



LEADING EDGE MATERIALS CORP.

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED
APRIL 30, 2025

(Unaudited - Expressed in Canadian Dollars)

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

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

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

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

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

	Note	April 30, 2025 \$	October 31, 2024 \$
ASSETS			
Current assets			
Cash		1,288,821	3,460,217
GST/VAT and other receivables		110,855	304,568
Prepaid expenses		93,582	114,471
Investments	3	<u>15,918</u>	<u>22,550</u>
Total current assets		<u>1,509,176</u>	<u>3,901,806</u>
Non-current assets			
Exploration and evaluation assets	4	21,021,766	19,892,252
Property, plant and equipment	5	5,724,012	5,453,089
Reclamation deposit	6	<u>106,820</u>	<u>96,569</u>
Total non-current assets		<u>26,852,598</u>	<u>25,441,910</u>
TOTAL ASSETS		<u>28,361,774</u>	<u>29,343,716</u>
LIABILITIES			
Current liabilities			
Accounts payable and accrued liabilities		317,662	564,120
Non-current liabilities			
Provision for site restoration	6	5,436,520	5,121,374
Property acquisition obligation	4(a), 5	<u>573,413</u>	<u>520,480</u>
Total non-current liabilities		<u>6,009,933</u>	<u>5,641,854</u>
TOTAL LIABILITIES		<u>6,327,595</u>	<u>6,205,974</u>
SHAREHOLDERS' EQUITY			
Share capital	7	63,727,686	63,697,686
Share-based payments reserve	7(d)	9,507,535	8,792,714
Deficit		<u>(51,201,042)</u>	<u>(49,352,658)</u>
TOTAL SHAREHOLDERS' EQUITY		<u>22,034,179</u>	<u>23,137,742</u>
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		<u>28,361,774</u>	<u>29,343,716</u>

Nature of Operations - Note 1

Events after the Reporting Period – Note 14

These condensed consolidated interim financial statements were approved for issue by the Board of Directors on June 20, 2025 and are signed on its behalf by:

/s/ Eric Krafft
Eric Krafft
Director

/s/ Daniel Major
Daniel Major
Director

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

LEADING EDGE MATERIALS CORP.
CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS

(Unaudited - Expressed in Canadian Dollars)

	Notes	Three Months Ended April 30,		Six Months Ended April 30,	
		2025	2024	2025	2024
		\$	\$	\$	\$
Expenses					
Accretion of provision for site restoration	6	32,218	31,280	64,436	62,560
Corporate development		27,232	53,631	110,506	99,141
Depreciation		12,754	7,012	24,567	13,382
Directors and officer's compensation	8(a)	78,270	46,385	155,779	92,804
Research, development and general exploration	4	77,449	94,017	139,957	211,367
Accounting and audit	8(b)	40,690	57,074	112,237	109,342
General and administration		20,642	12,390	57,853	27,312
Listing and regulatory costs		56,994	45,115	106,939	90,118
Operations		60,957	89,947	138,876	156,225
Salaries, compensation and benefits		41,695	42,221	79,220	88,787
Professional fees		4,886	14,607	10,856	30,868
Share based compensation	8(a)	585,529	349,923	714,821	509,348
Travel		31,086	20,143	50,392	33,108
		<u>1,070,402</u>	<u>863,745</u>	<u>1,766,439</u>	<u>1,524,362</u>
Loss before other items		<u>(1,070,402)</u>	<u>(863,745)</u>	<u>(1,766,439)</u>	<u>(1,524,362)</u>
Other items					
Interest income		12,286	20,305	37,762	45,097
Foreign exchange gain/(loss)		(117,063)	(5,754)	(115,373)	30,217
Mark to market adjustment loss		(5,969)	(10,662)	(6,632)	(96,736)
Other Income		1,980	327	2,298	327
		<u>(108,766)</u>	<u>4,216</u>	<u>(81,945)</u>	<u>(21,095)</u>
Net loss and comprehensive loss		<u>(1,179,168)</u>	<u>(859,529)</u>	<u>(1,848,384)</u>	<u>(1,545,457)</u>
Loss per share – basic and diluted		<u>(\$0.01)</u>	<u>(\$0.00)</u>	<u>(\$0.01)</u>	<u>(\$0.01)</u>
Weighted average number of common shares outstanding - basic and diluted		<u>232,112,501</u>	<u>190,951,949</u>	<u>232,112,501</u>	<u>189,788,330</u>

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

LEADING EDGE MATERIALS CORP.
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

(Unaudited - Expressed in Canadian Dollars)

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

	Six Months Ended April 30, 2024				
	Share Capital		Share- Based Payments Reserve	Deficit	Total Equity
	Number of Shares	Amount \$	\$	\$	\$
Balance at October 31, 2023	187,262,663	59,220,772	8,016,774	(46,850,300)	20,387,246
Common shares issued for:					
Warrants exercised	3,689,286	368,929	-	-	368,929
Share-based compensation	-	-	509,348	-	509,348
Net loss for the period	-	-	-	(1,545,457)	(1,545,457)
Balance at April 30, 2024	190,951,949	59,589,701	8,526,122	(48,395,757)	19,720,066

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

LEADING EDGE MATERIALS CORP.
CONSOLIDATED STATEMENTS OF CASH FLOWS

(Unaudited - Expressed in Canadian Dollars)

	Three Months Ended		Six Months Ended	
	April 30,		April 30,	
	2025	2024	2025	2024
	\$	\$	\$	\$
Operating activities				
Net loss for the period	(1,179,168)	(859,529)	(1,848,384)	(1,545,457)
Adjustments for:				
Accretion of provision for site restoration	32,218	31,280	64,436	62,560
Depreciation	12,754	7,012	24,567	13,382
Foreign exchange	39,858	(9,142)	42,682	2,710
Mark to market adjustment loss	5,969	10,662	6,632	96,736
Share based compensation	585,529	349,923	714,821	509,348
Changes in non-cash working capital items:				
GST/VAT and other receivables	48,479	(34,504)	193,713	20,054
Prepaid expenses and other	5,309	17,301	20,889	40,580
Accounts payable and accrued liabilities	31,538	(114,302)	(246,458)	(159,287)
Net cash from (used in) operating activities	(417,514)	(601,299)	(1,027,102)	(959,374)
Investing activity				
Expenditures on exploration and evaluation assets	(485,862)	(216,538)	(1,129,514)	(497,524)
Additions to property, plant and equipment	(42,456)	(2,913)	(44,780)	(14,912)
Net cash from (used in) investing activity	(528,318)	(219,451)	(1,174,294)	(512,436)
Financing activities				
Issuance of common shares	30,000	-	30,000	368,929
Net cash provided by financing activities	30,000	-	30,000	368,929
Net change in cash	(915,832)	(820,750)	(2,171,396)	(1,102,881)
Cash at beginning of the period	2,204,653	2,145,180	3,460,217	2,427,311
Cash at end of the period	1,288,821	1,324,430	1,288,821	1,324,430

Supplemental cash flow information - See Note 11

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

LEADING EDGE MATERIALS CORP.
NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED APRIL 30, 2025
(Unaudited - Expressed in Canadian Dollars)

1. Nature of Operations

The Company is a Canadian public company primarily focused on developing a portfolio of critical raw material projects located in the European Union. The portfolio of projects includes the 100% owned Woxna Graphite mine (Sweden), 100% owned Norra Kärr HREE project (Sweden) and the 51% owned Bihor Sud Nickel Cobalt exploration alliance (Romania). The Company's common shares trade on the TSX Venture Exchange (the "TSXV") under the symbol "LEM", on the OTCQB under the symbol "LEMIF", on NASDAQ First North under the symbol "LEMSE" and on Frankfurt under the symbol "7FL". The Company's principal office is located at 14th Floor 1040 West Georgia Street, Vancouver, BC Canada V6E 4H1.

During the six months ended April 30, 2025 the Company recorded a net loss of \$1,848,384 and, as at April 30, 2025, the Company had an accumulated deficit of \$51,201,042 and working capital of \$1,191,514.

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

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

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

The Company anticipates that it has sufficient funding to meet anticipated levels of corporate administration and overheads for the ensuing twelve months, however, it will need additional capital to recommence operations at the Woxna Graphite Mine and/or modernize the plant to produce value added production and to fund future development of the Norra Kärr Property. There is no assurance such additional capital will be available to the Company on acceptable terms or at all. In the longer term the recoverability of the carrying value of the Company's long-lived assets is dependent upon the Company's ability to preserve its interest in the underlying mineral property interests, the discovery of economically recoverable reserves, the achievement of profitable operations and the ability of the Company to obtain financing to support its ongoing exploration and development programs, and mining operations.

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

LEADING EDGE MATERIALS CORP.
NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED APRIL 30, 2025
(Unaudited - Expressed in Canadian Dollars)

2. Basis of Preparation

Statement of Compliance

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

Basis of Measurement

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

Details of the Group

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

The subsidiaries of the Company are as follows:

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

3. Investments

Investments held by the Company are as follows:

Particulars	April 30, 2025 \$	October 31, 2024 \$
132,647 shares in United Lithium Corp. (ULTH)	15,918	22,550
Total	15,918	22,550

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

LEADING EDGE MATERIALS CORP.
NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED APRIL 30, 2025
(Unaudited - Expressed in Canadian Dollars)

4. Exploration and Evaluation Assets

	As at April 30, 2025			As at October 31, 2024		
	Acquisition Costs \$	Deferred Exploration Costs \$	Total \$	Acquisition Costs \$	Deferred Exploration Costs \$	Total \$
Graphite Concessions	10,081	4,706	14,787	10,081	4,706	14,787
Norra Kärr	15,402,622	2,297,853	17,700,475	15,402,622	1,932,082	17,334,704
Romania	187,999	3,118,505	3,306,504	187,999	2,354,762	2,542,761
	15,600,702	5,421,064	21,021,766	15,600,702	4,291,550	19,892,252
		Graphite concessions \$	Norra Karr \$	Romania \$	Total \$	
Balance at October 31, 2023 (as restated)		14,787	16,554,050	1,361,001	17,929,838	
Costs						
Additions during the year		-	780,654	1,181,760	1,962,414	
Balance at October 31, 2024		14,787	17,334,704	2,542,761	19,892,252	
Costs						
Additions during the period		-	365,771	763,743	1,129,514	
Balance at April 30, 2025		14,787	17,700,475	3,306,504	21,021,766	

(a) *Graphite Concessions*

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

In 1993 Woxna entered into agreements under which it acquired:

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

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

LEADING EDGE MATERIALS CORP.
NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED APRIL 30, 2025
(Unaudited - Expressed in Canadian Dollars)

4. Exploration and Evaluation Assets (continued)

During fiscal 2014 the technical feasibility and commercial viability of the Kringelgruvan concession and the Woxna Graphite Mine was demonstrated, transitioning the Kringelgruvan concession to the development stage of mining. Accordingly, the costs of the exploration and evaluation assets attributed to the Kringelgruvan concession and the Woxna Graphite Mine were reclassified to property, plant and equipment. See also Note 5.

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

(b) *Norra Kärr*

The Norra Kärr Property consists of an exploration permit (Norra Kärr nr 1), valid until August 31, 2026, located in south-central Sweden. In August 2024, the Company submitted an application for Strategic Project status under the European Union's Critical Raw Materials Act ("CRMA") and, in December 2024, submitted a new application for an Exploitation Concession ("Bearbetningskoncession") 25-year mining lease to the Mining Inspectorate of Sweden ("Bergsstaten"). A decision on the Bearbetningskoncession is expected in Q4 2025.

(c) *Romania Exploration Alliance*

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

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

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

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

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

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NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
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(Unaudited - Expressed in Canadian Dollars)

5. Property, Plant and Equipment

Cost:	Vehicles \$	Equipment and Tools \$	Building \$	Manufacturing and Processing Facility \$	Mineral Property Acquisition and Development Costs \$	Total \$
Balance at October 31, 2023	16,094	290,428	344,139	7,567,878	5,661,423	13,879,962
Addition	-	152,688	-	-	-	152,688
Adjustment to site restoration	-	-	-	-	822,759	822,759
Balance at October 31, 2024	16,094	443,116	344,139	7,567,878	6,484,182	14,855,409
Addition	-	44,780	-	-	-	44,780
Adjustment to site restoration	-	-	-	-	250,710	250,710
Balance at April 30, 2025	16,094	487,896	344,139	7,567,878	6,734,892	15,150,899
Accumulated Depreciation and Impairment:						
Balance at October 31, 2023	(5,174)	(266,537)	(188,928)	(3,910,218)	(5,000,000)	(9,370,857)
Depreciation	(1,000)	(1,877)	(28,586)	-	-	(31,463)
Balance at October 31, 2024	(6,174)	(268,414)	(217,514)	(3,910,218)	(5,000,000)	(9,402,320)
Depreciation	(781)	(1,466)	(22,320)	-	-	(24,567)
Balance at April 30, 2025	(6,955)	(269,880)	(239,834)	(3,910,218)	(5,000,000)	(9,426,887)
Carrying Value:						
Balance at October 31, 2024	9,920	174,702	126,625	3,657,660	1,484,182	5,453,089
Balance at April 30, 2025	9,139	218,016	104,305	3,657,660	1,734,892	5,724,012

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

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

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

As at April 30, 2025 the Company has recognized \$573,413 (October 31, 2024 - \$520,480) for the Property Acquisition Obligation associated with the Kringelgruvan concession, as described in Note 4(a)(i).

LEADING EDGE MATERIALS CORP.
NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
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6. Provision for Site Restoration

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

The fair value of the decommissioning obligation was calculated using a discounted cash flow approach based on a risk-free rate of 2.33% (2024 - 2.097%) and an inflation factor of 2.00% (2024 - 2.00%). Settlement of the obligation is expected to be funded from general corporate funds at the time of decommissioning. Changes to the decommissioning obligation were as follows:

	\$
Balance at October 31, 2023	4,173,494
Accretion	125,121
Revision of estimates	628,188
Foreign exchange adjustment	194,571
Balance at October 31, 2024	5,121,374
Accretion	64,436
Revision of estimates	(270,129)
Foreign exchange adjustment	520,839
Balance at April 30, 2025	5,436,520

As at April 30, 2025 reclamation deposits totaling \$106,820 (October 31, 2024 - \$96,569) have been paid. The reclamation deposits were placed as security for site restoration on the Kringelgruvan concession and on certain exploration and evaluation assets. The Company has no other property restoration obligations.

7. Share Capital

(a) **Authorized Share Capital**

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

(b) **Equity Financings**

Six Months ended April 30, 2025

During the six months ended April 30, 2025, 150,000 warrants were exercised for gross proceeds of \$30,000.

Year Ended October 31, 2024

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

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

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(Unaudited - Expressed in Canadian Dollars)

7. Share Capital (continued)

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

(c) **Warrants**

A summary of the number of common shares reserved pursuant to the Company's outstanding warrants at April 30, 2025 and October 31, 2024 and the changes for the periods ended on those dates is as follows:

	2025		2024	
	Number	Weighted Average Exercise Price \$	Number	Weighted Average Exercise Price \$
Balance beginning of period	62,856,130	0.26	57,825,416	0.21
Issued	-		41,110,000	0.20
Exercised	(150,000)	0.20	(3,689,286)	0.10
Expired	-		(32,390,000)	0.10
Balance end of period	62,706,130	0.17	62,856,130	0.26

The following table summarizes information about the number of common shares reserved pursuant to the Company's warrants outstanding and exercisable at April 30, 2025:

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
6,560,000	0.20	September 26, 2028
62,706,130	0.17	

(d) **Share Option Plan**

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

6,700,000 stock options were granted at an exercise price of \$0.24 during the six months ended April 30, 2025 (2024 - 9,200,000). The value of options granted was determined using the Black-Scholes option pricing model. A weighted average grant date fair value of \$0.20253 (2024 - \$0.08075) was calculated using expected stock price volatility of 112.55%, risk free rate of 2.84% and option life of five years are based on the Company's historical share price volatility and option life.

150,000 stock options were granted at an exercise price of \$0.24 during the six months ended April 30, 2025 (2024 - 450,000). The value of options granted was determined using the Black-Scholes option pricing model. A weighted average grant date fair value of \$0.17061 (2024 - \$0.06191) was

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7. Share Capital (continued)

calculated using expected stock price volatility of 110.75%, risk free rate of 2.65% and option life of five years are based on the Company's historical share price volatility and option life.

Year Ended October 31, 2024

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

450,000 stock options were granted at an exercise price of \$0.10 during the year ended October 31, 2024 (2023 – 500,000). The value of options granted was determined using the Black-Scholes option pricing model. A weighted average grant date fair value of \$0.06191 (2023 – \$0.12430) was calculated using expected stock price volatility of 95.94%, risk free rate of 4.22 % and option life of three years are based on the Company's historical share price volatility and option life.

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

A summary of the Company's share options at April 30, 2025 and October 31, 2024 and the changes for the period ended on those dates is as follows:

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

The following table summarizes information about the share options outstanding and exercisable at April 30, 2025:

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

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8. Related Party Disclosures

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

(a) During the periods ended April 30, 2025 and 2024 the following compensation was incurred:

	2025	2024
	\$	\$
Directors and officer's compensation (current)	270,944	92,804
Share based compensation (current and former)	<u>689,056</u>	<u>455,648</u>
	<u>960,000</u>	<u>548,452</u>

As at April 30, 2025, \$54,888 (October 31, 2024 - \$7,236) remained unpaid and has been included in accounts payable and accrued liabilities.

Out of the total Directors' and Officers' compensation of \$270,944, CEO's compensation of \$115,164 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 April 30, 2025, the Company incurred \$30,667 (2024 - \$29,186) for accounting services by SKS Business Services.

9. Income per share

As at April 30, 2025 and 2024, the weighted average number of common shares for the purpose of calculating diluted income per share reconciles to the weighted average number of common shares used in the calculation of basic income per share as follows:

Particulars	Three months ended		Six months ended	
	April 30,		April 30,	
	2025	2024	2025	2024
	\$	\$	\$	\$
Net loss for the period	(1,179,168)	(859,529)	(1,848,384)	(1,545,457)
Basic weighted average number of shares outstanding	232,112,501	190,951,949	232,112,501	189,788,330
Diluted weighted average number of shares outstanding	<u>232,112,501</u>	<u>190,951,949</u>	<u>232,112,501</u>	<u>189,788,330</u>
Loss per share - basic and diluted	<u>(\$0.01)</u>	<u>(\$0.00)</u>	<u>(\$0.01)</u>	<u>(\$0.01)</u>

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10. Financial Instruments and Risk Management

Categories of Financial Assets and Financial Liabilities

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

Financial Instrument	Category	April 30, 2025	October 31, 2024
		\$	\$
Cash	FVTPL	1,288,821	3,460,217
Reclamation deposit	amortized cost	106,820	96,569
Investments	FVTPL	15,918	22,550
Accounts payable and accrued liabilities	amortized cost	(317,662)	(564,120)
Property acquisition obligation	amortized cost	(573,413)	(520,480)

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

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

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

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

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

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

Credit Risk

Credit risk is the risk of loss associated with a counterparty's inability to fulfill its payment obligations. The Company's credit risk is primarily attributable to cash, amounts receivable and reclamation deposit. Management believes that the credit risk concentration with respect to financial instruments included in cash, amounts receivable and reclamation deposit is remote.

Liquidity Risk

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

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10. Financial Instruments and Risk Management (continued)

Contractual Maturity Analysis at April 30, 2025

	Carrying Amount \$	Contractual Cash Flows \$	Less than 3 Months \$	1 - 5 Years \$	Over 5 Years \$
Cash	1,288,821	1,288,821	1,288,821	-	-
Reclamation deposit	106,820	106,820	-	-	106,820
Investments	15,918	15,918	-	15,918	-
Accounts payable and accrued liabilities	(317,662)	(317,662)	(317,662)	-	-
Property acquisition obligation	(573,413)	(573,413)	-	(573,413)	-

Market Risk

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

Interest Rate Risk

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

Foreign Currency Risk

The Company's functional currency is the Canadian Dollar and major transactions are transacted in Canadian Dollars, Swedish Krona ("SEK") and Romanian Leu ("RON"). The Company maintains SEK bank accounts in Sweden and RON bank balances in Romania to support the cash needs of its foreign operations. Management believes the foreign exchange risk related to currency conversions is minimal and therefore does not hedge its foreign exchange risk. At April 30, 2025, 1 Canadian Dollar was equal to 6.9758 SEK as per Swedish Central Bank and 1 Canadian Dollar was equal to 3.1868 RON as per Romania Bank.

Balances are as follows:

	SEK	CDN \$ Equivalent	RON	CDN \$ Equivalent
Cash	1,660,633	238,057	370,193	116,163
VAT receivable	170,314	24,415	253,083	79,415
Reclamation deposit	745,153	106,820	-	-
Accounts payable and accrued liabilities	(805,382)	(115,454)	(173,393)	(54,409)
Property acquisition obligation	(4,000,000)	(573,413)	-	-
	(2,229,282)	(319,575)	449,883	141,169

Based on the net exposures as of April 30, 2025 and assuming that all other variables remain constant, a 10% fluctuation of the Canadian Dollar against the SEK and RON would result in the Company's net impact being approximately respectively \$31,958 & \$14,117 higher or lower.

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10. Financial Instruments and Risk Management (continued)

Capital Management

The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company, in order to support the acquisition and exploration mineral properties. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain development of the business. The Company defines capital that it manages as share capital and cash. Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable.

11. Supplemental Cash Flow Information

During the three months ended April 30, 2025 and 2024 non-cash activities were conducted by the Company as follows:

	2025	2024
	\$	\$
Operating activity		
Provision for site restoration	250,710	365,890
Investing activity		
Revisions of estimates on property, plant and equipment	(250,710)	(365,890)

12. Segmented Information

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

	As at April 30, 2025			
	Corporate Canada	Mineral Operations Sweden	Mineral Operations Romania	Total
	\$	\$	\$	\$
Current assets	995,300	318,298	195,578	1,509,176
Exploration and evaluation assets	-	17,715,262	3,306,504	21,021,766
Property, plant and equipment	-	5,545,155	178,857	5,724,012
Reclamation deposit	-	106,820	-	106,820
	995,300	23,685,535	3,680,939	28,361,774
	As at October 31, 2024			
	Corporate Canada	Mineral Operations Sweden	Mineral Operations Romania	Total
	\$	\$	\$	\$
Current assets	3,000,394	472,491	428,921	3,901,806
Exploration and evaluation assets	-	17,349,491	2,542,761	19,892,252
Property, plant and equipment	-	5,306,256	146,833	5,453,089
Reclamation deposit	-	96,569	-	96,569
	3,000,394	23,224,807	3,118,515	29,343,716

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13. Commitments

In Romania, for exploration licenses applied through the public bid process, an investment offer is presented for each exploration license, the offer of which represents the total amounts required to be spent in order to maintain possession of the concession area at the end of the five-year investment period. Accordingly, should the Company wish to retain possession of the exploration license in Romania it holds as at October 31, 2023, the Company's expenditure commitment for the five-year period ending May 15, 2027 is Euros 6,484,813 (approx. \$9,532,675) of which \$3,091,928 has been spent as at April 30, 2025.

14. Events after the Reporting Period

- On June 9, 2025, the Company announced signing of an agreement with Svensk Kapitalmarknadsgranskning ("SKMG") for an assignment as Certified Adviser for the Nasdaq First North Growth Market (Stockholm).
- On June 10, 2025, the Company announced the intent to complete a non-brokered private placement of up to 25,000,000 units ("Units") at a price of C\$0.16 per Unit for aggregate gross proceeds of up to \$4,000,000 (the "Private Placement").



LEADING EDGE MATERIALS CORP.

MANAGEMENT'S DISCUSSION AND ANALYSIS QUARTERLY HIGHLIGHTS FOR THE SIX MONTHS ENDED APRIL 30, 2025

This Management's Discussion and Analysis ("Interim MD&A") of Leading Edge Materials Corp. ("Leading Edge Materials" or the "Company"), dated June 20, 2025, should be read in conjunction with the unaudited condensed consolidated interim financial statements for the six months ended April 30, 2025, and the most recent annual audited consolidated financial statements and annual Management's Discussion and Analysis. The following disclosure and associated financial statements are presented in accordance with IFRS Accounting Standards ("IFRS"). Except as otherwise disclosed, all dollar figures are quoted in Canadian dollars. Additional information relevant to the Company's activities can be found on SEDAR at www.sedar.com and on the Company's website www.leadingedgematerials.com.

Forward Looking Statements

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

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

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

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

Corporate Overview

The Company was incorporated on October 27, 2010, under the *Business Corporations Act* (British Columbia) as Tasex Capital Limited. The Company's common shares began trading on the TSX Venture Exchange (the "TSXV") as a capital pool company on June 10, 2011. On February 22, 2012, the Company completed the acquisition of the Woxna Project and changed its name to Flinders Resources Limited. On August 25, 2016, the Company completed the acquisition of Tasman Metals Ltd. ("Tasman") and changed its name to Leading Edge Materials Corp. The Company's common shares trade on the TSXV as a Tier 1 mining issuer under the symbol "LEM", on the OTCQB under the symbol "LEMIF", on Nasdaq First North Stockholm under the symbol "LEMSE" and on Frankfurt under the symbol "7FL". The Company's principal office is located at 14th Floor, 1040 West Georgia Street, Vancouver, British Columbia V6E 4H1. The Company's strategy is focused on developing a portfolio of critical raw material projects located in the European Union. Critical raw materials are determined as such by the European Union based on their economic importance and supply risk. They are directly linked to high growth technologies such as 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

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

Highlights During and After the Quarter

During the three months ended April 30, 2025:

- On February 9, 2025, the Company provided an update on a Rapid Development Plan (“RDP”) for Norra Kärr, to be in production in the shortest possible timeframe, supplying HREE-rich eudialyte concentrate and industrial mineral nepheline syenite.
- The Company provided an update on the value creation options being considered for Woxna Graphite, on February 16, 2025, including a possible restart of operations, the production of high-quality flake graphite concentrate, and forward-integration downstream.
- On March 23, 2025, the Company provided a progress update on Norra Kärr, in the context of the European Commission’s (“EC”) Joint White Paper for European Readiness 2030, highlighting the increasing geopolitical competition over critical raw materials (“CRMs”) and the need for the EU and its member states to build strategic reserves of raw materials.
- On March 25, 2025, the EU announced its first list of Strategic Projects under the Critical Raw Materials Act (“CRMA”); Norra Kärr was not included. The Company stated its plan to reapply in the next round of applications.
- On April 23, 2025, the Company announced granting of stock options (the “Options”) to directors, officers and consultants of the Company to purchase an aggregate of 6,850,000 common shares (the “Optioned Shares”) of the Company, at exercise price of C\$0.24 per Optioned Share, expiring on the date that is 5 years from the date of grant for directors and officers and three years from the date of grant for consultants. The Options will vest 33% on the date of the grant, 33% one year after the date of grant and 34% two years after the date of grant. The Options were issued pursuant to the terms of the Company’s Option Plan.

After the six months ended April 30, 2025:

- On June 9, 2025, the Company announced signing of an agreement with Svensk Kapitalmarknadsgranskning (“SKMG”) for an assignment as Certified Adviser for the Nasdaq First North Growth Market (Stockholm).
- On June 10, 2025, the Company announced the intent to complete a non-brokered private placement of up to 25,000,000 units (“Units”) at a price of C\$0.16 per Unit for aggregate gross proceeds of up to C\$4,000,000 (the “Private Placement”).

Outlook

Concerns about critical raw materials - security of supply, supply chain resilience and defence requirements – have been recurring themes at conferences attended by the Company in recent months, with HREEs and natural graphite frequently mentioned; geopolitical uncertainties continue, with more talk about the weaponization of global trade in rare earth elements.

On June 17, 2025, the G7 Critical Minerals Action Plan was announced focused on ‘diversifying the responsible production and supply of critical minerals, encouraging investments in critical mineral projects and local value creation, and promoting innovation’ in the G7, and with partners beyond, working together and ‘to swiftly protect our economic and national security’. Against this backdrop and calls for more action to match the intent of the CRMA, the Company’s portfolio is well positioned.

Woxna Graphite Mine

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

Highlighting Sweden's role in CRMs and graphite's importance, Sweden's Energy, Business and Industry Minister Ebba Busch recently stated that "Sweden has unique opportunities to be and remain a strong player in global mineral politics. We have the most sustainable mining industry in the world – ethically sustainable, environmentally sustainable, and with good working conditions. The graphite that [Talga Group] is planning to produce is a key material in battery manufacturing and the green transition to a fossil-fuel-free society."

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

As part of its Pre-feasibility ("PFS") workstreams, the Company is developing a Rapid Development Plan ("RDP") for Norra Kärr to enable the earliest possible production of HREE-rich eudialyte concentrate and industrial mineral nepheline syenite. A phased, small-scale start is under consideration to allow early access to the deposit, initial sales of nepheline syenite, early cash flow, and stockpiling of eudialyte concentrate for future processing. This approach is designed to reduce both risk and environmental impacts.

Testwork has now been completed on nepheline syenite and aegirine to determine their mineralogy, chemical composition, and leachate chemistry. The promising results are being used to determine possible market segments and specifications that can be achieved, potential demand and pricing, to be included in an updated PFS economic model for Norra Kärr. The Company envisages the PFS will be completed in Q1 2026.

On 24 March 2025, the EU announced its first list of Strategic Projects under the Critical Raw Materials Act (CRMA); Norra Kärr was not included. The Company plans to reapply in the next round of applications having continued to make significant progress since the last application was submitted in August 2024.

In recent months, the Company's application for a new Exploitation Concession ("Bearbetningskoncession") 25-year mining lease has been out for consultation with County Administrative Boards ("CAB") and municipalities. The Company understands that CAB opinions have been received by the Mining Inspectorate ("Bergsstaten"). The Company will have an opportunity to respond to opinions and comments.

Bihor Sud Nickel-Cobalt Exploration Project

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

Financial Information

The report for nine months ending July 31, 2025, is expected to be published on or about September 19, 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 2025		Fiscal 2024				Fiscal 2023	
	April 30, 2025 \$	January 31, 2025 \$	October 31, 2024 \$	July 31, 2024 \$	April 30, 2024 \$	January 31, 2024 \$	October 31, 2023 (Restated) \$	July 31, 2023 (Restated) \$
Operations								
Expenses	(1,070,402)	(696,037)	(97,209)	(797,070)	(863,745)	(660,617)	(457,890)	(309,832)
Other items	(108,766)	26,821	(222,820)	(25,168)	4,216	(25,311)	195,209	(8,442)
Comprehensive profit/(loss)	(1,179,168)	(669,216)	(320,029)	(822,238)	(859,529)	(685,928)	(262,681)	(318,274)
Basic Profit/(loss) per share	(0.01)	(0.00)	(0.00)	(0.00)	(0.01)	(0.00)	(0.00)	(0.00)
Diluted profit/(loss) per share	(0.01)	(0.00)	(0.00)	(0.00)	(0.01)	(0.00)	(0.00)	(0.00)
Financial Position								
Working capital	1,191,514	2,198,641	3,337,686	3,973,458	1,610,635	2,316,098	2,713,098	848,952
Total assets	28,361,774	28,480,311	29,343,716	28,454,783	24,991,481	26,003,943	25,512,111	23,588,662
Total non-current liabilities	(6,009,933)	(5,596,369)	(5,641,854)	(5,683,545)	(5,101,289)	(5,489,843)	(4,670,790)	(5,109,575)

Results of Operations

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

During the three months ended April 30, 2025 ("Q2 2025") the Company reported a net loss of \$1,179,168 compared to a reported net loss of \$669,216 for the three months ended January 31, 2025 ("Q1 2025"), an increase in loss by \$509,952, the increase in loss mainly due to share based compensation expenses of \$585,529 (Q1 2025 - \$129,292) and foreign exchange loss of \$117,063 (Q1 2025 - gain \$1,690).

Three Months Ended April 30, 2025, Compared to Three Months Ended April 30, 2024

During the three months ended April 30, 2025 ("2025 period"), the Company reported a net loss of \$1,179,168 compared to a net loss of \$859,529 for the three months ended April 30, 2024 ("2024 period"), an increase in loss of \$319,639, the increase in loss mainly due to share based compensation expenses of \$585,529 (Q2 2024 - \$349,923) and foreign exchange loss of \$117,063 (Q2 2024 - \$5,754).

Specific expenses of note during three months ended April 30, 2025 are as follows:

- (i) incurred \$78,270 (2024 - \$46,385) for directors and officer's compensation.
- (ii) incurred \$56,994 (2024 - \$45,115) 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 \$40,690 (2024 - \$57,074) for accounting and audit out of which the Company incurred \$15,504 (2024 - \$14,567) for accounting services of SKS Business Services along with \$6,932

- (2024 - \$6,771) for bookkeeping and accounting services for subsidiary companies provided by other independent accountants.
- (iv) incurred Research, development, and general exploration expenses of \$77,449 (2024 - \$94,017).
 - (v) incurred \$60,957 (2024 - \$89,947) in costs for operations.

Interest income is primarily generated from cash held on deposit with the Bank of Montreal. During the three months ended April 30, 2025 the Company reported interest income of \$12,286 compared to \$20,305 during the three months ended April 30, 2024.

During the three months ended April 30, 2025, the Company recorded a foreign exchange loss of \$117,063 due to changes in exchange rates, compared to a loss of \$5,754 during the three months ended April 30, 2024.

Financings

During the six months ended April 30, 2025, 150,000 warrants were exercised for gross proceeds of \$30,000.

During six months ended April 30, 2025, 6,850,000 stock options were granted at an exercise price of \$0.24.

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

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

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

Financial Condition / Capital Resources

During the three months ended April 30, 2025, the Company recorded a net loss of \$1,179,168 and, as of April 30, 2025, the Company had an accumulated deficit of \$51,201,042 and working capital of \$1,191,514. The Company maintains its Woxna Graphite mine in a "production-ready" basis while minimizing costs. The Company is also evaluating a potential restart of flake graphite concentrate production. The Company anticipates that it has sufficient funding to meet anticipated levels of corporate administration and overheads for the ensuing twelve months however, it will need additional capital to provide working capital and recommence operations at the Woxna Graphite, to fund future development of the Norra Kärr Property or to complete exploration activities in Romania. There is no assurance such additional capital will be available to the Company on acceptable terms or at all. In the longer term the recoverability of the carrying value of the Company's long-lived assets is dependent upon the Company's ability to preserve its interest in the underlying mineral property interests, the discovery of economically recoverable reserves, the achievement of profitable operations and the ability of the Company to obtain financing to support its ongoing exploration programs and mining operations.

Off-Balance Sheet Arrangements

The Company has no off-balance sheet arrangements.

Proposed Transactions

The company has no proposed transactions.

Critical Accounting Estimates

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

A detailed summary of all the Company's critical accounting estimates is included in Note 3 to the October 31, 2024, audited annual consolidated financial statements.

Changes in Accounting Policies

There is no change in accounting policy during the six months ended April 30, 2025.

A detailed summary of all the Company's significant accounting policies and accounting standards and interpretations issued but not yet effective, is included in Note 3 to the October 31, 2024, audited annual consolidated financial statements.

Related Party Transactions and Balances

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

(a) During the six months ended April 30, 2025 and 2024 the following compensation was incurred:

	2025	2024
	\$	\$
Mr. Kurt Budge, CEO ⁽¹⁾	177,176	-
Mr. Lars-Eric Johansson, Chairman and director	16,200	16,200
Mr. Eric Krafft, director ⁽¹⁾	16,200	16,200
Mr. Daniel Major, director	16,200	16,200
Mr. Sanjay Swarup, CFO	19,968	19,004
Ms. Manuela Balaj-Coroiu, Corporate Secretary	25,200	25,200
	<u>270,944</u>	<u>92,804</u>

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

Out of the total Directors' and Officers' compensation of \$270,944, CEO's compensation of \$115,164 has been capitalized to Exploration and Evaluation assets.

(b) During the six months ended April 30, 2025, the Company incurred \$30,667 (2024 - \$29,186) for accounting services of SKS Business Services.

- (c) In addition, during the three months ending April 30, 2025 and 2024 the company incurred share-based compensation for key management personnel as follows:

	2025	2024
	\$	\$
Mr. Eric Krafft	186,515	165,512
Mr. Kurt Budge	194,231	79,943
Mr. Lars-Eric Johansson	143,383	87,744
Mr. Daniel Major	143,383	87,744
Ms. Manuela Balaj-Coroiu	11,557	10,302
Mr. Sanjay Swarup	9,987	6,444
Mr. Filip Kozlowski	-	17,959
	689,056	455,648

Outstanding Share Data

The Company's authorized share capital is unlimited common shares without par value. As of June 20, 2025, there were 232,211,949 issued and outstanding common shares 62,706,130 warrants outstanding with exercise prices ranging from \$0.20 to \$0.225 per share and 21,900,000 share options outstanding with exercise prices ranging from \$0.10 to \$0.24 per share.