168)	4,216	(25,311)	195,209	(8,442)	(187,421)	(147,703)
Comprehensive profit/(loss)	(320,029)	(822,238)	(859,529)	(685,928)	(262,681)	(318,274)	(1,201,785)	(614,367)
Basic Profit/(loss) per share	(0.00)	(0.00)	(0.01)	(0.00)	(0.00)	(0.00)	(0.01)	(0.00)
Diluted profit/(loss) per share	(0.00)	(0.00)	(0.01)	(0.00)	(0.00)	(0.00)	(0.01)	(0.00)
<b>Financial Position</b>								
Working capital	3,337,686	3,973,458	1,610,635	2,316,098	2,713,098	848,952	1,344,044	2,124,643
Total assets	29,343,716	28,454,783	24,991,481	26,003,943	25,512,111	23,588,662	24,215,472	24,868,198
Total non-current liabilities	(5,641,854)	(5,683,545)	(5,101,289)	(5,489,843)	(4,670,790)	(5,109,575)	(5,404,808)	(5,556,603)

### Fiscal Year 2023 Restatement

For the year ended October 31, 2024, management has determined that the consolidated financial statements for the year ended October 31, 2023 are restated to capitalize amount of CAD 185,366 to Exploration and evaluation assets from Research, development and general exploration & Professional fees.

### Results of Operations

#### *Three Months Ended October 31, 2024, Compared to Three Months Ended July 31, 2024*

During the three months ended October 31, 2024 ("Q4 2024") the Company reported a net loss of \$320,029 compared to a reported net loss of \$822,238 for the three months ended July 31, 2024 ("Q3 2024"), an decrease in loss of \$502,209 is due to capitalization of Research, development and general exploration expense for full year 2024 in Q4 2024.

#### *Year Ended October 31, 2024, Compared to Year Ended October 31, 2023*

During the year ended October 31, 2024 ("fiscal year 2024") the Company reported a net loss of \$2,687,724 compared to a net loss of \$2,397,107 for the year ended October 31, 2023 ("fiscal year 2023"), an increase in loss of \$290,617. The increase in loss was primarily attributed to Directors and officer's compensation of \$232,702 in fiscal year 2024 compared to \$182,341 in fiscal year 2023, Corporate development during fiscal year 2024 of \$190,599 compared to \$68,406 in fiscal year 2023, Mark to market loss of \$127,912 in fiscal year 2024 compared to gain of \$1,625 in fiscal year 2023 and Write off of Inventory during fiscal year 2024 of \$165,669 compared to \$Nil in fiscal year 2023.

Specific expenses of note during the year ended October 31, 2024 are as follows:

- (i) incurred \$232,702 (2023 - \$182,341) for directors and officer's compensation.
- (ii) incurred \$198,621 (2023 - \$183,568) 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 \$183,944 (2023 - \$158,872) for accounting and audit out of which the Company incurred \$58,533 (2023 - \$57,948) for accounting services of SKS Business Services along with

- \$42,058 (2023 - \$34,238) for bookkeeping and accounting services for subsidiary companies provided by other independent accountants.
- (iv) incurred research, development and general exploration of \$126,503 (2023 - \$101,967).
- (v) incurred \$258,067 (2023 - \$225,469) in costs for operations.

Interest income is primarily generated from cash held on deposit with the Bank of Montreal. During the year ended October 31, 2024 the Company reported interest income of \$97,375 compared to \$61,492 during the year ended October 31, 2023.

During the year ended October 31, 2024, the Company recorded a foreign exchange loss of \$73,283 due to changes in exchange rates, compared to loss of \$137,529 during the year ended October 31, 2023.

#### *Financings*

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

On 23rd July 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. The Company also paid finders' fees of \$3,000.

On 26th September 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 CAD\$671,000.

During the year ended October 31, 2023, 13,000,000 warrants were exercised for gross proceeds of \$1,300,000.

During the year ended October 31, 2023, the Company completed a private placement financing of 21,739,130 units at a price of \$0.115 per unit for gross proceeds of \$2,500,000. The Company paid finders' fees of \$20,930 cash and issued 7,000 finder's warrants.

During the year ended October 31, 2023, 4,700,000 stock options were granted at an exercise price of \$0.195 and 700,000 stock options were granted at an exercise price of \$0.20.

#### ***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>Total \$</b>
Balance at October 31, 2022	<b>16,094</b>	<b>287,018</b>	<b>344,139</b>	<b>7,567,878</b>	<b>6,388,736</b>	<b>14,603,865</b>
Addition	-	3,410	-	-	-	3,410
Adjustment to site restoration	-	-	-	-	(727,313)	(727,313)
Balance at October 31, 2023	<b>16,094</b>	<b>290,428</b>	<b>344,139</b>	<b>7,567,878</b>	<b>5,661,423</b>	<b>13,879,962</b>
Addition	-	152,688	-	-	-	152,688
Adjustment to site restoration	-	-	-	-	822,759	822,759
<b>Balance at October 31, 2024</b>	<b>16,094</b>	<b>443,116</b>	<b>344,139</b>	<b>7,567,878</b>	<b>6,484,182</b>	<b>14,855,409</b>

<b>Accumulated Depreciation and Impairment:</b>						
Balance at October 31, 2022	<b>(4,442)</b>	<b>(265,163)</b>	<b>(168,006)</b>	<b>(3,910,218)</b>	<b>(5,000,000)</b>	<b>(9,347,830)</b>
Depreciation	(732)	(1,374)	(20,922)	-	-	(23,027)
Balance at October 31, 2023	<b>(5,174)</b>	<b>(266,537)</b>	<b>(188,928)</b>	<b>(3,910,218)</b>	<b>(5,000,000)</b>	<b>(9,370,857)</b>
Depreciation	(1,000)	(1,877)	(28,586)	-	-	(31,463)
<b>Balance at October 31, 2024</b>	<b>(6,174)</b>	<b>(268,414)</b>	<b>(217,514)</b>	<b>(3,910,218)</b>	<b>(5,000,000)</b>	<b>(9,402,320)</b>
<b>Carrying Value:</b>						
Balance at October 31, 2023	<b>10,920</b>	<b>23,891</b>	<b>155,211</b>	<b>3,657,660</b>	<b>661,423</b>	<b>4,509,105</b>
Balance at October 31, 2024	<b>9,920</b>	<b>174,702</b>	<b>126,625</b>	<b>3,657,660</b>	<b>1,484,182</b>	<b>5,453,089</b>

### **Exploration and Evaluation Assets**

	<b>Graphite concessions \$</b>	<b>Anode Project \$</b>	<b>Norra Karr \$</b>	<b>Romania \$</b>	<b>Total \$</b>
<b>Balance at October 31, 2022</b>	<b>14,787</b>	<b>81,117</b>	<b>16,361,351</b>	<b>452,408</b>	<b>16,909,663</b>
<b>Costs</b>					
Additions during the year (as restated – Note 14)	-	-	192,699	908,593	1,101,292
Write Off	-	(81,117)	-	-	(81,117)
<b>Balance at October 31, 2023 (as restated – Note 14)</b>	<b>14,787</b>	<b>-</b>	<b>16,554,050</b>	<b>1,361,001</b>	<b>17,929,838</b>
<b>Costs</b>					
Additions during the year	-	-	780,654	1,181,760	1,962,414
<b>Balance at October 31, 2024</b>	<b>14,787</b>	<b>-</b>	<b>17,334,704</b>	<b>2,542,761</b>	<b>19,892,252</b>

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

During the year ended October 31, 2024, the Company recorded a net loss of \$2,687,724 and, as of October 31, 2024, the Company had an accumulated deficit of \$49,352,658 and working capital of \$3,337,686. 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 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, establish a production facility for the Anode Project, 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 year ended October 31, 2024.

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, 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 year ended October 31, 2024 and 2023 the following compensation was incurred:

	2024	2023
	\$	\$
Mr. Kurt Budge, CEO <sup>(1)</sup>	156,622	-
Mr. Lars-Eric Johansson, Chairman and director <sup>(1)</sup>	32,400	31,400
Mr. Eric Krafft, interim CEO and director <sup>(1)</sup>	32,400	31,400
Mr. Daniel Major, director <sup>(1)</sup>	32,403	31,409
Mr. Sanjay Swarup, CFO <sup>(2)</sup>	38,113	37,732
Ms. Manuela Balaj-Coroiu, Corporate Secretary <sup>(3)</sup>	50,400	50,400
	<u>342,338</u>	<u>182,341</u>

(1) Lars-Eric Johansson, Daniel Major and Eric Krafft were appointed as new Directors on May 4, 2020. On May 19, 2024, Kurt Budge was appointed as Chief Executive Officer ("CEO") taking over from Eric Krafft.

(2) Mr. Sanjay Swarup of SKS Business Services was appointed CFO on March 1, 2021.

(3) Ms. Manuela Balaj-Coroiu of Cohesion Consulting Group Inc was appointed as Corporate Secretary on July 28, 2022.

(b) During the year ended October 31, 2024, the Company incurred \$58,533 (2023 - \$57,948) for accounting services of SKS Business Services.

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



	<b>2024</b>	<b>2023</b>
	<b>\$</b>	<b>\$</b>
Mr. Eric Krafft	251,775	258,660
Mr. Kurt Budge	140,505	-
Mr. Lars-Eric Johansson	130,876	170,974
Mr. Daniel Major	130,876	170,974
Ms. Manuela Balaj-Coroiu	17,464	25,633
Mr. Sanjay Swarup	9,748	8,769
Mr. Filip Kozłowski	17,959	-
	<b><u>699,203</u></b>	<b><u>635,010</u></b>

### **Outstanding Share Data**

The Company's authorized share capital is unlimited common shares without par value. As of January 24, 2025, there were 232,061,949 issued and outstanding common shares, 62,856,130 warrants outstanding with exercise prices ranging from \$0.20 to \$0.225 per share and 18,250,000 share options outstanding with exercise prices ranging from \$0.10 to \$0.62 per share.