LEADING EDGE MATERIALS CORP.

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE NINE MONTHS ENDED
JULY 31, 2026

(Expressed in Canadian Dollars)

NOTICE OF NO AUDITOR REVIEW OF
CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

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

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

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

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

	Note	July 31, 2026 $	October 31, 2025 $
ASSETS			
Current assets			
Cash		1,841,047	1,860,654
GST/VAT receivables		155,546	244,939
Prepaid expenses		187,845	142,811
Investments	3	-	29,167
Total current assets		**2,184,438**	**2,277,571**
Non-current assets			
Exploration and evaluation assets	4	23,893,521	22,382,097
Property, plant and equipment	5	5,078,476	5,616,789
Reclamation deposit	6	162,009	162,696
Right-of-use asset	5	20,391	29,536
Total non-current assets		**29,154,397**	**28,191,118**
TOTAL ASSETS		**31,338,835**	**30,468,689**
LIABILITIES			
Current liabilities			
Accounts payable and accrued liabilities		447,231	384,380
Lease liability		13,206	12,755
Total Current liabilities		**460,437**	**397,135**
Non-current liabilities			
Provision for site restoration	6	5,035,357	5,444,696
Property acquisition obligation	4(a), 5	587,174	593,392
Lease liability		9,237	18,764
Total non-current liabilities		5,631,768	6,056,852
TOTAL LIABILITIES		**6,092,205**	**6,453,987**
SHAREHOLDERS' EQUITY			
Share capital	7	69,581,633	66,659,743
Share-based payments reserve	7(d)	11,220,004	9,924,182
Deficit		(55,555,007)	(52,569,223)
TOTAL SHAREHOLDERS' EQUITY		**25,246,630**	**24,014,702**
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		**31,338,835**	**30,468,689**

Nature of Operations and Going Concern - Note 1

These consolidated financial statements were approved for issue by the Board of Directors on September 18, 2026 and are signed on its behalf by:

/s/***Eric Krafft***
Eric Krafft
Director

/s/***Daniel Major***
Daniel Major
Director

LEADING EDGE MATERIALS CORP.
CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS
(Expressed in Canadian Dollars)

	Notes	Three Months Ended July 31, 2026 $	Three Months Ended July 31, 2025 $	Nine Months Ended July 31, 2026 $	Nine Months Ended July 31, 2025 $
Expenses					
Accretion of provision for site restoration	6	33,184	32,218	99,552	96,654
Corporate development		25,591	47,212	93,102	157,718
Depreciation		14,437	22,451	71,747	47,018
Directors and officer's compensation	8(a)	74,169	74,099	221,379	229,878
Research, development and general exploration	4	46,198	10,526	140,345	150,483
Accounting and audit	8(b)	40,945	44,370	134,791	156,607
General and administration		23,542	41,957	97,370	99,810
Listing and regulatory costs		41,401	43,093	168,766	150,032
Operations		71,779	73,938	262,257	212,814
Salaries, compensation and benefits		59,318	43,222	164,218	122,442
Professional fees		46,632	10,588	151,330	21,444
Share based compensation	8(a)	285,658	208,322	1,295,822	923,143
Travel		35,849	45,625	70,858	96,017
		798,703	697,621	2,971,537	2,464,060
Loss before other items		(798,703)	(697,621)	(2,971,537)	(2,464,060)
Other items					
Interest income		1,571	5,637	10,937	43,399
Foreign exchange gain/(loss)		(85,128)	80,335	(48,076)	(35,038)
Mark to market adjustment loss		-	-	-	(6,632)
Gain on sale of investment		-	-	(3,311)	-
Other Income		21	342	26,203	2,640
		(83,536)	86,314	(14,247)	4,369
Net loss and comprehensive loss		(882,239)	(611,307)	(2,985,784)	(2,459,691)
Loss per share – basic and diluted		($0.00)	($0.00)	($0.01)	($0.01)
Weighted average number of common shares outstanding - basic and diluted		257,977,906	232,979,449	254,062,779	232,404,660

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)

	Nine Months Ended July 31, 2026				
	Share Capital				
	Number of Shares	Amount $	Share-Based Payments Reserve $	Deficit $	Total Equity $
Balance as at October 31, 2025	**250,550,449**	**66,659,743**	**9,924,182**	**(52,569,223)**	**24,014,702**
Common shares issued for:					
Share issued	7,132,020	1,782,990	-	-	1,782,990
Stock options Exercised	6,980,000	888,900	-	-	888,900
Warrants Exercised	1,250,000	250,000	-	-	250,000
Share-based compensation	-	-	1,295,822	-	1,295,822
Net loss for the period	-	-	-	(2,985,784)	(2,985,784)
Balance at July 31, 2026	**265,912,469**	**69,581,633**	**11,220,004**	**(55,555,007)**	**25,246,630**

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

LEADING EDGE MATERIALS CORP.
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Expressed in Canadian Dollars)

	Three Months Ended July 31,		Nine Months Ended July 31,	
	2026	**2025**	**2026**	**2025**
	$	**$**	**$**	**$**
Operating activities				
Net loss for the period	(882,239)	(611,307)	(2,985,784)	(2,459,691)
Adjustments for:				
Accretion of provision for site restoration	33,184	32,218	99,552	96,654
Depreciation and amortization	14,437	22,451	71,747	47,018
Foreign exchange	(1,855)	(4,717)	(5,532)	37,965
Mark to market adjustment loss	-	-	-	6,632
Gain/loss on sale of Investment	-	-	3,311	-
Share based compensation	285,658	208,322	1,295,822	923,143
Changes in non-cash working capital items:				
GST/VAT and other receivables	(14,556)	(77,398)	89,393	116,315
Prepaid expenses and other	(38,673)	21,559	(45,034)	42,448
Accounts payable and accrued liabilities	155,638	179,130	62,851	(67,328)
Net cash from (used in) operating activities	(448,406)	(229,742)	(1,413,674)	(1,256,844)
Investing activity				
Expenditures on exploration and evaluation assets	(394,237)	(698,817)	(1,511,424)	(1,828,331)
Proceeds from sale of investment	-	-	25,826	-
Additions to property, plant and equipment	-	(28,369)	(33,180)	(73,149)
Net cash from (used in) investing activity	(394,237)	(727,186)	(1,518,748)	(1,901,480)
Financing activities				
Issuance of common shares	2,132,990	568,400	2,921,890	598,400
Repayment of lease liabilities	(3,100)	-	(9,075)	-
Net cash provided by financing activities	2,129,890	568,400	2,912,815	598,400
Net change in cash	1,287,247	(388,528)	(19,607)	(2,559,924)
Cash at beginning of the period	553,800	1,288,821	1,860,654	3,460,217
Cash at end of the period	1,841,047	900,293	1,841,047	900,293

Supplemental cash flow information - See Note 11

1. Nature of Operations and Going Concern

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

During the nine months ended July 31, 2026, the Company recorded a net loss of $2,985,784 and, as at July 31, 2026, the Company had an accumulated deficit of $55,555,007 and working capital of $1,724,001.

On 12 July 2026, the Company announced a non-brokered private placement of up to 24,000,000 units at C$0.25 per unit for gross proceeds of up to C$6,000,000, with the Company's cornerstone shareholder, Eric Krafft, agreeing to subscribe for any units not otherwise taken up. Net proceeds are intended to fund Pre-Feasibility Study workstreams and environmental permitting at Norra Kärr, studies related to a possible restart of the Woxna Graphite mine and processing plant, and general working capital. Subsequent to the quarter end, on 18 August 2026 the Company closed the first tranche of this financing, issuing 16,032,000 common shares for gross proceeds of C$4,008,000.

The Company has received approval from the TSX Venture Exchange to extend the closing of the Private Placement. The Company now expects to close the Private Placement on or before September 25, 2026, subject to the receipt of all required regulatory approvals. The terms of the Private Placement remain unchanged from those previously announced.

Net proceeds from the recent equity raise are intended to fund Pre-Feasibility Study (PFS) workstreams and environmental permitting at Norra Kärr, studies related to a possible restart of the Woxna Graphite mine and processing plant, and general working capital for next 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. 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.

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:

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

(Expressed in Canadian Dollars)

3. Investments

Investments held by the Company are as follows:

Particulars	**July 31, 2026 $**	**October 31, 2025 $**
Shares in United Lithium Corp. (ULTH) (2025: 91,147)	-	29,167
Total	**-**	**29,167**

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

4. Exploration and Evaluation Assets

	As at July 31, 2026			**As at October 31, 2025**		
	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	3,665,160	19,067,782	15,402,622	2,843,862	18,246,484
Romania	187,999	4,662,954	4,810,952	187,999	3,932,827	4,120,826
	15,600,702	**8,292,819**	**23,893,521**	**15,600,702**	**6,781,395**	**22,382,097**

	Graphite concessions $	**Norra Karr $**	**Romania $**	**Total $**
Balance at October 31, 2024	**14,787**	**17,334,704**	**2,542,761**	**19,892,252**
Costs				
Additions during the year	-	911,780	1,578,065	2,489,845
Balance at October 31, 2025	**14,787**	**18,246,484**	**4,120,826**	**22,382,097**
Costs				
Additions during the year	-	821,298	690,126	1,511,424
Balance at July 31, 2026	**14,787**	**19,067,782**	**4,810,952**	**23,893,521**

4. Exploration and Evaluation Assets (continued)

(a) *Graphite Concessions*

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

In 1993 Woxna entered into agreements under which it acquired:

(i) the Kringelgruvan concession for an initial payment of SEK 150,000 and a further payment of SEK 4,000,000 (the "Property Acquisition Obligation"); and

(ii) the Mattsmyra, Gropabo and Mansberg concessions (the "Graphite Concessions") for an initial payment of SEK 32,500 and a further payment of SEK 1,000,000 on each of the three concessions (the "Additional Consideration"). These concessions have all expired.

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

(b) *Norra Kärr*

On 28 June 2026, the Swedish Government granted GREENNA Mineral AB, an Exploitation Concession (Sw. bearbetningskoncession), 25-year mining lease for Norra Kärr K Nr. 2. This followed the March 2026 recommendation of the Mining Inspectorate and the December 2025 endorsements of the County Administrative Boards of Jönköping and Östergötland, and represents a significant permitting milestone in the project"s development.

(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.

During the quarter the Company announced it had agreed to increase its stake in the Bihor Sud Exploration Licence joint venture to 90%, following an amendment to the shareholders joint venture agreement originally entered into with REMAT Group Management SRL on August 9, 2018.

(Expressed in Canadian Dollars)

4. Exploration and Evaluation Assets (continued)

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

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

5. Property, Plant and Equipment

Cost:	**Vehicles $**	**Equipment and Tools $**	**Building $**	**Manufacturing and Processing Facility $**	**Mineral Property Acquisition and Development Costs $**	**Right Of Use Asset $**	**Total $**
Balance at October 31, 2024	**16,094**	**443,116**	**344,139**	**7,567,878**	**6,484,182**	**-**	**14,855,409**
Addition	-	40,561	-	-	-	42,613	83,174
Adjustment to site restoration	-	-	-	-	194,449	-	194,449
Balance at October 31, 2025	**16,094**	**483,677**	**344,139**	**7,567,878**	**6,678,631**	**42,613**	**15,133,032**
Addition	-	33,180	-	-	-	-	33,180
Adjustment to site restoration	-	-	-	-	(508,891)	-	(508,891)
Balance at July 31, 2026	**16,094**	**516,857**	**344,139**	**7,567,878**	**6,169,740**	**42,613**	**14,657,322**
Accumulated Depreciation and Impairment:							
Balance at October 31, 2024	**(6,174)**	**(268,414)**	**(217,514)**	**(3,910,218)**	**(5,000,000)**	**-**	**(9,402,320)**
Depreciation	(2,266)	(35,254)	(33,790)	-	-	(13,077)	(84,387)
Balance at October 31, 2025	**(8,440)**	**(303,668)**	**(251,304)**	**(3,910,218)**	**(5,000,000)**	**(13,077)**	**(9,486,707)**
Depreciation	(1,989)	(30,950)	(29,664)	-	-	(9,145)	(71,747)
Balance at July 31, 2026	**(10,429)**	**(334,618)**	**(280,968)**	**(3,910,218)**	**(5,000,000)**	**(22,222)**	**(9,558,455)**
Carrying Value :							
Balance at October 31, 2025	**7,654**	**180,009**	**92,835**	**3,657,660**	**1,678,631**	**29,536**	**5,646,325**
Balance at July 31, 2026	**5,665**	**182,239**	**63,171**	**3,657,660**	**1,169,740**	**20,391**	**5,098,867**

(Expressed in Canadian Dollars)

5. Property, Plant and Equipment (continued)

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

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

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

As at July 31, 2026 the Company has recognized $587,174 (October 31, 2025 - $593,392) for the Property Acquisition Obligation associated with the Kringelgruvan concession, as described in Note 5(a)(i).

6. Provision for Site Restoration

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

The fair value of the decommissioning obligation was calculated using a discounted cash flow approach based on a risk-free rate of 3.03% (2025 – 2.55%) and an inflation factor of 2.0% (2025 – 2.0%) Settlement of the obligation is expected to be funded from general corporate funds at the time of decommissioning. Changes to the decommissioning obligation were as follows:

	$
Balance at October 31, 2024	**5,121,374**
Accretion	128,872
Revision of estimates	(522,979)
Foreign exchange adjustment	717,428
Balance at October 31, 2025	**5,444,696**
Accretion	99,552
Revision of estimates	(451,841)
Foreign exchange adjustment	(57,050)
Balance at July 31, 2026	**5,035,357**

As at July 31, 2026 reclamation deposits totaling $162,009 (October 31, 2025 - $162,696) have been paid. The reclamation deposits were placed as security for site restoration on the Kringelgruvan concession and on certain exploration and evaluation assets.

(Expressed in Canadian Dollars)

7. Share Capital

(a) *Authorized Share Capital*

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

(b) *Equity Financings*

Nine months Ended July 31, 2026

During the nine months ended July 31, 2026, 6,980,000 stock options were exercised for gross proceeds of $888,000 and 1,250,000 warrants were exercised for gross proceeds of $250,000.

Year Ended October 31, 2025

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

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

(c) *Warrants*

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

	2026		2025	
	Number	Weighted Average Exercise Price $	Number	Weighted Average Exercise Price $
Balance beginning of year	79,837,630	0.20	62,856,130	0.17
Issued	-	-	17,738,500	0.32
Exercised	(1,250,000)	0.20	(750,000)	0.20
Expired	-	-	(7,000)	0.225
Balance end of year	**78,587,630**	0.20	**79,837,630**	0.20

The following table summarizes information about the number of common shares reserved pursuant to the Company's warrants outstanding and exercisable at July 31, 2026:

Number	Exercise Price $	Expiry Date
21,639,130	0.225	August 23, 2027
32,650,000	0.20	July 23, 2028
6,560,000	0.20	September 26, 2028
17,738,500	0.32	August 14, 2029
78,587,630	**0.20**	

(Expressed in Canadian Dollars)

7. Share Capital (continued)

(d) *Share Option Plan*

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

Nine months Ended July 31, 2026

During the nine months ended July 31, 2026, 6,980,000 stock options were exercised for gross proceeds of $888,000.

7,200,000 stock options were granted at an exercise price of $0.31 during the nine months ended July 31, 2026 (2025 – 6,700,000). The value of options granted was determined using the Black-Scholes option pricing model. A weighted average grant date fair value of $0.25211 (2025 – $0.20253) was calculated using expected stock price volatility of 114.13%, risk free rate of 3.11% and option life of five years are based on the Company's historical share price volatility and option life.

Year Ended October 31, 2025

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

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

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

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

	2026		**2025**	
	Number of Options Outstanding	**Weighted Average Exercise Price $**	**Number of Options Outstanding**	**Weighted Average Exercise Price $**
Balance beginning of year	21,900,000	0.17	18,250,000	0.22
Issued	7,200,000	0.31	6,850,000	0.24
Exercised	(6,980,000)	0.13		
Expired	-	-	(3,200,000)	0.62
Balance end of period	**22,120,000**	0.23	**21,900,000**	0.17

(Expressed in Canadian Dollars)

7. Share Capital (continued)

The following table summarizes information about the share options outstanding and exercisable at July 31, 2026:

Number Outstanding	Number Exercisable	Exercise Price $	Expiry Date
700,000	700,000	0.20	November 3, 2027
2,700,000	2,700,000	0.195	April 26, 2028
450,000	450,000	0.10	April 26, 2027
4,220,000	4,220,000	0.10	April 25, 2029
6,700,000	4,422,000	0.24	April 23, 2030
150,000	99,000	0.24	April 23, 2028
7,200,000	2,376,000	0.31	April 27, 2031
22,120,000	**15,967,000**		

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 nine months ended July 31, 2026 and 2025 the following compensation was incurred:

Particulars	Three months Ended July 31,		Nine months Ended July 31,	
	2026 $	2025 $	2026 $	2025 $
Directors and officer's compensation	138,269	137,576	411,794	408,250
Share based compensation (current and former)	284,571	201,977	1,285,969	891,033
	422,840	**339,553**	**1,697,793**	**1,299,283**

As at July 31, 2026, $8,866 (October 31, 2025 - $ 7,798) remained unpaid and has been included in accounts payable and accrued liabilities.

Out of the total Directors' and Officers' compensation of $411,794, CEO's compensation of $190,415 has been capitalized to Exploration and Evaluation assets.

9. Income per share

As at July 31, 2026 and 2025, the weighted average number of common shares for the purpose of calculating diluted income per share reconciles to the weighted average number of common shares used in the calculation of basic income per share as follows:

Particulars	Three months ended July 31,		Nine months ended July 31,	
	2026 $	2025 $	2026 $	2025 $
Net loss for the period	(882,239)	(611,307)	(2,985,784)	(2,459,691)
Basic weighted average number of shares outstanding	265,912,469	232,979,449	254,062,779	232,404,660
Diluted weighted average number of shares outstanding	265,912,469	232,979,449	254,062,779	232,404,660
Loss per share – basic and diluted	**($0.00)**	**($0.00)**	**($0.01)**	**($0.01)**

(Expressed in Canadian Dollars)

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	July 31, 2026 $	October 31, 2025 $
Cash	FVTPL	1,841,047	1,860,654
Reclamation deposit	amortized cost	162,009	162,696
Investments	FVTPL	-	29,167
Accounts payable and accrued liabilities	amortized cost	(447,231)	(384,380)
Property acquisition obligation	amortized cost	(587,174)	(593,392)

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

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

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

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

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

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

Credit Risk

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

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

Liquidity Risk

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

10. Financial Instruments and Risk Management (continued)

Contractual Maturity Analysis at July 31, 2026

	Carrying Amount $	Contractual Cash Flows $	Less than 3 Months $	1 - 5 Years $	Over 5 Years $
Cash	1,841,047	1,841,047	1,841,047	-	-
Reclamation deposit	162,009	162,009	-	-	162,009
Accounts payable and accrued liabilities	(447,231)	(447,231)	(447,231)	-	-
Property acquisition obligation	(587,174)	(587,174)	-	(587,174)	-

Market Risk

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

Interest Rate Risk

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

Foreign Currency Risk

The Company's functional currency is the Canadian Dollar and major transactions are transacted in Canadian Dollars, Swedish Krona ("SEK") and Romanian Leu ("RON). The Company maintains SEK bank accounts in Sweden and RON bank balances in Romania to support the cash needs of its foreign operations. Management believes the foreign exchange risk related to currency conversions is minimal and therefore does not hedge its foreign exchange risk. At July 31, 2026, 1 Canadian Dollar was equal to 6.8123 SEK as per Swedish Central Bank and 1 Canadian Dollar was equal to 3.2422 RON as per Romania Bank. Balances are as follows:

	SEK	CDN $ Equivalent	RON	CDN $ Equivalent
Cash	1,194,848	175,396	228,684	70,533
VAT receivable	289,393	42,481	351,542	108,426
Reclamation deposit	749,413	110,009	-	-
Accounts payable and accrued liabilities	(1,662,267)	(244,010)	(399,877)	(123,334)
Property acquisition obligation	(4,000,000)	(587,174)	-	-
	(3,428,613)	**(503,298**	**180,349**	**55,625**

Based on the net exposures as of July 31, 2026 and assuming that all other variables remain constant, a 10% fluctuation of the Canadian Dollar against the SEK and RON would result in the Company's net impact being approximately respectively $50,330 and $5,536 higher or lower.

Capital Management

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

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

(Expressed in Canadian Dollars)

11. Supplemental Cash Flow Information

During the nine months ended July 31, 2026 and 2025 non-cash activities were conducted by the Company as follows:

	2026 $	2025 $
Operating activity		
Provision for site restoration	(508,891)	1,020,824
Investing activity		
Revisions of estimates on property, plant and equipment	508,891	(1,020,824)

12. Segmented Information

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

	As at July 31, 2026			
	Corporate Canada $	Mineral Operations Sweden $	Mineral Operations Romania $	Total $
Current assets	1,672,247	252,210	261,981	2,184,438
Exploration and evaluation assets	-	19,082,569	4,810,952	23,893,521
Property, plant and equipment	-	4,941,062	137,414	5,078,476
Reclamation deposit	-	162,009	-	162,009
Right-of-use asset	-	-	20,391	20,391
	1,672,247	24,435,850	5,230,738	31,338,835

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

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 July 31, 2026, the Company's expenditure commitment for the five-year period ending May 15, 2027 was budgeted as $6,484,813 Euros (approx. $9,532,675 CAD) of which $4,810,952 CAD has been spent as at July 31, 2026. The Company is in discussions with the relevant authorities in Romania to change categories of work e.g. underground channel sampling for drilling. The proposal will generate the same volume of geological data and is intended to meet the same exploration objectives. It will also reduce expenditure.

14. Events after the Reporting Period

- On August 18, 2026, Company had closed a first tranche of the private placement announced previously on July 12, 2026, issuing 16,032,000 common shares at a price of $0.25/share for gross proceeds of CAD$4,008,000. The Company's cornerstone shareholder, Mr Eric Krafft, has agreed to subscribe for any Units not otherwise purchased by investors under the private placement.

LEADING EDGE MATERIALS CORP.

MANAGEMENT'S DISCUSSION AND ANALYSIS
QUARTERLY HIGHLIGHTS
FOR THE NINE MONTHS ENDED JULY 31, 2026

This Management's Discussion and Analysis ("Interim MD&A") of Leading Edge Materials Corp. ("Leading Edge Materials" or the "Company"), dated September 18, 2026, should be read in conjunction with the unaudited condensed consolidated interim financial statements for the nine months ended July 31, 2026, and the most recent annual audited consolidated financial statements and annual Management's Discussion and Analysis. The following disclosure and associated financial statements are presented in accordance with IFRS Accounting Standards ("IFRS"). Except as otherwise disclosed, all dollar figures are quoted in Canadian dollars. Additional information relevant to the Company's activities can be found on SEDAR at www.sedar.com 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 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 critical raw material assets across the European Union, primarily its wholly owned Norra Kärr Heavy Rare Earth Element project in Sweden - one of the world's most strategically significant heavy rare earth deposits and among the few advanced-stage projects within the EU capable of producing dysprosium, terbium, and yttrium at meaningful scale.

Situated in one of the world's most politically and regulatory stable mining environments, Norra Kärr is well-positioned to contribute directly to the objectives of the EU's Critical Raw Materials Act, including the bloc's target of sourcing 10% of its critical raw material consumption domestically by 2030. Beyond rare earths, the Company also owns the Woxna Graphite mine in Sweden - a fully constructed and permitted facility – and has a majority interest in the Bihor Sud Nickel-Cobalt exploration alliance in Romania.

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

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

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

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

Highlights During and After the Quarter

During the three months ended July 31, 2026:

- On May 26, 2026, the Company announced it had agreed to increase its stake in the Bihor Sud Exploration Licence joint venture to 90%, following an amendment to the shareholders joint venture agreement (“JVA”) originally entered into with REMAT Group Management SRL ("REMAT") on August 9, 2018.

- On June 9, 2026, the Company announced testwork results on ore sourced from the Woxna Graphite Mine (“Woxna”). The programme was designed to evaluate new processing techniques aimed at producing large-flake, high-purity flake graphite concentrate suitable for premium industrial and battery applications. The testwork, using a simple, industrially practical two-stage alkaline process (without an energy-intensive pre-heating step), achieved 99.96% LOI (loss on ignition) – suggesting a preferred route for commercial scale-up to meet high-end industrial specifications.

- On June 28, 2026, the Company announced that its wholly-owned Swedish subsidiary, GREENNA Mineral AB ("GMAB"), has been granted an Exploitation Concession - 25-year mining lease - for the Norra Kärr Heavy Rare Earth Elements Project in Sweden.

- On July 12, 2026, the Company announced the intent to complete a non-brokered private placement of 24,000,000 units (“Units”) at a price of C$0.25 per Unit for aggregate gross proceeds of up to C$6,000,000.00 (the “Private Placement”). The Company's cornerstone shareholder, Mr Eric Krafft, has agreed to subscribe for any Units not otherwise purchased by investors under the private placement.

- On July 20, 2026, the Company provided an update on its midstream processing strategy for eudialyte concentrate from the Norra Kärr – and the path toward pilot-scale hydrometallurgical testing, a key step in demonstrating the process at commercial scale. This builds on the significant flowsheet development work completed over the last 15 years, and new research into silicate management under the Vinnova funded SHLENK project.

- On July 26, 2026, the Company welcomed the Swedish Government's new Mineral Strategy, which places critical raw materials and mining at the centre of Sweden's industrial competitiveness and national security agenda.

After the three months ended July 31, 2026:

- On August 18, 2026, the Company closed a first tranche of the private placement announced previously on July 12, 2026, issuing 16,032,000 common shares at a price of $0.25/share for gross proceeds of CAD$4,008,000.

- On September 7, 2026, The Company announced that it would commence a first-pass diamond drilling programme on September 8, 2026 at Woxna. The programme has been designed to test whether the Kringeltjärn, Råttjärnamyren and Svartboberget graphite occurrences represent parts of the same, larger regional graphite-bearing system.

Outlook

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

The temporary diplomatic détente between Washington and Beijing continues to provide partial, time-limited relief, without resolving Europe's underlying vulnerability. China's suspension of its October 2025 wave of rare earth export controls remains in effect through to 10 November 2026 — but this is a tactical pause, not a structural shift. The April 2025 licensing regime covering terbium, dysprosium, yttrium and other critical heavy rare earths was never suspended and remains active. The 10 November 2026 expiry of the Wave 2 suspension is now the next critical decision point, falling shortly after the end of this reporting period, with no public clarity on whether it will be extended.

The EU has policy, frameworks and laudable initiatives — RESourceEU, a critical minerals centre, Strategic Projects under the Critical Raw Materials Act. Yet real action that delivers the required investment across the value chain is absent. Policy and frameworks do not equate to supply. Europe must create new supply options wherever they exist or face the squeeze from China and the US.

The alarm bells were sounded at the G7 finance ministers' summit in Paris in May 2026, with Germany's finance minister Lars Klingbeil warned that Western nations are already deep in a critical minerals dependency they cannot afford to ignore — calling on G7 countries to expand rare earth production amongst other measures.

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

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

On 28 June 2026, the Swedish Government granted GREENNA Mineral AB, an Exploitation Concession (Sw. bearbetningskoncession), 25-year mining lease for Norra Kärr K Nr. 2. This followed the March 2026 recommendation of the Mining Inspectorate and the December 2025 endorsements of the County Administrative Boards of Jönköping and Östergötland, and represents a significant permitting milestone in the project"s development.

The project's strategic importance to Sweden and the EU was a decisive factor in the Government's decision. Swedish Minister Ebba Busch has spoken of Sweden's REEs as a security asset for Sweden and Europe, and when granting a new 25-year mining lease for Norra Kärr in June this year, stated that "Norra Kärr could meet a large part of Sweden and Europe's supply needs". The Geological Survey of Sweden (“SGU”) has confirmed that Norra Kärr is one of Europe's richest rare earth elements (“REE”) deposits, with a particularly high proportion of the most valuable heavy rare earth elements, including terbium, dysprosium and yttrium.

With no REE production anywhere in the EU today, the Government concluded that supplying Sweden and Europe with these critical raw materials - essential for permanent magnets in electric motors and the green energy transition - clearly outweighs competing land-use interests.

In the quarter, the Company announced an initiative to advance its midstream processing strategy and collaboration on hydrometallurgical research in support of a future pilot plant with funding from the Swedish Government through Vinnova, the Swedish Innovation agency, as part of a SEK 70+ million (CAD 10 million) national push to secure Sweden's critical raw materials supply.

The heavy rare earth market for dysprosium, terbium, and yttrium remains the tightest segment of rare earths. All three elements have been shaped by restricted Chinese exports, with markets defined by tight supply, policy-driven uncertainty, leaving consumers scrambling since China's April 2025 dual-use export-licensing controls - covering seven medium and heavy rare earths including terbium, dysprosium, and yttrium plus related alloys and magnet materials, imposed in direct response to U.S. tariffs.

On the supply side, China's separation dominance remains essentially unchanged, with Lynas Malaysia* the only non-Chinese producer at confirmed commercial scale, while MP Materials and Energy Fuels in the U.S.

have only reached pilot-to-early-commercial volumes. This concentration is even starker for yttrium: the U.S. relies on imports for 100% of its yttrium supply, historically over 90% sourced from China.

The result is market bifurcation, a widening price gap between China and the rest of the world. European prices for dysprosium and terbium currently run multiples higher than Chinese domestic prices and experts point to yttrium, terbium, and dysprosium as carrying the largest premiums, driven by defence and other high-performance sectors sourcing outside China.

Norra Kärr is Europe's most advanced heavy rare earth elements project, and the grant of the mining lease removes the principal permitting overhang that has impeded commercial and financing discussions. Pre-feasibility and environmental permit planning workstreams are underway, and the Company continues to target production within approximately four years.

The Preliminary Economic Assessment ("PEA") published in 2021 estimated production levels of 248tpa Dysprosium and 36tpa Terbium oxides, over a 26-year mine life ~ 30% of the defined resource which is unconstrained by drilling. These numbers are double those reported by the Lofdal Project in Nambia and comparable with the nameplate capacity figures for Lynas Rare Earths Ltd Malaysian HREO plant.

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

The financials for producing mixed rare earth oxides were modelled as part of the Preliminary Economic Assessment ("PEA") in 2021; the Project had a pre-tax NPV10 of over US$1B. Edison Research ("Edison") has been retained by the Company and its Initiation Note values Norra Kärr at US$1.8bn on an unrisked NPV10 basis, or US$0.9bn risk-weighted, yet at the current share price Leading Edge Materials trades at just US$92 per tonne of contained TREO — against a peer average of US$562/t.

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

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

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

As one of the largest HREE deposits globally - and the most advanced in Europe - Norra Kärr has the potential to become a cornerstone supplier for Western magnet producers.

Woxna Graphite Mine

The Woxna Graphite Mine is being maintained on a "production ready" basis while keeping operational holding costs to a minimum. In partnership with an engineering consultant, the Company is updating an internal production restart study undertaken in 2022.

On June 9, 2026, the Company announced testwork results on ore sourced from the mine. The programme was designed to evaluate new processing techniques aimed at producing large-flake, high-purity flake graphite concentrate suitable for premium industrial and battery applications. The testwork, using a simple, industrially practical two-stage alkaline process (without an energy-intensive pre-heating step), achieved 99.96% LOI (loss on ignition) – suggesting a preferred route for commercial scale-up to meet high-end industrial specifications. These results are being used to assess potential improvements to the processing facility that could maximize operational efficiency. The Company's goal is to deliver premium-quality high-grade flake graphite concentrate or value-added products.

Woxna already hosts one of the few fully built and permitted natural flake graphite mines in Europe, centred on the Kringelgruvan open pit and processing plant. Recently, the Company has announced a first-pass diamond drilling programme, which consists of five holes, looks beyond the existing mine, testing the idea that three separate graphite occurrences in the wider Woxna area – Kringeltjärn’s eastern extension, Råttjärnamyren (to the north-west) and Svartboberget - are not isolated pockets of mineralisation, but different parts of the same, larger graphite-bearing system.

Structural drivers behind the graphite market remain strong. According to Benchmark Mineral Intelligence, global demand for natural flake graphite is forecast to rise from around 1.3 million tonnes in 2026 to approximately 2.7 million tonnes by 2036, more than doubling within a decade and outpacing demand growth for almost every other major battery raw material other than lithium. China continues to dominate the supply chain, accounting for roughly 70% of global natural graphite mine production, more than 80% of the world's spherical graphite processing capacity, and over 90% of global anode manufacturing capacity.

China's Announcement No. 72 (9 Nov 2025) suspended the graphite dual-use export controls, introduced in December 2024 and affecting the US; the suspension expires on 27 November 2026. The suspension eased near-term trade tensions but has done little to change the underlying, structural reliance on Chinese supply that continues to concern battery makers, automakers and governments across Europe and North America.

Against this backdrop, the European Union has set a target under the Critical Raw Materials Act of sourcing at least 10% of its strategic raw material consumption domestically by 2030. The exploration programme announced today also comes as the Swedish Government's newly published Mineral Strategy places critical raw materials and mining at the centre of the country's industrial and national security policy, reinforcing a supportive backdrop for the resurgence of projects such as Woxna.

Bihor Sud Nickel-Cobalt Exploration Project

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

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

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

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

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

A Competent Person Report (“CPR”) has been completed and management continue to explore alternative financing options to advance project development. The CPR consolidates the substantial work completed to date.

Financial Information

The report for the year ending October 31, 2026, is expected to be published on or about January 22, 2027.

Selected Financial Data

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

	Fiscal 2026			**Fiscal 2025**				**Fiscal 2024**
Three Months Ended	July 31, 2026 $	April 30, 2026 $	January 31, 2026 $	October 31, 2025 $	July 31, 2025 $	April 30, 2025 $	January 31, 2025 $	October 31, 2024 $
Operations								
Expenses	(798,703)	(1,381,717)	(791,117)	(731,190)	(697,621)	(1,070,402)	(696,037)	(97,209)
Other items	(83,536)	24,119	45,170	(25,684)	86,314	(108,766)	26,821	(222,820)
Comprehensive profit/(loss)	(882,239)	(1,357,598)	(745,947)	(756,874)	(611,307)	(1,179,168)	(669,216)	(320,029)
Basic Profit/(loss) per share	(0.00)	(0.01)	(0.00)	(0.00)	(0.00)	(0.01)	(0.00)	(0.00)
Diluted profit/(loss) per share	(0.00)	(0.01)	(0.00)	(0.00)	(0.00)	(0.01)	(0.00)	(0.00)
Financial Position								
Working capital	1,724,001	539,488	804,249	1,880,436	679,695	1,191,514	2,198,641	3,337,686
Total assets	31,338,835	29,852,958	30,082,554	30,468,689	29,503,036	28,361,774	28,480,311	29,343,716
Total non-current liabilities	(5,631,768)	(5,838,263)	(6,088,012)	(6,056,852)	(6,806,650)	(6,009,933)	(5,596,369)	(5,641,854)

Results of Operations

Three Months Ended July 31, 2026, Compared to Three Months Ended April 30, 2026

During the three months ended July 31, 2026 (“Q3 2026”) the Company reported a net loss of $882,239 compared to a reported net loss of $1,357,598 for the three months ended April 30, 2026 (“Q2 2026”), a decrease in loss of $475,359 is mainly due to share based compensation of $285,658 in Q3 2026 (Q2 2026- $804,590).

Three Months Ended July 31, 2026, Compared to Three months Ended July 31, 2025

During the three months ended July 31, 2026 (“2026 period”), the Company reported a net loss of $882,239 compared to a net loss of $611,307 for the three months ended July 31, 2025 (“2025 period”), an increase in loss of $270,932 is mainly due to share based compensation of $285,658 (Q3 2025- $208,322) and professional fees of $46,632 (Q3 2025- $10,588).

Specific expenses of note during three months ended July 31, 2026 are as follows:

(i) incurred $74,169 (2025 - $74,099) for directors and officer’s compensation.
(ii) incurred $41,401 (2025 - $43,093) 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 $40,945 (2025 - $44,370) for accounting and audit out of which the Company incurred $16,255 (2025 - $14,734) for accounting services along with $6,112 (2025 - $11,439) for bookkeeping and accounting services for subsidiary companies provided by other independent accountants;
(iv) incurred Research, development, and general exploration expenses of $46,198 (2025 - $10,526);
(v) incurred $71,779 (2025 - $73,938) in costs for operations;

Interest income is primarily generated from cash held on deposit with the Bank of Montreal. During the three months ended July 31, 2026 the Company reported interest income of $1,571 compared to $5,637 during the three months ended July 31, 2025.

During the three months ended July 31, 2026, the Company recorded a foreign exchange loss of $85,128 due to changes in exchange rates, compared to a gain of $80,335 during the three months ended July 31, 2025.

Financings

During the nine months ended July 31, 2026, 6,980,000 stock options were exercised for gross proceeds of $888,000 and 1,250,000 warrants were exercised for gross proceeds of $250,000.

During the nine months ended July 31, 2026, 7,200,000 stock options were granted at an exercise price of $0.31.

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

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

Financial Condition / Capital Resources

During the three months ended July 31, 2026, the Company recorded a net loss of $882,239 and, as of July 31, 2026, the Company had an accumulated deficit of $55,555,007 and working capital of $1,724,001. The Company is maintaining its Woxna Graphite Mine on a "production-ready" basis to minimize costs. The Company continues to review options for Woxna.

On 12 July 2026, the Company announced a non-brokered private placement of up to 24,000,000 units at C$0.25 per unit for gross proceeds of up to C$6,000,000, with the Company's cornerstone shareholder, Eric Krafft, agreeing to subscribe for any units not otherwise taken up. Subsequent to the quarter end, on 18 August 2026 the Company closed the first tranche of this financing, issuing 16,032,000 common shares for gross proceeds of C$4,008,000.

The Company has received approval from the TSX Venture Exchange to extend the closing of the Private Placement. The Company now expects to close the Private Placement on or before September 25, 2026, subject to the receipt of all required regulatory approvals. The terms of the Private Placement remain unchanged from those previously announced.

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.

Net proceeds from the recent equity raise are intended to fund Pre-Feasibility Study (PFS) workstreams and environmental permitting at Norra Kärr, studies related to a possible restart of the Woxna Graphite mine and processing plant, and general working capital for next 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. The 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.

Off-Balance Sheet Arrangements

The Company has no off-balance sheet arrangements.

Proposed Transactions

The Company has no proposed transactions.

Critical Accounting Estimates

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

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

Changes in Accounting Policies

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

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

Related Party Transactions and Balances

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

(a) During the nine months ended July 31, 2026 and 2025 the following compensation was incurred:

	2026 **$**	**2025** **$**
Mr. Kurt Budge, CEO	272,021	267,587
Mr. Lars-Eric Johansson, Chairman and director	24,300	24,300
Mr. Eric Krafft, Director	24,300	24,300
Mr. Daniel Major, Director	24,300	24,300
Mr. Sanjay Swarup, CFO	29,073	29,963
Ms. Manuela Balaj-Coroiu, Corporate Secretary	37,800	37,800
	411,794	**408,250**

Out of the total Directors' and Officers' compensation of $411,794 , CEO's compensation of $190,415 has been capitalized to Exploration and Evaluation assets.

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

	2026 $	2025 $
Mr. Eric Krafft	270,045	234,785
Mr. Kurt Budge	425,848	255,159
Mr. Lars-Eric Johansson	271,221	186,505
Mr. Daniel Major	271,221	186,505
Ms. Manuela Balaj-Coroiu	29,552	15,217
Mr. Sanjay Swarup	18,082	12,862
	1,285,969	**891,033**

Outstanding Share Data

The Company's authorized share capital is unlimited common shares without par value. As of September 18, 2026, there were 275,912,469 issued and outstanding common shares, 95,719,630 warrants outstanding with exercise prices ranging from $0.20 to $0.32 per share and 22,120,000 share options outstanding with exercise prices ranging from $0.10 to $0.31 per share.