



LEADING EDGE MATERIALS CORP.

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LEADING EDGE MATERIALS CEO'S REPORT TO THE SHAREHOLDERS

Securing Critical Raw Materials: A Strategic Imperative

In today's world, one message is clear: security of supply for critical raw materials is paramount. With rising geopolitical tensions and the increasing use of trade as a geopolitical tool—through tariffs, export restrictions, and supply chain disruptions—the urgency to establish short, regional supply chains has never been greater.

Woxna: Positioned for a Restart

Woxna is ready to meet this moment. Positioned for a potential production restart, the project aligns with forward integration opportunities and, critically, could be financed through Green Transition funding.

Momentum for Swedish graphite is building. In October, Talga Group secured a €70 million EU Innovation Fund grant for its Luleå Anode Refinery, a key part of its Vittangi Anode Project. Reinforcing this momentum, Sweden's Minister for Energy, Business, and Industry, Ebba Busch, recently underscored the strategic importance of domestic graphite, stating:

"We have large graphite deposits in Sweden that could account for much of what we [Sweden] and Europe need for our cars and batteries."

Woxna has remained in a production-ready state for years. Now, with market conditions shifting, the Company is increasingly confident that its strategic investment in care and maintenance is about to pay off. The future is looking brighter.

Norra Kärr: Critical to Europe's Security of Supply

A decision on Strategic Project status for Norra Kärr is expected before the end of March. If granted, this designation would provide a clear 27-month permitting timeline and unlock financing opportunities. Given today's geopolitical landscape—including the U.S. President's push to secure critical raw materials like rare earth elements—it is hard to envision a scenario where Norra Kärr is not recognized as vital to Europe's supply security.

Regardless of the EU's decision, Norra Kärr remains the most advanced HREE project in Europe and a critical piece of the solution to the EU's dependence on Chinese supply.

Work on the Rapid Development Plan for Norra Kärr is progressing. Fast-tracking development is no longer an option—it is an absolute necessity. By separating extraction from downstream processing, the project has been streamlined. Operating much like a quarry, Norra Kärr will produce two high-value products:

- *HREE magnetic concentrate; and*
- *Nepheline syenite, an industrial mineral first explored at Norra Kärr by Boliden in the 1970s.*

The Company remains fully committed to accelerating progress, engaging with key stakeholders, and exploring all possible avenues to bring Norra Kärr into production as swiftly as possible.

Bihor Sud: Advancing Exploration

At Bihor Sud, the pace has accelerated. Since the start of the year, the Company has hired four new geologists, and in February, a new drilling contractor began work in gallery G2. The initial 1,500-meter drill program is underway, with the geological team actively mapping G2 and taking channel samples to validate drill locations.

A Strong Start to 2025

The year is off to a strong start. With the Rapid Development Plan for Norra Kärr, new thinking about Woxna, and ongoing exploration at Bihor Sud, the Company is positioned for a transformational year ahead—with plenty to keep us busy.

On behalf of the Board of Directors, Leading Edge Materials Corp.

Kurt Budge, Chief Executive Officer

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