



# **LEADING EDGE MATERIALS CORP.**

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS  
FOR THE THREE MONTHS ENDED  
JANUARY 31, 2025

*(Unaudited - Expressed in Canadian Dollars)*

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

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

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

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

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

|   | Note    | January 31,<br>2025<br>\$ | October 31,<br>2024<br>\$ |
|---|---------|---------------------------|---------------------------|
| <b>ASSETS</b>                                     |         |                           |                           |
| <b>Current assets</b>                             |         |                           |                           |
| Cash  |         | 2,204,653                 | 3,460,217                 |
| GST/VAT receivables                               |         | 159,334                   | 304,568                   |
| Prepaid expenses                                  |         | 98,891                    | 114,471                   |
| Investments                                       | 3       | <u>21,887</u>             | <u>22,550</u>             |
| <b>Total current assets</b>                       |         | <b><u>2,484,765</u></b>   | <b><u>3,901,806</u></b>   |
| <b>Non-current assets</b>                         |         |                           |                           |
| Exploration and evaluation assets                 | 4       | 20,535,904                | 19,892,252                |
| Property, plant and equipment                     | 5       | 5,362,236                 | 5,453,089                 |
| Reclamation deposit                               | 6       | <u>97,406</u>             | <u>96,569</u>             |
| <b>Total non-current assets</b>                   |         | <b><u>25,995,546</u></b>  | <b><u>25,441,910</u></b>  |
| <b>TOTAL ASSETS</b>                               |         | <b><u>28,480,311</u></b>  | <b><u>29,343,716</u></b>  |
| <b>LIABILITIES</b>                                |         |                           |                           |
| <b>Current liabilities</b>                        |         |                           |                           |
| Accounts payable and accrued liabilities          |         | 286,124                   | 564,120                   |
| <b>Non-current liabilities</b>                    |         |                           |                           |
| Provision for site restoration                    | 6       | 5,072,228                 | 5,121,374                 |
| Property acquisition obligation                   | 4(a), 5 | <u>524,141</u>            | <u>520,480</u>            |
| <b>Total non-current liabilities</b>              |         | <b><u>5,596,369</u></b>   | <b><u>5,641,854</u></b>   |
| <b>TOTAL LIABILITIES</b>                          |         | <b><u>5,882,493</u></b>   | <b><u>6,205,974</u></b>   |
| <b>SHAREHOLDERS' EQUITY</b>                       |         |                           |                           |
| Share capital                                     | 7       | 63,697,686                | 63,697,686                |
| Share-based payments reserve                      | 7(d)    | 8,922,006                 | 8,792,714                 |
| Deficit   |         | <u>(50,021,874)</u>       | <u>(49,352,658)</u>       |
| <b>TOTAL SHAREHOLDERS' EQUITY</b>                 |         | <b><u>22,597,818</u></b>  | <b><u>23,137,742</u></b>  |
| <b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b> |         | <b><u>24,480,311</u></b>  | <b><u>29,343,716</u></b>  |

**Nature of Operations** - Note 1

**Events after the Reporting Period** – Note 14

These condensed consolidated interim financial statements were approved for issue by the Board of Directors on March 21, 2025 and are signed on its behalf by:

/s/ Eric Krafft  
Eric Krafft  
Director

/s/ Daniel Major  
Daniel Major  
Director

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

**LEADING EDGE MATERIALS CORP.**  
**CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS**

*(Unaudited - Expressed in Canadian Dollars)*

|   | Notes | Three Months Ended<br>January 31, |                    |
|---|-------|-----------------------------------|--------------------|
|   |       | 2025<br>\$                        | 2024<br>\$         |
| <b>Expenses</b>   |       |                                   |                    |
| Accretion of provision for site restoration   | 6     | 32,218                            | 31,280             |
| Corporate development   |       | 83,274                            | 45,510             |
| Depreciation  |       | 11,813                            | 6,370              |
| Directors and officer's compensation  | 8(a)  | 77,509                            | 46,419             |
| Research, development and general exploration                                       | 4     | 62,508                            | 117,350            |
| Accounting and audit  | 8(b)  | 71,547                            | 52,268             |
| General and administration  |       | 37,211                            | 14,922             |
| Listing and regulatory costs  |       | 49,945                            | 45,003             |
| Operations  |       | 77,919                            | 66,278             |
| Salaries, compensation and benefits   |       | 37,525                            | 46,566             |
| Professional fees   |       | 5,970                             | 16,261             |
| Share based compensation  | 8(a)  | 129,292                           | 159,425            |
| Travel  |       | 19,306                            | 12,965             |
|   |       | <u>696,037</u>                    | <u>660,617</u>     |
| <b>Loss before other items</b>  |       | <u>(696,037)</u>                  | <u>(660,617)</u>   |
| <b>Other items</b>  |       |                                   |                    |
| Interest income   |       | 25,476                            | 24,792             |
| Foreign exchange gain/(loss)  |       | 1,690                             | 35,971             |
| Mark to market adjustment loss  |       | (663)                             | (86,074)           |
| Other Income  |       | 318                               | -                  |
|   |       | <u>26,821</u>                     | <u>(25,311)</u>    |
| <b>Net loss and comprehensive loss</b>  |       | <u>(669,216)</u>                  | <u>(685,928)</u>   |
|   |       | <u>(\$0.00)</u>                   | <u>(\$0.00)</u>    |
| <b>Loss per share - basic and diluted</b>   |       |                                   |                    |
| <b>Weighted average number of common shares outstanding -<br/>basic and diluted</b> |       | <u>232,061,949</u>                | <u>188,650,008</u> |

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

**LEADING EDGE MATERIALS CORP.**  
**CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY**

*(Unaudited - Expressed in Canadian Dollars)*

|                                    | <b>Three Months Ended January 31, 2025</b> |                      |  |                     |                         |
|------------------------------------|--|----------------------|--|---------------------|-------------------------|
|                                    | <b>Share Capital</b>                       |                      | <b>Share-<br/>Based<br/>Payments<br/>Reserve</b> | <b>Deficit</b>      | <b>Total<br/>Equity</b> |
|                                    | <b>Number of<br/>Shares</b>                | <b>Amount<br/>\$</b> | <b>\$</b>  | <b>\$</b>           | <b>\$</b>               |
| <b>Balance at October 31, 2024</b> | <b>232,061,949</b>                         | <b>63,697,686</b>    | <b>8,792,714</b>                                 | <b>(49,352,658)</b> | <b>23,137,742</b>       |
| Common shares issued for:          |  |                      |  |                     |                         |
| Share-based compensation           | -  | -                    | 129,292  | -                   | 129,292                 |
| Net loss for the period            | -  | -                    | -  | (669,216)           | (669,216)               |
| <b>Balance at January 31, 2025</b> | <b>232,061,949</b>                         | <b>63,697,686</b>    | <b>8,922,006</b>                                 | <b>(50,021,874)</b> | <b>22,597,818</b>       |

|                                    | <b>Three Months Ended January 31, 2024</b> |                      |  |                     |                         |
|------------------------------------|--|----------------------|--|---------------------|-------------------------|
|                                    | <b>Share Capital</b>                       |                      | <b>Share-<br/>Based<br/>Payments<br/>Reserve</b> | <b>Deficit</b>      | <b>Total<br/>Equity</b> |
|                                    | <b>Number of<br/>Shares</b>                | <b>Amount<br/>\$</b> | <b>\$</b>  | <b>\$</b>           | <b>\$</b>               |
| <b>Balance at October 31, 2023</b> | <b>187,262,663</b>                         | <b>59,220,772</b>    | <b>8,016,774</b>                                 | <b>(46,850,300)</b> | <b>20,387,246</b>       |
| Common shares issued for:          |  |                      |  |                     |                         |
| Warrants exercised                 | 3,689,286                                  | 368,929              | -  | -                   | 368,929                 |
| Share-based compensation           | -  | -                    | 159,425  | -                   | 159,425                 |
| Net loss for the period            | -  | -                    | -  | (685,928)           | (685,928)               |
| <b>Balance at January 31, 2024</b> | <b>190,951,949</b>                         | <b>59,589,701</b>    | <b>8,176,199</b>                                 | <b>(47,536,228)</b> | <b>20,229,672</b>       |

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

**LEADING EDGE MATERIALS CORP.**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**

*(Unaudited - Expressed in Canadian Dollars)*

|   | <b>Three Months Ended</b> |                  |
|---|---------------------------|------------------|
|   | <b>January 31,</b>        |                  |
|   | <b>2025</b>               | <b>2024</b>      |
|   | <b>\$</b>                 | <b>\$</b>        |
| <b>Operating activities</b>                         |                           |                  |
| Net loss for the period                             | (669,216)                 | (685,928)        |
| Adjustments for:                                    |                           |                  |
| Accretion of provision for site restoration         | 32,218                    | 31,280           |
| Depreciation  | 11,813                    | 6,370            |
| Foreign exchange                                    | 2,825                     | 11,852           |
| Mark to market adjustment loss                      | 663                       | 86,074           |
| Share based compensation                            | 129,292                   | 159,425          |
| Changes in non-cash working capital items:          |                           |                  |
| GST/VAT receivables                                 | 145,234                   | 54,558           |
| Prepaid expenses and other                          | 15,580                    | 23,279           |
| Accounts payable and accrued liabilities            | (277,996)                 | (44,985)         |
| <b>Net cash from (used in) operating activities</b> | <u>(609,587)</u>          | <u>(358,075)</u> |
| <b>Investing activity</b>                           |                           |                  |
| Expenditures on exploration and evaluation assets   | (643,652)                 | (280,986)        |
| Additions to property, plant and equipment          | (2,325)                   | (11,999)         |
| <b>Net cash from (used in) investing activity</b>   | <u>(645,977)</u>          | <u>(292,985)</u> |
| <b>Financing activities</b>                         |                           |                  |
| Issuance of common shares                           | -                         | 368,929          |
| <b>Net cash provided by financing activities</b>    | <u>-</u>                  | <u>368,929</u>   |
| <b>Net change in cash</b>                           | (1,255,564)               | (282,131)        |
| <b>Cash at beginning of the period</b>              | <u>3,460,217</u>          | <u>2,427,311</u> |
| <b>Cash at end of the period</b>                    | <u>2,204,653</u>          | <u>2,145,180</u> |

**Supplemental cash flow information** - See Note 11

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

**LEADING EDGE MATERIALS CORP.**  
**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**  
**FOR THE THREE MONTHS ENDED JANUARY 31, 2025**  
*(Unaudited - Expressed in Canadian Dollars)*

**1. Nature of Operations**

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

During the year ended January 31, 2025 the Company recorded a net loss of \$669,216 and, as at January 31, 2025, the Company had an accumulated deficit of \$50,021,874 and working capital of \$2,198,641.

For the Woxna Graphite Mine, the Company is maintaining its assets 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, higher specialty products such as high purity graphite for battery and other specialty end uses, produced to the highest ESG and sustainability standards.

For the Norra Kärr HREE project, in August 2024, the Company submitted an application for Strategic Project status under the European Union's Critical Raw Materials Act ("CRMA") and, in December 2024, submitted a new application for an Exploitation Concession ("Bearbetningskoncession") 25-year mining lease to the Mining Inspectorate of Sweden ("Bergsstaten"). A decision is expected on Strategic Project status in the first quarter of 2025, and thereafter the Bearbetningskoncession. The Company is also planning for the start of Pre-feasibility ("PFS") in the second quarter of 2025.

Finally, for Bihor Sud project, the Company continued exploration activities during the year, with the appointment of a Chief Geologist in the summer and the start of drilling in gallery G7 in September 2024; following-up on the extensive Cobalt-Nickel-Gold mineralized zone that was identified towards the end of 2023. Activities have included underground diamond drilling, geophysics, core logging, and sampling. The Company's objective at Bihor Sud, is to define a large-scale, mineable mineral resource, and, in 2025, the Company started drilling in gallery G2 which has shown potential for extensive Zinc-Lead-Copper-Silver mineralization. The findings to date are encouraging and highlight the strong potential for discovering a significant polymetallic deposit.

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

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

**LEADING EDGE MATERIALS CORP.**  
**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**  
**FOR THE THREE MONTHS ENDED JANUARY 31, 2025**  
*(Unaudited - Expressed in Canadian Dollars)*

**2. Basis of Preparation**

***Statement of Compliance***

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

***Basis of Measurement***

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

***Details of the Group***

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

The subsidiaries of the Company are as follows:

| <b><u>Company</u></b>                            | <b><u>Location of Incorporation</u></b> | <b><u>Ownership Interest</u></b> |
|--|---|----------------------------------|
| 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:

| <b>Particulars</b>                            | <b>January 31,<br/>2025<br/>\$</b> | <b>October 31,<br/>2024<br/>\$</b> |
|---|------------------------------------|------------------------------------|
| 132,647 shares in United Lithium Corp. (ULTH) | 21,887                             | 22,550                             |
| <b>Total</b>                                  | <b>21,887</b>                      | <b>22,550</b>                      |

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

**LEADING EDGE MATERIALS CORP.**  
**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**  
**FOR THE THREE MONTHS ENDED JANUARY 31, 2025**  
*(Unaudited - Expressed in Canadian Dollars)*

**4. Exploration and Evaluation Assets**

|  | As at January 31, 2025  |                                    |                          | As at October 31, 2024  |                                  |                   |
|--|-------------------------|------------------------------------|--------------------------|-------------------------|----------------------------------|-------------------|
|  | Acquisition Costs<br>\$ | Deferred Exploration Costs<br>\$   | Total<br>\$              | Acquisition Costs<br>\$ | Deferred Exploration Costs<br>\$ | Total<br>\$       |
| Graphite Concessions                             | 10,081                  | 4,706                              | 14,787                   | 10,081                  | 4,706                            | 14,787            |
| Norra Kärr                                       | 15,402,622              | 2,209,455                          | 17,612,077               | 15,402,622              | 1,932,082                        | 17,334,704        |
| Romania  | 187,999                 | 2,721,041                          | 2,909,040                | 187,999                 | 2,354,762                        | 2,542,761         |
|  | <b>15,600,702</b>       | <b>4,935,202</b>                   | <b>20,535,904</b>        | <b>15,600,702</b>       | <b>4,291,550</b>                 | <b>19,892,252</b> |
|  |                         | <b>Graphite concessions<br/>\$</b> | <b>Norra Karr<br/>\$</b> | <b>Romania<br/>\$</b>   | <b>Total<br/>\$</b>              |                   |
| <b>Balance at October 31, 2023 (as restated)</b> |                         | <b>14,787</b>                      | <b>16,554,050</b>        | <b>1,361,001</b>        | <b>17,929,838</b>                |                   |
| <b>Costs</b>                                     |                         |                                    |                          |                         |                                  |                   |
| Additions during the year                        |                         | -                                  | 780,654                  | 1,181,760               | 1,962,414                        |                   |
| <b>Balance at October 31, 2024</b>               |                         | <b>14,787</b>                      | <b>17,334,704</b>        | <b>2,542,761</b>        | <b>19,892,252</b>                |                   |
| <b>Costs</b>                                     |                         |                                    |                          |                         |                                  |                   |
| Additions during the period                      |                         | -                                  | 277,373                  | 366,279                 | 643,652                          |                   |
| <b>Balance at January 31, 2025</b>               |                         | <b>14,787</b>                      | <b>17,612,077</b>        | <b>2,909,040</b>        | <b>20,535,904</b>                |                   |

(a) *Graphite Concessions*

Through Woxna, the Company holds a 100% interest in the Woxna Graphite Mine, comprising four concessions, known as Kringelgruvan, Mattsmyra, Gropabo and Mansberg. The Woxna Graphite Mine is located 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").

Payment of the Property Acquisition Obligation and the Additional Consideration is to be made to a Swedish governmental agency and will be based on annual production, at a rate of SEK 20 per metric ton processed and is payable only once accumulated profits have been generated from the individual concessions. No production has commenced on the Mattsmyra, Gropabo and Mansberg concessions and the additional payments are considered to be contingent amounts and will only be recognized as obligations when production commences on these concessions.

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**4. Exploration and Evaluation Assets (continued)**

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

(b) *Norra Kärr*

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

(c) *Anode Project*

The Anode Project encompasses the ongoing development towards the possible production of a high purity natural graphite anode material for the lithium-ion battery industry using flake graphite concentrate from the Woxna Graphite mine as a feedstock. The development work involves various metallurgical test work and engineering of the production process and if successful would eventually lead to the establishment of a dedicated anode material factory in Sweden.

During the year ended October 31, 2022 \$81,117 of exploration cost were capitalized. Based on assessment made, the nature of these expenses were found to be general exploration expense in nature and do not qualify to be capitalized as per IFRS 6 Exploration and Evaluation of Exploration properties, accordingly during the year ended October 31, 2023, the company recognized a write-off of \$81,117 of exploration and evaluation asset.

(d) *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.

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**FOR THE THREE MONTHS ENDED JANUARY 31, 2025**  
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**4. Exploration and Evaluation Assets (continued)**

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

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

**5. Property, Plant and Equipment**

| <b>Cost:</b>                                    | <b>Vehicles<br/>\$</b> | <b>Equipment<br/>and<br/>Tools<br/>\$</b> | <b>Building<br/>\$</b> | <b>Manufacturing<br/>and<br/>Processing<br/>Facility<br/>\$</b> | <b>Mineral<br/>Property<br/>Acquisition<br/>and<br/>Development<br/>Costs<br/>\$</b> | <b>Total<br/>\$</b> |
|---|------------------------|---|------------------------|---|--|---------------------|
| Balance at October 31, 2023                     | <b>16,094</b>          | <b>290,428</b>                            | <b>344,139</b>         | <b>7,567,878</b>  | <b>5,661,423</b>   | <b>13,879,962</b>   |
| Addition  | -                      | 152,688                                   | -                      | -   | -  | 152,688             |
| Adjustment to site restoration                  | -                      | -   | -                      | -   | 822,759  | 822,759             |
| Balance at October 31, 2024                     | <b>16,094</b>          | <b>443,116</b>                            | <b>344,139</b>         | <b>7,567,878</b>  | <b>6,484,182</b>   | <b>14,855,409</b>   |
| Addition  | -                      | 2,325                                     | -                      | -   | -  | 2,325               |
| Adjustment to site restoration                  | -                      | -   | -                      | -   | (81,364)   | (81,364)            |
| <b>Balance at January 31, 2025</b>              | <b>16,094</b>          | <b>445,441</b>                            | <b>344,139</b>         | <b>7,567,878</b>  | <b>6,402,818</b>   | <b>14,776,370</b>   |
| <b>Accumulated Depreciation and Impairment:</b> |                        |   |                        |   |  |                     |
| Balance at October 31, 2023                     | <b>(5,174)</b>         | <b>(266,537)</b>                          | <b>(188,928)</b>       | <b>(3,910,218)</b>  | <b>(5,000,000)</b>   | <b>(9,370,857)</b>  |
| Depreciation                                    | (1,000)                | (1,877)                                   | (28,586)               | -   | -  | (31,463)            |
| Balance at October 31, 2024                     | <b>(6,174)</b>         | <b>(268,414)</b>                          | <b>(217,514)</b>       | <b>(3,910,218)</b>  | <b>(5,000,000)</b>   | <b>(9,402,320)</b>  |
| Depreciation                                    | (376)                  | (705)                                     | (10,733)               | -   | -  | (11,813)            |
| <b>Balance at January 31, 2025</b>              | <b>(6,550)</b>         | <b>(269,119)</b>                          | <b>(228,247)</b>       | <b>(3,910,218)</b>  | <b>(5,000,000)</b>   | <b>(9,414,134)</b>  |
| <b>Carrying Value:</b>                          |                        |   |                        |   |  |                     |
| Balance at October 31, 2024                     | <b>9,920</b>           | <b>174,702</b>                            | <b>126,625</b>         | <b>3,657,660</b>  | <b>1,484,182</b>   | <b>5,453,089</b>    |
| Balance at January 31, 2025                     | <b>9,544</b>           | <b>176,322</b>                            | <b>115,892</b>         | <b>3,657,660</b>  | <b>1,402,818</b>   | <b>5,362,236</b>    |

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.

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**5. Property, Plant and Equipment (continued)**

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, 2025 the Company has recognized \$524,141 (October 31, 2024 - \$520,480) for the Property Acquisition Obligation associated with the Kringelgruvan concession, as described in Note 4(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 2.20% (2024 - 2.097%) and an inflation factor of 2.00% (2024 - 2.00%). Settlement of the obligation is expected to be funded from general corporate funds at the time of decommissioning. Changes to the decommissioning obligation were as follows:

|                                    | \$               |
|------------------------------------|------------------|
| <b>Balance at October 31, 2023</b> | <b>4,173,494</b> |
| Accretion                          | 125,121          |
| Revision of estimates              | 628,188          |
| Foreign exchange adjustment        | 194,571          |
| <b>Balance at October 31, 2024</b> | <b>5,121,374</b> |
| Accretion                          | 32,218           |
| Revision of estimates              | (117,388)        |
| Foreign exchange adjustment        | 36,024           |
| <b>Balance at January 31, 2025</b> | <b>5,072,228</b> |

As at January 31, 2025 reclamation deposits totaling \$97,406 (October 31, 2024 - \$96,569) have been paid. The reclamation deposits were placed as security for site restoration on the Kringelgruvan concession and on certain exploration and evaluation assets.

As at January 31, 2025 the Mattsmyra, Gropabo and Mansberg concessions remain undeveloped and there are no property restoration obligations relating to these concessions.

**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.

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**7. Share Capital (continued)**

(b) **Equity Financings**

*Three Months ended January 31, 2025*

During the three months ended January 31, 2025, there was no movement in equity.

*Year Ended October 31, 2024*

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

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

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

(c) **Warrants**

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

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

The following table summarizes information about the number of common shares reserved pursuant to the Company's warrants outstanding and exercisable at January 31, 2025:

| Number            | Exercise Price<br>\$ | Expiry Date        |
|-------------------|----------------------|--------------------|
| 7,000             | 0.225                | August 23, 2025    |
| 21,739,130        | 0.225                | August 23, 2027    |
| 34,400,000        | 0.20                 | July 23, 2028      |
| 6,710,000         | 0.20                 | September 26, 2028 |
| <b>62,856,130</b> | <b>0.26</b>          |                    |

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(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, 2024*

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

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

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

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

|                             | <b>2025</b>                                  |   | <b>2024</b>                                  |   |
|-----------------------------|--|---|--|---|
|                             | <b>Number of<br/>Options<br/>Outstanding</b> | <b>Weighted<br/>Average Exercise<br/>Price<br/>\$</b> | <b>Number of<br/>Options<br/>Outstanding</b> | <b>Weighted<br/>Average Exercise<br/>Price<br/>\$</b> |
| Balance beginning of period | 18,250,000                                   | 0.22  | 8,600,000                                    | 0.36  |
| Issued                      | -  | -   | 9,650,000                                    | 0.10  |
| Exercised                   | -  | -   | -  | -   |
| Expired                     | (3,200,000)                                  | 0.62  | -  | -   |
| Balance end of period       | <b>15,050,000</b>                            | <b>0.14</b>   | <b>18,250,000</b>                            | 0.22  |

The following table summarizes information about the share options outstanding and exercisable at January 31, 2025:

| <b>Number<br/>Outstanding</b> | <b>Number<br/>Exercisable</b> | <b>Exercise Price<br/>\$</b> | <b>Expiry Date</b> |
|-------------------------------|-------------------------------|------------------------------|--------------------|
| 500,000                       | 330,000                       | 0.195                        | April 26, 2026     |
| 700,000                       | 462,000                       | 0.20                         | November 3, 2027   |
| 4,200,000                     | 2,772,000                     | 0.195                        | April 26, 2028     |
| 450,000                       | 148,500                       | 0.10                         | April 26, 2027     |
| 9,200,000                     | 3,036,000                     | 0.10                         | April 25, 2029     |
| <b>15,050,000</b>             | <b>6,748,500</b>              |                              |                    |

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**8. Related Party Disclosures**

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

(a) During the periods ended January 31, 2025 and 2024 the following compensation was incurred:

|  | <b>2025</b>           | <b>2024</b>           |
|--|-----------------------|-----------------------|
|  | <b>\$</b>             | <b>\$</b>             |
| Directors and officer's compensation (current) | 77,509                | 46,419                |
| Share based compensation (current and former)  | <u>120,634</u>        | <u>129,191</u>        |
|  | <b><u>198,143</u></b> | <b><u>175,610</u></b> |

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

Out of the total Directors' and Officers' compensation of \$87,818, CEO's compensation of \$57,082 has been capitalized to Exploration and Evaluation assets.

(b) SKS Business Services Ltd., a private corporation owned by Sanjay Swarup (appointed as Chief Financial Officer ("CFO") of the Company on March 1, 2021), provides accounting and administrative services. During the year ended January 31, 2025, the Company incurred \$15,164 (2024 - \$14,619) for accounting services by SKS Business Services.

**9. Income per share**

As at January 31, 2025 and 2024, the weighted average number of common shares for the purpose of calculating diluted income per share reconciles to the weighted average number of common shares used in the calculation of basic income per share as follows:

| <b>Particulars</b>                                    | <b>January 31,<br/>2025</b> | <b>January 31,<br/>2024</b> |
|---|-----------------------------|-----------------------------|
|   | <b>\$</b>                   | <b>\$</b>                   |
| Net loss for the period                               | (669,216)                   | (685,928)                   |
| Basic weighted average number of shares outstanding   | 232,061,949                 | 188,650,008                 |
| Diluted weighted average number of shares outstanding | <u>232,061,949</u>          | <u>188,650,008</u>          |
| <b>Loss per share - basic and diluted</b>             | <b><u>(\$0.00)</u></b>      | <b><u>(\$0.00)</u></b>      |

**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:

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**10. Financial Instruments and Risk Management (continued)**

| <b>Financial Instrument</b>              | <b>Category</b> | <b>January 31,<br/>2025<br/>\$</b> | <b>October 31,<br/>2024<br/>\$</b> |
|--|-----------------|------------------------------------|------------------------------------|
| Cash                                     | FVTPL           | 2,204,653                          | 3,460,217                          |
| Reclamation deposit                      | amortized cost  | 97,406                             | 96,569                             |
| Investments                              | FVTPL           | 21,887                             | 22,550                             |
| Accounts payable and accrued liabilities | amortized cost  | (286,124)                          | (564,120)                          |
| Property acquisition obligation          | amortized cost  | (524,141)                          | (520,480)                          |

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

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

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

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

The recorded amounts for amounts receivable and accounts payable and accrued liabilities approximate their fair value due to their short-term nature. The recorded amounts for the reclamation deposit and property acquisition obligation approximate 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, 2025**

|  | <b>Carrying<br/>Amount<br/>\$</b> | <b>Contractual<br/>Cash Flows<br/>\$</b> | <b>Less than<br/>3 Months<br/>\$</b> | <b>1 - 5<br/>Years<br/>\$</b> | <b>Over<br/>5 Years<br/>\$</b> |
|--|-----------------------------------|--|--------------------------------------|-------------------------------|--------------------------------|
| Cash                                     | 2,204,653                         | 2,204,653                                | 2,204,653                            | -                             | -                              |
| Reclamation deposit                      | 97,406                            | 97,406                                   | -                                    | -                             | 97,406                         |
| Investments                              | 21,887                            | 21,887                                   | -                                    | 21,887                        | -                              |
| Accounts payable and accrued liabilities | (286,124)                         | (286,124)                                | (286,124)                            | -                             | -                              |
| Property acquisition obligation          | (524,141)                         | (524,141)                                | -                                    | (524,141)                     | -                              |

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**10. Financial Instruments and Risk Management (continued)**

*Market Risk*

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

*Interest Rate Risk*

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

*Foreign Currency Risk*

The Company's functional currency is the Canadian Dollar and major transactions are transacted in Canadian Dollars, Swedish Krona ("SEK") and Romanian Leu ("RON"). The Company maintains SEK bank accounts in Sweden and RON bank balances in Romania to support the cash needs of its foreign operations. Management believes the foreign exchange risk related to currency conversions is minimal and therefore does not hedge its foreign exchange risk. At January 31, 2025, 1 Canadian Dollar was equal to 7.6315 SEK as per Swedish Central Bank and 1 Canadian Dollar was equal to 3.3021 RON as per Romania Bank.

Balances are as follows:

|  | SEK                | CDN \$<br>Equivalent | RON            | CDN \$<br>Equivalent |
|--|--------------------|----------------------|----------------|----------------------|
| Cash                                     | 1,480,685          | 194,022              | 457,766        | 138,630              |
| VAT receivable                           | 324,744            | 42,553               | 346,589        | 104,961              |
| Reclamation deposit                      | 743,357            | 97,406               | -              | -                    |
| Accounts payable and accrued liabilities | (759,696)          | (99,547)             | (214,097)      | (64,837)             |
| Property acquisition obligation          | (4,000,000)        | (524,141)            | -              | -                    |
|  | <u>(2,210,910)</u> | <u>(289,707)</u>     | <u>590,258</u> | <u>178,754</u>       |

Based on the net exposures as of January 31, 2025 and assuming that all other variables remain constant, a 10% fluctuation of the Canadian Dollar against the SEK and RON would result in the Company's net impact being approximately respectively \$28,971 & \$17,875 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. Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable.

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**11. Supplemental Cash Flow Information**

During the three months ended January 31, 2025 and 2024 non-cash activities were conducted by the Company as follows:

|   | 2025<br>\$ | 2024<br>\$ |
|---|------------|------------|
| Operating activity                                      |            |            |
| Provision for site restoration                          | (81,364)   | 768,285    |
| Investing activity                                      |            |            |
| Revisions of estimates on property, plant and equipment | 81,364     | (768,285)  |

**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, 2025    |                                       |  |                   |
|-----------------------------------|---------------------------|---------------------------------------|--|-------------------|
|                                   | Corporate<br>Canada<br>\$ | Mineral<br>Operations<br>Sweden<br>\$ | Mineral<br>Operations<br>Romania<br>\$ | Total<br>\$       |
| Current assets                    | 1,961,429                 | 279,745                               | 243,591                                | 2,484,765         |
| Exploration and evaluation assets | -                         | 17,626,864                            | 2,909,040                              | 20,535,904        |
| Property, plant and equipment     | -                         | 5,219,203                             | 143,033                                | 5,362,236         |
| Reclamation deposit               | -                         | 97,406                                | -                                      | 97,406            |
|                                   | <b>1,961,429</b>          | <b>23,223,218</b>                     | <b>3,295,664</b>                       | <b>28,480,311</b> |

  

|                                   | As at October 31, 2024    |                                       |  |                   |
|-----------------------------------|---------------------------|---------------------------------------|--|-------------------|
|                                   | Corporate<br>Canada<br>\$ | Mineral<br>Operations<br>Sweden<br>\$ | Mineral<br>Operations<br>Romania<br>\$ | Total<br>\$       |
| Current assets                    | 3,000,394                 | 472,491                               | 428,921                                | 3,901,806         |
| Exploration and evaluation assets | -                         | 17,349,491                            | 2,542,761                              | 19,892,252        |
| Property, plant and equipment     | -                         | 5,306,256                             | 146,833                                | 5,453,089         |
| Reclamation deposit               | -                         | 96,569                                | -                                      | 96,569            |
|                                   | <b>3,000,394</b>          | <b>23,244,807</b>                     | <b>3,118,515</b>                       | <b>29,343,716</b> |

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**13. Commitments**

In Romania, for exploration licenses applied through the public bid process, an investment offer is presented for each exploration license, the offer of which represents the total amounts required to be spent in order to maintain possession of the concession area at the end of the five-year investment period. Accordingly, should the Company wish to retain possession of the exploration license in Romania it holds as at October 31, 2023, the Company's expenditure commitment for the five-year period ending May 15, 2027 is \$6,484,813 Euros (approx. \$9,532,675 CAD) of which \$2,909,040 CAD has been spent as at January 31, 2025.

**14. Events after the Reporting Period**

- On February 9, 2025, the Company provided an update for the 100% owned Norra Kärr Heavy Rare Earth Elements ("HREE") Project.
- On February 16, 2025, the Company provided details on its investigations into value creation opportunities for the 100% owned Woxna Graphite Mine ("Woxna") in the context of delivering for Europe's natural graphite needs.