



LEADING EDGE MATERIALS CORP.

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

This discussion and analysis of financial position and results of operation is prepared as at January 24, 2025 and should be read in conjunction with the audited consolidated financial statements for the year ended October 31, 2024 of Leading Edge Materials Corp. ("Leading Edge Materials" or the "Company"). The following disclosure and associated financial statements are presented in accordance with IFRS Accounting Standards ("IFRS"). Except as otherwise disclosed, all dollar figures included therein and in the following management discussion and analysis ("MD&A") are quoted in Canadian dollars. Additional information relevant to the Company's activities can be found on SEDAR+ at www.sedarplus.com.

Forward Looking Statements

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

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

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

the purpose of assisting investors in understanding the Company's business, operations and exploration plans and may not be appropriate for other purposes. Accordingly, readers should not place undue reliance on Forward-Looking Statements. Forward-Looking Statements are made as of the date hereof, and the Company does not undertake to update such Forward-Looking Statements except in accordance with applicable securities laws.

Corporate Overview

The Company was incorporated on October 27, 2010, under the *Business Corporations Act* (British Columbia) as Tasex Capital Limited. The Company's common shares began trading on the TSX Venture Exchange (the "TSXV") as a capital pool company on June 10, 2011. On February 22, 2012, the Company completed the acquisition of the Woxna Project and changed its name to Flinders Resources Limited. On August 25, 2016, the Company completed the acquisition of Tasman Metals Ltd. ("Tasman") and changed its name to Leading Edge Materials Corp. The Company's common shares trade on the TSXV as a Tier 1 mining issuer under the symbol "LEM", on the OTCQB under the symbol "LEMIF", on Nasdaq First North Stockholm under the symbol "LEMSE" and on Frankfurt under the symbol "7FL". The Company's principal office is located at 14th Floor, 1040 West Georgia Street, Vancouver, British Columbia V6E 4H1. The Company's strategy is focused on developing a portfolio of critical raw material projects located in the European Union. Critical raw materials are determined as such by the European Union based on their economic importance and supply risk. They are directly linked to high growth technologies such as batteries for electromobility and energy storage and permanent magnets for electric motors and wind power that underpin the clean energy transition towards climate neutrality. The portfolio of projects includes the 100% owned Woxna Graphite mine (Sweden), the 100% owned Norra Kärr Heavy Rare Earths ("HREE") project (Sweden), and the 51% owned Bihor Sud Nickel Cobalt exploration project (Romania).

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

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

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

Highlights During and After the Fiscal 2024

During the fiscal year ended October 31, 2024:

- On December 14, 2023, the Company announced further positive assay results for Co-Ni-Au from gallery G7 at the Bihor Sud project in Romania. The findings extend the zone of identified Co-Ni-Au occurrences by about 250 m to a total length of roughly 400 m NNW-SSE and constitute the central-southern part of G7. Highlights included 6.7% Co, 13.0% Ni, 7.5 g/t Au.
- On May 19, 2024, Mr. Kurt Budge was appointed Chief Executive Officer of the Company.
- On June 18, 2024, at Bihor Sud, the Company announced that it had identified extensive Zn-Pb-Ag+/-Cu mineralization in galleries G2 and G7.
- On July 23, 2024, the Company closed the first tranche of the private placement announced previously on July 15, 2024, issuing 34,400,000 common shares at a price of \$0.10/share for gross proceeds of \$3,440,000.
- On August 11, 2024, the Company announced that an application for Strategic Project designation for the Norra Kärr Heavy Rare Earths ("HREE") Project has been submitted.
- On September 26, 2024, Company closed the second and final tranche of the private placement announced previously on July 15, 2024, issuing 6,710,000 common shares at a price of \$0.10/share for gross proceeds of \$671,000.

After the fiscal year ended October 31, 2024:

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

Outlook

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

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

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

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

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

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

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

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

Woxna Graphite Mine

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

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

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

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

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

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

The Company continues to review options for Woxna, which include the possibility of contracting with a long-term partner willing to pay for secure natural graphite produced to the highest ESG and sustainability standards. The Company believes that the market must value and pay for these attributes, and that transparency initiatives will create a barrier to entry for non-compliant raw materials and be a driver for their improved performance.

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

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

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

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

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

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

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

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

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

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

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

When the financials were modelled for the Preliminary Economic Assessment (“PEA”) in 2021, the Project had a pre-tax 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 producers².

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

Bihor Sud Nickel-Cobalt Exploration Project

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

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

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

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

Projects Overview

Woxna Graphite Mine and Anode Project

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

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

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

Main PEA Highlights

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

Project Financial Highlights

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

Operational Highlights

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

Mineral Resource Estimate – Measured and Indicated

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

Mineral Resource Estimate – Inferred

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

Source: ReedLeyton 2021

Notes:

- Inconsistencies in totals are due to rounding;
- 4% Cg mill cut-off grade applied for reporting purposes constrained within the MPlan 2021 pitshell;
- Reported according to CIM Definition Standards 2011;
- Reported according to CIM Mineral Exploration Best Practice Guidelines (November 2018);
- No geological losses applied;
- Default Density of 2.7 t/m³ applied to in situ, then Density of 2.82 t/m³ applied to Type A Graphite and Density of 2.86 t/m³ applied to Type B Graphite for Gropabo and Mattsmyra; and Default Density 2.7 t/m³ used for Kringel;
- The previous Mineral Resource Estimates for the Project were developed without the constraint of an applied mine plan and open-pit shell. In the light of more rigorous compliance requirements, the Mineral Resources were reported by ReedLeyton within the constraints of the PEA mine plan as a

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

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

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

On June 21, 2021, preliminary LCA results were announced, subsequently confirmed in the final report, showing that the production of 1 tonne of natural graphite anode material CSPG from natural graphite extracted at Woxna is forecast to have an impact of 1.8 tonnes CO₂ eq. Minviro applied the same methodology in the report to evaluate current Chinese natural and synthetic graphite anode material, with Woxna CSPG demonstrating an 85% to 90% lower impact than the current market dominant Chinese alternatives. A significant factor influencing the dramatically reduced carbon footprint for Woxna is the access to low-cost hydropower as the main energy source.

Norra Karr Heavy Rare Earth Elements Project

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

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

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

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

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

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

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

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

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

Main PEA Highlights (In comparison to the PFS 2015)

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

Project Financial Highlights

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

Operational Highlights

- LOM is 26 years
- LOM average annual
 - Mining rate of 1,150,000 tonnes
 - Strip ratio of 0.32
 - TREO 5,341 tonnes
 - Main magnet rare earth oxides ("MagREO") (Nd, Pr, Dy, Tb) 1,005 tonnes
 - Dy₂O₃: 248 tonnes
 - Tb₂O₃: 36 tonnes
 - Nd₂O₃: 578 tonnes
 - Pr₂O₃: 143 tonnes
 - Nepheline Syenite 732,885 tonnes
 - Zirconium dioxide 10,200 tonnes
 - Niobium oxide 525 tonnes

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

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

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

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

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

*Notes:

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

Norra Kärr Rare Earth Element Distribution

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

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

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

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

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

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

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

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

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

Bihor Sud Nickel-Cobalt and Polymetallic Project

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

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

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

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

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

Qualified Person

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

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

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

Financial Information

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

Selected Financial Data

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

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

Fiscal Year 2023 Restatement

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

Results of Operations

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

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

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

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

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

- (i) incurred \$232,702 (2023 - \$182,341) for directors and officer's compensation.
- (ii) incurred \$198,621 (2023 - \$183,568) for listing and regulatory fees with respect to ongoing fees for the Company's listing of its common shares on the TSXV, Nasdaq First North and OTC exchanges.
- (iii) incurred a total of \$183,944 (2023 - \$158,872) for accounting and audit out of which the Company incurred \$58,533 (2023 - \$57,948) for accounting services of SKS Business Services along with

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

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

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

Financings

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

On 23rd July 2024, the Company has closed a first tranche of the private placement, issuing 34,400,000 common shares at a price of \$0.10/share for gross proceeds of \$3,440,000. The Company also paid finders' fees of \$3,000.

On 26th September 2024, announces that the Company has closed the second and final tranche of the private placement announced previously on July 15, 2024, issuing 6,710,000 common shares at a price of \$0.10/share for gross proceeds of CAD\$671,000.

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

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

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

Property, Plant and Equipment

Cost:	Vehicles \$	Equipment and Tools \$	Building \$	Manufacturing and Processing Facility \$	Mineral Property Acquisition and Development Costs \$	Total \$
Balance at October 31, 2022	16,094	287,018	344,139	7,567,878	6,388,736	14,603,865
Addition	-	3,410	-	-	-	3,410
Adjustment to site restoration	-	-	-	-	(727,313)	(727,313)
Balance at October 31, 2023	16,094	290,428	344,139	7,567,878	5,661,423	13,879,962
Addition	-	152,688	-	-	-	152,688
Adjustment to site restoration	-	-	-	-	822,759	822,759
Balance at October 31, 2024	16,094	443,116	344,139	7,567,878	6,484,182	14,855,409

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

Exploration and Evaluation Assets

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

Financial Condition / Capital Resources

During the year ended October 31, 2024, the Company recorded a net loss of \$2,687,724 and, as of October 31, 2024, the Company had an accumulated deficit of \$49,352,658 and working capital of \$3,337,686. The Company is maintaining its Woxna Graphite Mine on a “production-ready” basis to minimize costs. The Company continues to review options for Woxna, which include the possibility of contracting with a long-term partner willing to pay for secure natural graphite produced to the highest ESG and sustainability standards. The Company anticipates that it has sufficient funding to meet anticipated levels of corporate administration and overheads for the ensuing twelve months however, it will need additional capital to provide working capital and recommence operations at the Woxna, establish a production facility for the Anode Project, to fund future development of the Norra Kärr Property or to complete exploration activities in Romania. There is no assurance such additional capital will be available to the Company on acceptable terms or at all. In the longer term the recoverability of the carrying value of the Company’s long-lived assets is dependent upon the Company’s ability to preserve its interest in the underlying mineral property interests, the discovery of economically recoverable reserves, the achievement of profitable operations and the ability of the Company to obtain financing to support its ongoing exploration programs and mining operations.

Off-Balance Sheet Arrangements

The Company has no off-balance sheet arrangements.

Proposed Transactions

The Company has no proposed transactions.

Critical Accounting Estimates

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

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

Changes in Accounting Policies

There is no change in accounting policy during the year ended October 31, 2024.

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

Related Party Transactions and Balances

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

(a) During the year ended October 31, 2024 and 2023 the following compensation was incurred:

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

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

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

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

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

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

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

Outstanding Share Data

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