LEADING EDGE MATERIALS CORP.

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED
JANUARY 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	January 31, 2026 $	October 31, 2025 $
ASSETS			
Current assets			
Cash		1,015,519	1,860,654
GST/VAT receivables		147,884	244,939
Prepaid expenses		161,058	142,811
Investments	3	-	29,167
Total current assets		**1,324,461**	**2,277,571**
Non-current assets			
Exploration and evaluation assets	4	22,962,004	22,382,097
Property, plant and equipment	5	5,603,016	5,616,789
Reclamation deposit	6	166,586	162,696
Right-of-use asset	5	26,487	29,536
Total non-current assets		**28,758,093**	**28,191,118**
TOTAL ASSETS		**30,082,554**	**30,468,689**
LIABILITIES			
Current liabilities			
Accounts payable and accrued liabilities		510,408	384,380
Lease liability		9,804	12,755
Total Current liabilities		**520,212**	**397,135**
Non-current liabilities			
Provision for site restoration	6	5,456,403	5,444,696
Property acquisition obligation	4(a), 5	612,845	593,392
Lease liability		18,764	18,764
Total non-current liabilities		6,088,012	6,056,852
TOTAL LIABILITIES		**6,608,224**	**6,453,987**
SHAREHOLDERS' EQUITY			
Share capital	7	66,659,743	66,659,743
Share-based payments reserve	7(d)	10,129,756	9,924,182
Deficit		(53,315,169)	(52,569,223)
TOTAL SHAREHOLDERS' EQUITY		**23,474,330**	**24,014,702**
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		**30,082,554**	**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 March 20, 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 January 31, 2026 $	2025 $
Expenses			
Accretion of provision for site restoration	6	33,184	32,218
Corporate development		53,009	83,274
Depreciation and amortization	5	28,526	11,813
Directors and officer's compensation	8(a)	73,720	77,509
Research, development and general exploration		47,450	62,508
Accounting and audit		46,313	71,547
General and administration		46,514	37,211
Listing and regulatory costs		64,479	49,945
Operations		93,041	77,919
Salaries, compensation and benefits		43,272	37,525
Professional fees		44,340	5,970
Share based compensation	8(a)	205,574	129,292
Travel		11,695	19,306
		791,117	696,037
Loss before other items		(791,117)	(696,037)
Other items			
Interest income		6,973	25,476
Other Income		27	318
Loss on sale of investment		(3,311)	-
Foreign exchange gain		41,482	1,690
Mark to market adjustment gain/(loss)		-	(663)
		45,171	26,821
Net loss and comprehensive loss		(745,946)	(669,216)
Loss per share – basic and diluted		($0.00)	($0.00)
Weighted average number of common shares outstanding - basic and diluted		250,550,449	232,061,949

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)

	Three Months Ended January 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-based compensation	-	-	205,574	-	205,574
Net loss for the period	-	-	-	(745,946)	(745,946)
Balance at January 31, 2026	**250,550,449**	**66,659,743**	**10,129,756**	**(53,315,169)**	**23,474,330**

	Three Months Ended January 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:					
Share-based compensation	-	-	129,292	-	129,292
Net loss for the period	-	-	-	(669,216)	(669,216)
Balance at January 31, 2025	**232,061,949**	**63,697,686**	**8,922,006**	**(50,021,874)**	**22,597,818**

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

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

	Three Months Ended January 31,	
	2026	**2025**
	$	**$**
Operating activities		
Net loss for the period	(745,946)	(669,216)
Adjustments for:		
Accretion of provision for site restoration	33,184	32,218
Depreciation and amortization	28,526	11,813
Foreign exchange	15,564	2,825
Share based compensation	205,574	129,292
Mark to market adjustment loss	-	663
Loss on sale of investment	3,311	-
Changes in non-cash working capital items:		
GST/VAT receivables	97,055	145,234
Prepaid expenses and other	(18,247)	15,580
Accounts payable and accrued liabilities	126,028	(277,996)
Net cash from (used in) operating activities	(254,951)	(609,587)
Investing activity		
Additions to property, plant and equipment	(33,183)	(2,325)
Expenditures on exploration and evaluation assets	(579,907)	(643,652)
Proceeds from sale of investment	25,856	-
Net cash from (used in) investing activity	(587,234)	(645,977)
Financing activities		
Repayment of lease liability	(2,950)	-
Net cash provided by financing activities	(2,950)	-
Net change in cash	(845,135)	(1,255,564)
Cash at beginning of year	1,860,654	3,460,217
Cash at end of year	1,015,519	2,204,653

Supplemental cash flow information - See Note 11

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

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 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 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 year ended January 31, 2026, the Company recorded a net loss of $745,946 and, as at January 31, 2026, the Company had an accumulated deficit of $53,315,169 and working capital of $804,249.

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 to fund future development of the Norra Kärr and Bihor Sud projects. The exercise prices of certain stock options and warrants outstanding (Note 7) may provide an incentive for holders to exercise these instruments, which, if exercised, would result in additional capital being raised by the Company. There is no assurance such additional capital will be available to the Company on acceptable terms. Accordingly, the Company will restrict activities until further financing is completed. These material uncertainties cast significant doubt about the Company's ability to continue as a going concern.

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

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.

(Expressed in Canadian Dollars)

2. Basis of Preparation (continued)

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")	Romania	51%

3. Investments

Investments held by the Company are as follows:

Particulars	January 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 will be revalued with level 1 input at each reporting date.

4. Exploration and Evaluation Assets

	As at January 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	3,148,553	18,551,175	15,402,622	2,843,862	18,246,484
Romania	187,999	4,208,043	4,396,042	187,999	3,932,827	4,120,826
	15,600,702	**7,361,302**	**22,962,004**	**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	-	304,691	275,216	579,907
Balance at January 31, 2026	**14,787**	**18,551,175**	**4,396,042**	**22,962,004**

4. Exploration and Evaluation Assets (continued)

(a) *Graphite Concessions*

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

In 1993 Woxna entered into agreements under which it acquired:

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

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

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

(b) *Norra Kärr*

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

(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%.

(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	-	40,562	-	-	-	42,613	83,174
Adjustment to site restoration	-	-	-	-	194,449	-	194,449
Balance at October 31, 2025	**16,094**	**483,677**	**344,139**	**7,567,878**	**6,678,631**	**42,613**	**15,133,032**
Addition	-	33,181	-	-	-	-	33,181
Adjustment to site restoration	-	-	-	-	(21,477)	-	(21,477)
Balance at January 31, 2026	**16,094**	**516,858**	**344,139**	**7,567,878**	**6,657,154**	**42,613**	**15,144,736**
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	(809)	(12,596)	(12,073)	-	-	(3,048)	(28,526)
Balance at January 31, 2026	**(9,249)**	**(316,264)**	**(263,376)**	**(3,910,218)**	**(5,000,000)**	**(16,126)**	**(9,515,233)**
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 January 31, 2026	**6,845**	**200,594**	**80,763**	**3,657,660**	**1,657,154**	**26,487**	**5,629,503**

(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 January 31, 2026 the Company has recognized $612,845 (October 31, 2025 - $593,392) for the Property Acquisition Obligation associated with the Kringelgruvan concession, as described in Note 5(a)(i).

6. Provision for Site Restoration

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

The fair value of the decommissioning obligation was calculated using a discounted cash flow approach based on a risk-free rate of 2.76% (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	33,184
Revision of estimates	(199,968)
Foreign exchange adjustment	178,491
Balance at January 31, 2026	**5,456,403**

As at January 31, 2026 reclamation deposits totaling $166,586 (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*

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 January 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	-	-	(750,000)	0.20
Expired	-	-	(7,000)	0.225
Balance end of year	**79,837,630**	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 January 31, 2026:

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

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 (2043 – 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 January 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	-	-	6,850,000	0.24
Expired	-	-	(3,200,000)	0.62
Balance end of period	**21,900,000**	0.17	**21,900,000**	0.17

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

Number Outstanding	Number Exercisable	Exercise Price $	Expiry Date
500,000	500,000	0.195	April 26, 2026
700,000	700,000	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	**14,029,500**		

(Expressed in Canadian Dollars)

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 year ended January 31, 2026 and 2025 the following compensation was incurred:

	2026 $	2025 $
Directors and officer's compensation (current and former)	137,164	77,509
Share based compensation (current and former)	201,192	120,634
	338,356	**198,143**

As at January 31, 2026, $53,237 (October 31, 2025 - $ Nil) remained unpaid and has been included in accounts payable and accrued liabilities.

Out of the total Directors' and Officers' compensation of $137,164, CEO's compensation of $63,444 has been capitalized to Exploration and Evaluation assets.

9. Income per share

As at January 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	**January 31, 2026 $**	**January 31, 2025 $**
Net loss for the period	(745,946)	(669,216)
Basic weighted average number of shares outstanding	250,550,449	232,061,949
Diluted weighted average number of shares outstanding	250,550,449	232,061,949
Loss per share – basic and diluted	**($0.00)**	**($0.00)**

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**	**January 31, 2026 $**	**October 31, 2025 $**
Cash	FVTPL	1,015,519	1,860,654
Reclamation deposit	amortized cost	166,586	162,696
Investments	FVTPL	-	29,167
Accounts payable and accrued liabilities	amortized cost	(510,408)	(384,380)
Property acquisition obligation	amortized cost	(612,845)	(593,392)

(Expressed in Canadian Dollars)

10. Financial Instruments and Risk Management (continued)

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.

Contractual Maturity Analysis at January 31, 2026

	Carrying Amount $	Contractual Cash Flows $	Less than 3 Months $	1 - 5 Years $	Over 5 Years $
Cash	1,015,519	1,015,519	1,015,519	-	-
Reclamation deposit	166,586	166,586	-	-	166,586
Accounts payable and accrued liabilities	(510,408)	(510,408)	(510,408)	-	-
Property acquisition obligation	(612,845)	(612,845)	-	(612,845)	-

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.

10. Financial Instruments and Risk Management (continued)

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 January 31, 2026, 1 Canadian Dollar was equal to 6.5269 SEK as per Swedish Central Bank and 1 Canadian Dollar was equal to 3.1569 RON as per Romania Bank. Balances are as follows:

	SEK	CDN $ Equivalent	RON	CDN $ Equivalent
Cash	1,320,165	202,264	605,280	191,789
VAT receivable	485,167	74,333	206,931	65,568
Reclamation deposit	747,896	114,586	-	-
Accounts payable and accrued liabilities	(1,689,981)	(258,924)	(124,061)	(39,310)
Property acquisition obligation	(4,000,000)	(612,845)	-	-
	(3,136,753)	**(480,586)**	**688,150**	**218,047**

Based on the net exposures as of January 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 $48,059 and $21,805 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.

11. Supplemental Cash Flow Information

During the year ended January 31, 2026 and 2025 non-cash activities were conducted by the Company as follows:

	2026 $	2025 $
Operating activity		
Provision for site restoration	(21,477)	194,449
Investing activity		
Revisions of estimates on property, plant and equipment	21,477	(194,449)

(Expressed in Canadian Dollars)

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 January 31, 2026			
	Corporate Canada $	Mineral Operations Sweden $	Mineral Operations Romania $	Total $
Current assets	667,550	316,532	340,379	1,324,461
Exploration and evaluation assets	-	18,565,962	4,396,042	22,962,004
Property, plant and equipment	-	5,438,406	164,610	5,603,016
Reclamation deposit	-	166,586	-	166,586
Right-of-use asset	-	-	26,487	26,487
	667,550	24,487,486	4,927,518	30,082,554

	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 January 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 $4,396,042 CAD has been spent as at January 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.

LEADING EDGE MATERIALS CORP.

MANAGEMENT'S DISCUSSION AND ANALYSIS
QUARTERLY HIGHLIGHTS
FOR THE THREE MONTHS ENDED JANUARY 31, 2026

This Management's Discussion and Analysis ("Interim MD&A") of Leading Edge Materials Corp. ("Leading Edge Materials" or the "Company"), dated March 20, 2026, should be read in conjunction with the unaudited condensed consolidated interim financial statements for the three months ended January 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 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 Earth Elements ("HREE") project (Sweden), and the 51% owned Bihor Sud Nickel Cobalt exploration project (Romania).

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

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

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

Highlights During and After the Fiscal 2025

During the three months ended January 31, 2026:

- On December 3, 2025, the Company announced that the County Administrative Boards ("CABs") of Jönköping and Östergötland had endorsed (Sw. Tillstyrker) the Company's application for an Exploitation Concession (Sw. Bearbetningskoncession) 25-year mining lease for Norra Kärr. This step forward precedes a final decision on the application by the Mining Inspectorate (Sw. Bergsstaten).

- On December 14, 2025, the Company announced it had been accepted by EIT Raw Materials as a Project Partner. EIT Raw Materials represents a powerful knowledge and innovation community in Europe.

After the three months ended January 31, 2026:

- On February 2, 2026, the Company provided an update on its exploration activities in Romania and latest assay results.

- On February 8, 2026, the Company announced that its 100% owned Swedish subsidiary Greenna Mineral AB ("GMAB") has signed an MoU with Ascension Earth Resources ("Ascension").

- On March 10, 2026, the Company announced that the Mining Inspectorate had chosen to submit the Company's application for an Exploitation Concession for Norra Kärr to the Swedish Government for a final decision. The Mining Inspectorate itself recommends in its decision that the application should be approved.

Outlook

Geopolitical turbulence has intensified dramatically. Widening conflict across the Middle East and beyond is disrupting supply chains globally, and 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. Yet the path to peace remains uncertain, and with it, the future shape of global alliances and trade flows. Businesses and governments cannot afford to wait for clarity that may not come.

The conclusion is unambiguous: local supply and shorter supply chains are no longer optional — they are a strategic necessity. Policymakers and regulators must act decisively. Where regulatory and political action can unlock supply, that action must follow without delay.

Against this backdrop, Leading Edge Materials' Norra Kärr and Woxna Graphite projects occupy a uniquely 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.

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 to fund future development of the Norra Kärr and Bihor Sud projects. The exercise prices of certain stock options and warrants outstanding may provide an incentive for holders to exercise these instruments, which, if exercised, would result in additional capital being raised by the Company. There is no assurance such additional capital will be available to the Company on acceptable terms. Accordingly, the Company will restrict activities until further financing is completed. These material uncertainties cast significant doubt about the Company's ability to continue as a going concern.

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; metallurgical testwork is being conducted 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.

In August 2025, Benchmark Minerals reported “Graphite buyers are increasingly seeking to diversify their raw material supply away from China. This has pushed the supply chain to call for new graphite price grades which reflect the trends in this market outside of China. In the graphite market, trade flows have been disrupted by policy announcements restricting imports from specific countries, for example through the introduction of export licence requirements and tariffs. In 2025, China will produce about 70% of global supplies of natural flake graphite and almost all the spherical graphite used in anodes for lithium-ion batteries."

Against this backdrop, in the final weeks of 2025, the Mining Inspectorate awarded four Exploitation Concessions for graphite projects. Stable jurisdictions, such as the Nordics, can contribute to delivering the essential raw materials needed to support the European lithium-ion battery value chain and industrial markets. The EU currently imports approximately 100,000 tonnes per year of natural graphite.

The broader context for Woxna is very different now, market interest remains strong - reinforcing confidence in Woxna's commercial potential - the adoption of the CRMA, volatile geopolitics and trade flows, increasing the strategic importance of natural graphite to Sweden and the European Union, the necessity to secure the supply chain, and with a new business plan in hand possibilities to raise finance and restart of production.

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

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

While waiting for the Government’s decision, the Company continues to work towards completing a new Pre-feasibility (“PFS”) during 2026.

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

This message was strengthened by comments from Dr. Erik Eschen CEO of Vaccumschmelze, Europe’s principal manufacturer of permanent magnets, when he spoke at Raw Materials Week 2025 in Brussels in November last year.

Dr. Eschen wrote on LinkedIn:

‘*Rare earths and permanent magnets are now central to global geopolitics — not only in negotiations between the United States and China, but also for Europe.*

In Europe, we have debated and complained for years. But very little has actually happened.

This must change — fast. Europe urgently needs a resilient supply chain. We must secure the required raw materials *and midstream processes with partners around the globe. We need a coalition of the willing: trustworthy, reliable partners who share a common set of values.'*

(https://www.linkedin.com/posts/erikeschen_resilient-supply-chains-are-the-backbone-ugcPost-7398124210834948097-CACM?utm_source=share&utm_medium=member_desktop&rcm=ACoAAAAKVckBtVRMBPkF4QEqusLTLLQTDaCvyrQ).

The urgency is not new. In 2014, the European Rare Earths Competency Network (ERECON) warned that "the development of new sources of heavy rare earths outside of China and greater recycling must remain an urgent priority for Europe."

Their report on strengthening the European rare earths supply chain specifically identified Norra Kärr as one of two "best known" advanced-stage REE projects in Europe that could secure European supply for decades. Back in 2014, they projected that, with permitting and adequate funding, mining could begin before 2020. These factors still challenge European projects more than a decade later.

When it comes to Norra Kärr, the deposit's strategic importance to Europe has never been clearer. The Swedish Geological Survey ("SGU") discovered Norra Kärr in the 1900s and, in 2011, designated it as being of National Interest due to the significance of its rare earth elements ("REEs") for Sweden and Europe.

More recently, with the respect to the Company's application for a mining lease, SGU in its capacity as an expert authority for issues relating to geology and minerals in Sweden has stated that the deposit at Norra Kärr is very important for Sweden's and the EU's supply of rare earth metals, and that Norra Kärr is one of Europe's richest deposits for these minerals – especially with regard to heavy rare earth elements.

Norra Kärr is estimated to produce 248 tonnes of Dysprosium and 36 tonnes of Terbium oxides annually over an initial 26-year mine life - covering only 30% of the currently defined resource, which remains open for expansion. As a comparison, on 25 October, Australian company Lynas Rare Earths ("Lynas") announced plans for an expanded heavy rare earths separation facility in Malaysia, with nameplate capacity of 250 tonnes of Dysprosium and 50 tonnes of Terbium oxides (Source: Sw. https://wcsecure.weblink.com.au/pdf/LYC/03015215.pdf).

Lynas, along with MP Materials ("MP") are the most significant players in the rare earths market outside of China. Lynas is expected to be a beneficiary of the USD 8.5 billion U.S.-Australia Rare Earth Deal signed on 20 October 2025 and has already benefited from Australian Government grant funding in recent years. The U.S. Government has invested in MP, becoming the company's largest shareholder through the purchase of USD 400 million in preferred stock in July this year and the Department of War has extended a USD 150 million loan to support the expansion of MP's rare earth separation capabilities. These public market-making instruments from governments directly supporting their critical mineral strategies have unlocked private capital, including USD 1 billion in commercial debt from JPMorgan Chase and Goldman Sachs.

The Company"s recent focus has been on permitting primary raw material production from the Norra Kärr site, eudialyte HREE rich mineral concentrate and nepheline syenite products, but the downstream processing of eudialyte mineral concentrate is also being considered, with one option being to create a rare earths' processing hub that could import concentrates as well as process Norra Kärr material.

When 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. While the numbers will be updated in PFS, we have a robust project, and the Company is already mapping the funding options that could be available as we progress. As one of the largest HREE deposits globally - and the most advanced within the EU - Norra Kärr has the potential to become a cornerstone supplier for Western magnet producers.

Bihor Sud Nickel-Cobalt Exploration Project
On February 2, 2026, the Company provided an update on its exploration activities in Romania and latest assay results.

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

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

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

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

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

Financial Information

The report for three months ending April 30, 2026, is expected to be published on or about June 19, 2026.

Selected Financial Data

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

	Fiscal 2026	Fiscal 2025				Fiscal 2024		
Three Months Ended	January 31, 2026 $	October 31, 2025 $	July 31, 2025 $	April 30, 2025 $	January 31, 2025 $	October 31, 2024 $	July 31, 2024 $	April 30, 2024 $
Operations								
Expenses	(791,117)	(731,190)	(697,621)	(1,070,402)	(696,037)	(97,209)	(797,070)	(863,745)
Other items	45,171	(25,684)	86,314	(108,766)	26,821	(222,820)	(25,168)	4,216
Comprehensive profit/(loss)	(745,946)	(756,874)	(611,307)	(1,179,168)	(669,216)	(320,029)	(822,238)	(859,529)
Basic Profit/(loss) per share	(0.00)	(0.00)	(0.00)	(0.01)	(0.00)	(0.00)	(0.00)	(0.01)
Diluted profit/(loss) per share	(0.00)	(0.00)	(0.00)	(0.01)	(0.00)	(0.00)	(0.00)	(0.01)
Financial Position								
Working capital	804,249	1,880,436	679,695	1,191,514	2,198,641	3,337,686	3,973,458	1,610,635
Total assets	30,082,554	30,468,689	29,503,036	28,361,774	28,480,311	29,343,716	28,454,783	24,991,481
Total non-current liabilities	(6,088,012)	(6,056,852)	(6,806,650)	(6,009,933)	(5,596,369)	(5,641,854)	(5,683,545)	(5,101,289)

Results of Operations

Three Months Ended January 31, 2026, Compared to Three Months Ended October 31, 2025

During the three months ended January 31, 2026 ("Q1 2026") the Company reported a net loss of $745,946 compared to a reported net loss of $756,874 for the three months ended October 31, 2025 ("Q4 2025"), an increase in loss of $10,928 is due to Research, development and general exploration expenses of $47,450 in Q1 2026 (Q4 2025- $17,455) and Operations of $93,041 in Q1 2026 (Q4 2025- $63,532.

Three Months Ended January 31, 2026, Compared to Three Months Ended January 31, 2025

During the three months ended January 31, 2026 ("2026 period"), the Company reported a net loss of $745,946 compared to a net loss of $669,216 for the three months ended January 31, 2025 ("2025 period"), an increase in loss of $76,730, the increase in loss mainly due Share based compensation of $205,574 (Q1 2025- $129,292) and Professional fees of $44,340 (Q1 2025- $5,970).

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

(i) incurred $73,720 (2025 - $77,509) for directors and officer's compensation.
(ii) incurred $64,479 (2025 - $49,945) 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 $46,313 (2025 - $71,547) for accounting and audit out of which the Company incurred $14,970 (2025 - $15,164) for accounting services of SKS Business Services along with $8,412 (2025 - $6,047) for bookkeeping and accounting services for subsidiary companies provided by other independent accountants;
(iv) incurred Research, development, and general exploration expenses of $47,450 (2025 - $62,508);
(v) incurred $93,041 (2025 - $77,919) in costs for operations;

Interest income is primarily generated from cash held on deposit with the Bank of Montreal. During the three months ended January 31, 2026 the Company reported interest income of $6,973 compared to $25,476 during the three months ended January 31, 2025.

During the three months ended January 31, 2026, the Company recorded a foreign exchange gain of $41,482 due to changes in exchange rates, compared to a gain of $1,690 during the three months ended January 31, 2025.

Financings

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 January 31, 2026, the Company recorded a net loss of $745,946 and, as of January 31, 2026, the Company had an accumulated deficit of $53,315,169 and working capital of $804,249. The Company is maintaining its Woxna Graphite Mine on a "production-ready" basis to minimize costs. The Company continues to review options for Woxna, which include the possibility of contracting with a long-term partner willing to pay for secure natural graphite produced to the highest ESG and sustainability standards.

The Company anticipates that it has sufficient funding to meet anticipated levels of corporate administration and overheads for the ensuing twelve months, however, it will need additional capital to recommence operations at the Woxna Graphite Mine including upgrading the existing plant to maximise product quality, and to fund future development of the Norra Kärr and Bihor Sud projects.

The exercise prices of certain stock options and warrants outstanding may provide an incentive for holders to exercise these instruments, which, if exercised, would result in additional capital being raised by the Company. There is no assurance such additional capital will be available to the Company on acceptable terms. Accordingly, the Company will restrict activities until further financing is completed. These material uncertainties cast significant doubt about the Company's ability to continue as a going concern.

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

Off-Balance Sheet Arrangements

The Company has no off-balance sheet arrangements.

Proposed Transactions

The Company has no proposed transactions.

Critical Accounting Estimates

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

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

Changes in Accounting Policies

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

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

Related Party Transactions and Balances

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

(a) During the year ended January 31, 2026 and 2025 the following compensation was incurred:

	2026	**2025**
	$	**$**
Mr. Kurt Budge, CEO	90,634	30,735
Mr. Lars-Eric Johansson, Chairman and director	8,100	8,100
Mr. Eric Krafft, interim CEO and director	8,100	8,100
Mr. Daniel Major, director	8,100	8,100
Mr. Sanjay Swarup, CFO	9,630	9,874
Ms. Manuela Balaj-Coroiu, Corporate Secretary	12,600	12,600
	137,164	**77,509**

Out of the total Directors' and Officers' compensation of $137,164, CEO's compensation of $63,444 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	48,270	43,132
Mr. Kurt Budge	60,928	30,281
Mr. Lars-Eric Johansson	43,122	21,566
Mr. Daniel Major	43,122	21,566
Ms. Manuela Balaj-Coroiu	2,875	2,437
Mr. Sanjay Swarup	2,875	1,652
	201,192	**120,634**

Outstanding Share Data

The Company's authorized share capital is unlimited common shares without par value. As of March 20, 2026, there were 252,550,449 issued and outstanding common shares, 79,837,630 warrants outstanding with exercise prices ranging from $0.20 to $0.32 per share and 19,900,000 share options outstanding with exercise prices ranging from $0.10 to $0.24 per share.