



## **LEADING EDGE MATERIALS CORP.**

### **MANAGEMENT'S DISCUSSION AND ANALYSIS QUARTERLY HIGHLIGHTS FOR THE SIX MONTHS ENDED APRIL 30, 2025**

This Management's Discussion and Analysis ("Interim MD&A") of Leading Edge Materials Corp. ("Leading Edge Materials" or the "Company"), dated June 20, 2025, should be read in conjunction with the unaudited condensed consolidated interim financial statements for the six months ended April 30, 2025, and the most recent annual audited consolidated financial statements and annual Management's Discussion and Analysis. The following disclosure and associated financial statements are presented in accordance with IFRS Accounting Standards ("IFRS"). Except as otherwise disclosed, all dollar figures are quoted in Canadian dollars. Additional information relevant to the Company's activities can be found on SEDAR at [www.sedar.com](http://www.sedar.com) and on the Company's website [www.leadingedgematerials.com](http://www.leadingedgematerials.com).

#### **Forward Looking Statements**

Certain information in this MD&A may constitute forward-looking statements or forward-looking information within the meaning of applicable Canadian securities laws (collectively, "Forward-Looking Statements"). All statements, other than statements of historical fact, addressing activities, events or developments that the Company believes, expects or anticipates will or may occur in the future are Forward-Looking Statements. Forward-Looking Statements are often, but not always, identified by the use of words such as "seek," "anticipate," "believe," "plan," "estimate," "expect," and "intend" and statements that an event or result "may," "will," "can," "should," "could," or "might" occur or be achieved and other similar expressions. Forward-Looking Statements are based upon the opinions and expectations of the Company based on information currently available to the Company. Forward-Looking Statements are subject to a number of factors, risks and uncertainties that may cause the actual results of the Company to differ materially from those discussed in the Forward-Looking Statements including, among other things, the Company has yet to generate a profit from its activities; there can be no guarantee that the estimates of quantities or qualities of minerals disclosed in the Company's public record will be economically recoverable; uncertainties relating to the availability and costs of financing needed in the future; competition with other companies within the mining industry; the success of the Company is largely dependent upon the performance of its directors and officers and the Company's ability to attract and train key personnel; changes in world metal markets and equity markets beyond the Company's control; the possibility of write-downs and impairments; the risks associated with uninsurable risks arising during the course of exploration; development and production; the risks associated with changes in the mining regulatory regime governing the Company; the risks associated with tenure to the Norra Kärr property; the risks associated with the various environmental regulations the Company is subject to; rehabilitation and restitution costs; the Woxna Graphite 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

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

## Highlights During and After the Quarter

During the three months ended April 30, 2025:

- On February 9, 2025, the Company provided an update on a Rapid Development Plan ("RDP") for Norra Kärr, to be in production in the shortest possible timeframe, supplying HREE-rich eudialyte concentrate and industrial mineral nepheline syenite.
- The Company provided an update on the value creation options being considered for Woxna Graphite, on February 16, 2025, including a possible restart of operations, the production of high-quality flake graphite concentrate, and forward-integration downstream.
- On March 23, 2025, the Company provided a progress update on Norra Kärr, in the context of the European Commission's ("EC") Joint White Paper for European Readiness 2030, highlighting the increasing geopolitical competition over critical raw materials ("CRMs") and the need for the EU and its member states to build strategic reserves of raw materials.
- On March 25, 2025, the EU announced its first list of Strategic Projects under the Critical Raw Materials Act ("CRMA"); Norra Kärr was not included. The Company stated its plan to reapply in the next round of applications.
- On April 23, 2025, the Company announced granting of stock options (the "Options") to directors, officers and consultants of the Company to purchase an aggregate of 6,850,000 common shares (the "Optioned Shares") of the Company, at exercise price of C\$0.24 per Optioned Share, expiring on the date that is 5 years from the date of grant for directors and officers and three years from the date of grant for consultants. The Options will vest 33% on the date of the grant, 33% one year after the date of grant and 34% two years after the date of grant. The Options were issued pursuant to the terms of the Company's Option Plan.

After the six months ended April 30, 2025:

- On June 9, 2025, the Company announced signing of an agreement with Svensk Kapitalmarknadsgranskning ("SKMG") for an assignment as Certified Adviser for the Nasdaq First North Growth Market (Stockholm).
- On June 10, 2025, the Company announced the intent to complete a non-brokered private placement of up to 25,000,000 units ("Units") at a price of C\$0.16 per Unit for aggregate gross proceeds of up to C\$4,000,000 (the "Private Placement").

## Outlook

Concerns about critical raw materials - security of supply, supply chain resilience and defence requirements - have been recurring themes at conferences attended by the Company in recent months, with HREEs and natural graphite frequently mentioned; geopolitical uncertainties continue, with more talk about the weaponization of global trade in rare earth elements.

On June 17, 2025, the G7 Critical Minerals Action Plan was announced focused on 'diversifying the responsible production and supply of critical minerals, encouraging investments in critical mineral projects and local value creation, and promoting innovation' in the G7, and with partners beyond, working together and 'to swiftly protect our economic and national security'. Against this backdrop and calls for more action to match the intent of the CRMA, the Company's portfolio is well positioned.

### ***Woxna Graphite Mine***

The Company maintains the Woxna Graphite Mine in a production-ready state while minimizing holding costs. An internal study completed in early 2022 assessed the potential for restarting operations and upgrading the processing plant to produce high-quality flake graphite concentrate. Work is now underway to update this study, forming the basis of a business plan to support possible project financing, customer prepayments, and access to Swedish or EU public funding, and, in addition.

Highlighting Sweden's role in CRMs and graphite's importance, Sweden's Energy, Business and Industry Minister Ebba Busch recently stated that "Sweden has unique opportunities to be and remain a strong player in global mineral politics. We have the most sustainable mining industry in the world – ethically sustainable, environmentally sustainable, and with good working conditions. The graphite that [Talga Group] is planning to produce is a key material in battery manufacturing and the green transition to a fossil-fuel-free society."

### ***Norra Kärr Heavy Rare Earth Element ("HREE") Project***

As part of its Pre-feasibility ("PFS") workstreams, the Company is developing a Rapid Development Plan ("RDP") for Norra Kärr to enable the earliest possible production of HREE-rich eudialyte concentrate and industrial mineral nepheline syenite. A phased, small-scale start is under consideration to allow early access to the deposit, initial sales of nepheline syenite, early cash flow, and stockpiling of eudialyte concentrate for future processing. This approach is designed to reduce both risk and environmental impacts.

Testwork has now been completed on nepheline syenite and aegirine to determine their mineralogy, chemical composition, and leachate chemistry. The promising results are being used to determine possible market segments and specifications that can be achieved, potential demand and pricing, to be included in an updated PFS economic model for Norra Kärr. The Company envisages the PFS will be completed in Q1 2026.

On 24 March 2025, the EU announced its first list of Strategic Projects under the Critical Raw Materials Act (CRMA); Norra Kärr was not included. The Company plans to reapply in the next round of applications having continued to make significant progress since the last application was submitted in August 2024.

In recent months, the Company's application for a new Exploitation Concession ("Bearbetningskoncession") 25-year mining lease has been out for consultation with County Administrative Boards ("CAB") and municipalities. The Company understands that CAB opinions have been received by the Mining Inspectorate ("Bergsstaten"). The Company will have an opportunity to respond to opinions and comments.

### ***Bihor Sud Nickel-Cobalt Exploration Project***

Exploration activities at the Bihor Sud project have continued, supported by the hard work of the four new geologists who joined the team in January. Works have included underground mapping, diamond drilling, geophysics, core logging, and sampling. The Company's goal remains to define a large-scale, mineable mineral resource; in gallery G2, targeting promising Zinc-Lead-Copper-Silver mineralization. Results to date are encouraging and underscore the project's strong potential for a significant polymetallic discovery.

## Financial Information

The report for nine months ending July 31, 2025, is expected to be published on or about September 19, 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.

	Fiscal 2025		Fiscal 2024				Fiscal 2023	
Three Months Ended	April 30, 2025 \$	January 31, 2025 \$	October 31, 2024 \$	July 31, 2024 \$	April 30, 2024 \$	January 31, 2024 \$	October 31, 2023 (Restated) \$	July 31, 2023 (Restated) \$
<b>Operations</b>								
Expenses	(1,070,402)	(696,037)	(97,209)	(797,070)	(863,745)	(660,617)	(457,890)	(309,832)
Other items	(108,766)	26,821	(222,820)	(25,168)	4,216	(25,311)	195,209	(8,442)
Comprehensive profit/(loss)	(1,179,168)	(669,216)	(320,029)	(822,238)	(859,529)	(685,928)	(262,681)	(318,274)
Basic Profit/(loss) per share	(0.01)	(0.00)	(0.00)	(0.00)	(0.01)	(0.00)	(0.00)	(0.00)
Diluted profit/(loss) per share	(0.01)	(0.00)	(0.00)	(0.00)	(0.01)	(0.00)	(0.00)	(0.00)
<b>Financial Position</b>								
Working capital	1,191,514	2,198,641	3,337,686	3,973,458	1,610,635	2,316,098	2,713,098	848,952
Total assets	28,361,774	28,480,311	29,343,716	28,454,783	24,991,481	26,003,943	25,512,111	23,588,662
Total non-current liabilities	(6,009,933)	(5,596,369)	(5,641,854)	(5,683,545)	(5,101,289)	(5,489,843)	(4,670,790)	(5,109,575)

## Results of Operations

### *Three Months Ended April 30, 2025, Compared to Three Months Ended January 31, 2025*

During the three months ended April 30, 2025 ("Q2 2025") the Company reported a net loss of \$1,179,168 compared to a reported net loss of \$669,216 for the three months ended January 31, 2025 ("Q1 2025"), an increase in loss by \$509,952, the increase in loss mainly due to share based compensation expenses of \$585,529 (Q1 2025 - \$129,292) and foreign exchange loss of \$117,063 (Q1 2025 - gain \$1,690).

### *Three Months Ended April 30, 2025, Compared to Three Months Ended April 30, 2024*

During the three months ended April 30, 2025 ("2025 period"), the Company reported a net loss of \$1,179,168 compared to a net loss of \$859,529 for the three months ended April 30, 2024 ("2024 period"), an increase in loss of \$319,639, the increase in loss mainly due to share based compensation expenses of \$585,529 (Q2 2024 - \$349,923) and foreign exchange loss of \$117,063 (Q2 2024 - \$5,754).

Specific expenses of note during three months ended April 30, 2025 are as follows:

- (i) incurred \$78,270 (2024 - \$46,385) for directors and officer's compensation.
- (ii) incurred \$56,994 (2024 - \$45,115) for listing and regulatory fees with respect to ongoing fees for the Company's listing of its common shares on the TSXV, Nasdaq First North and OTC exchanges.
- (iii) incurred a total of \$40,690 (2024 - \$57,074) for accounting and audit out of which the Company incurred \$15,504 (2024 - \$14,567) for accounting services of SKS Business Services along with \$6,932

- (2024 - \$6,771) for bookkeeping and accounting services for subsidiary companies provided by other independent accountants.
- (iv) incurred Research, development, and general exploration expenses of \$77,449 (2024 - \$94,017).
  - (v) incurred \$60,957 (2024 - \$89,947) in costs for operations.

Interest income is primarily generated from cash held on deposit with the Bank of Montreal. During the three months ended April 30, 2025 the Company reported interest income of \$12,286 compared to \$20,305 during the three months ended April 30, 2024.

During the three months ended April 30, 2025, the Company recorded a foreign exchange loss of \$117,063 due to changes in exchange rates, compared to a loss of \$5,754 during the three months ended April 30, 2024.

### *Financings*

During the six months ended April 30, 2025, 150,000 warrants were exercised for gross proceeds of \$30,000.

During six months ended April 30, 2025, 6,850,000 stock options were granted at an exercise price of \$0.24.

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 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, the 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. 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.

### **Financial Condition / Capital Resources**

During the three months ended April 30, 2025, the Company recorded a net loss of \$1,179,168 and, as of April 30, 2025, the Company had an accumulated deficit of \$51,201,042 and working capital of \$1,191,514. The Company maintains its Woxna Graphite mine in a "production-ready" basis while minimizing costs. The Company is also evaluating a potential restart of flake graphite concentrate production. 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 Graphite, 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 six months ended April 30, 2025.

A detailed summary of all the Company's significant 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 six months ended April 30, 2025 and 2024 the following compensation was incurred:

	2025 \$	2024 \$
Mr. Kurt Budge, CEO <sup>(1)</sup>	177,176	-
Mr. Lars-Eric Johansson, Chairman and director	16,200	16,200
Mr. Eric Krafft, director <sup>(1)</sup>	16,200	16,200
Mr. Daniel Major, director	16,200	16,200
Mr. Sanjay Swarup, CFO	19,968	19,004
Ms. Manuela Balaj-Coroiu, Corporate Secretary	25,200	25,200
	<b>270,944</b>	<b>92,804</b>

(1) On May 19, 2024, Kurt Budge was appointed as Chief Executive Officer ("CEO") taking over from Eric Krafft.

Out of the total Directors' and Officers' compensation of \$270,944, CEO's compensation of \$115,164 has been capitalized to Exploration and Evaluation assets.

(b) During the six months ended April 30, 2025, the Company incurred \$30,667 (2024 - \$29,186) for accounting services of SKS Business Services.

- (c) In addition, during the three months ending April 30, 2025 and 2024 the company incurred share-based compensation for key management personnel as follows:

	<b>2025</b>	<b>2024</b>
	<b>\$</b>	<b>\$</b>
Mr. Eric Krafft	186,515	165,512
Mr. Kurt Budge	194,231	79,943
Mr. Lars-Eric Johansson	143,383	87,744
Mr. Daniel Major	143,383	87,744
Ms. Manuela Balaj-Coroiu	11,557	10,302
Mr. Sanjay Swarup	9,987	6,444
Mr. Filip Kozlowski	-	17,959
	<b>689,056</b>	<b>455,648</b>

### **Outstanding Share Data**

The Company's authorized share capital is unlimited common shares without par value. As of June 20, 2025, there were 232,211,949 issued and outstanding common shares 62,706,130 warrants outstanding with exercise prices ranging from \$0.20 to \$0.225 per share and 21,900,000 share options outstanding with exercise prices ranging from \$0.10 to \$0.24 per share.