



LEADING EDGE MATERIALS CORP.

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

This Management's Discussion and Analysis ("Interim MD&A") of Leading Edge Materials Corp. ("Leading Edge Materials" or the "Company"), dated March 20, 2026, should be read in conjunction with the unaudited condensed consolidated interim financial statements for the three months ended January 31, 2026, and the most recent annual audited consolidated financial statements and annual Management's Discussion and Analysis. The following disclosure and associated financial statements are presented in accordance with IFRS Accounting Standards ("IFRS"). Except as otherwise disclosed, all dollar figures are quoted in Canadian dollars. Additional information relevant to the Company's activities can be found on SEDAR at www.sedar.com and on the Company's website www.leadingedgematerials.com.

Forward Looking Statements

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

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

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

Statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such Forward-Looking Statements. Such Forward-Looking Statements has been provided for the purpose of assisting investors in understanding the Company's business, operations and exploration plans and may not be appropriate for other purposes. Accordingly, readers should not place undue reliance on Forward-Looking Statements. Forward-Looking Statements are made as of the date hereof, and the Company does not undertake to update such Forward-Looking Statements except in accordance with applicable securities laws.

Corporate Overview

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

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

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

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

Highlights During and After the Fiscal 2025

During the three months ended January 31, 2026:

- On December 3, 2025, the Company announced that the County Administrative Boards (“CABs”) of Jönköping and Östergötland had endorsed (Sw. Tillstyrker) the Company’s application for an Exploitation Concession (Sw. Bearbetningskoncession) 25-year mining lease for Norra Kärr. This step forward precedes a final decision on the application by the Mining Inspectorate (Sw. Bergsstaten).
- On December 14, 2025, the Company announced it had been accepted by EIT Raw Materials as a Project Partner. EIT Raw Materials represents a powerful knowledge and innovation community in Europe.

After the three months ended January 31, 2026:

- On February 2, 2026, the Company provided an update on its exploration activities in Romania and latest assay results.
- On February 8, 2026, the Company announced that its 100% owned Swedish subsidiary Greena Mineral AB (“GMAB”) has signed an MoU with Ascension Earth Resources (“Ascension”).
- On March 10, 2026, the Company announced that the Mining Inspectorate had chosen to submit the Company’s application for an Exploitation Concession for Norra Kärr to the Swedish Government for a final decision. The Mining Inspectorate itself recommends in its decision that the application should be approved.

Outlook

Geopolitical turbulence has intensified dramatically. Widening conflict across the Middle East and beyond is disrupting supply chains globally, and the imperative for Europe to secure critical raw materials — to protect both its industrial base and its national security — has never been more urgent.

The supply outlook for heavy rare earth elements remains acutely critical. These materials are irreplaceable inputs for permanent magnet manufacturing across defence systems, electric vehicles, and wind turbines. Yet the path to peace remains uncertain, and with it, the future shape of global alliances and trade flows. Businesses and governments cannot afford to wait for clarity that may not come.

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

Against this backdrop, Leading Edge Materials’ Norra Kärr and Woxna Graphite projects occupy a uniquely compelling position — sitting at the convergence of urgent European demand, unprecedented policy support, and a fundamental reorientation in how Western nations assess supply chain risk. The strategic calculus has shifted permanently. This is no longer a commercial question. It is a matter of economic security.

The Company anticipates that it has sufficient funding to meet anticipated levels of corporate administration and overheads for the ensuing twelve months, however, it will need additional capital to recommence operations at the Woxna Graphite Mine and to fund future development of the Norra Kärr and Bihor Sud projects. The exercise prices of certain stock options and warrants outstanding may provide an incentive for holders to exercise these instruments, which, if exercised, would result in additional capital being raised by the Company. There is no assurance such additional capital will be available to the Company on acceptable terms. Accordingly, the Company will restrict activities until further financing is completed. These material uncertainties cast significant doubt about the Company’s ability to continue as a going concern.

Woxna Graphite Mine

The Woxna Graphite Mine is being maintained on a “production ready” basis while keeping operational holding costs to a minimum. In partnership with an engineering consultant, the Company is updating an internal production restart study undertaken in 2022; metallurgical testwork is being conducted to assess potential improvements to the processing facility that could maximize operational efficiency. The Company's goal is to deliver premium-quality high-grade flake graphite concentrate or value-added products.

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

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

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

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

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

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

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

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

Dr. Eschen wrote on LinkedIn:

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

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

This must change — fast. Europe urgently needs a resilient supply chain. We must secure the required raw materials

and midstream processes with partners around the globe. We need a coalition of the willing: trustworthy, reliable partners who share a common set of values.'

(https://www.linkedin.com/posts/erikeschen_resilient-supply-chains-are-the-backbone-ugcPost-7398124210834948097-CACM?utm_source=share&utm_medium=member_desktop&rcm=ACoAAAkVckBtVRMBPkF4QEusLTLQTDaCvyrQ).

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

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

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

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

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

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

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

When the financials for producing mixed rare earth oxides were modelled as part of the Preliminary Economic Assessment ("PEA") in 2021, the Project had a pre-tax NPV10 of over US\$1B. While the numbers will be updated in PFS, we have a robust project, and the Company is already mapping the funding options that could be available as we progress. As one of the largest HREE deposits globally - and the most advanced within the EU - Norra Kärr has the potential to become a cornerstone supplier for Western magnet producers.

Bihor Sud Nickel-Cobalt Exploration Project

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

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

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

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

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

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

Financial Information

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

Selected Financial Data

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

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

Results of Operations

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

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

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

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

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

- (i) incurred \$73,720 (2025 - \$77,509) for directors and officer's compensation.
- (ii) incurred \$64,479 (2025 - \$49,945) for listing and regulatory fees with respect to ongoing fees for the Company's listing of its common shares on the TSXV, Nasdaq First North and OTC exchanges.
- (iii) incurred a total of \$46,313 (2025 - \$71,547) for accounting and audit out of which the Company incurred \$14,970 (2025 - \$15,164) for accounting services of SKS Business Services along with \$8,412 (2025 - \$6,047) for bookkeeping and accounting services for subsidiary companies provided by other independent accountants;
- (iv) incurred Research, development, and general exploration expenses of \$47,450 (2025 - \$62,508);
- (v) incurred \$93,041 (2025 - \$77,919) in costs for operations;

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

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

Financings

During the year ended October 31, 2025, 750,000 warrants were exercised for gross proceeds of \$152,500.

On 15th August 2025, the Company has closed the non-brokered private placement, issuing 17,738,500 units (the "Units") at a price of C\$0.16 per Unit for aggregate gross proceeds of C\$2,838,160. Each unit consisted of one common share and one common share purchase warrant. Each warrant is exercisable by the holder to acquire one common share at an exercise price of \$0.32 per share, expiring August 14, 2029.

Financial Condition / Capital Resources

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

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

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

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

Off-Balance Sheet Arrangements

The Company has no off-balance sheet arrangements.

Proposed Transactions

The Company has no proposed transactions.

Critical Accounting Estimates

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

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

Changes in Accounting Policies

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

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

Related Party Transactions and Balances

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

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

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

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

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

	2026	2025
	\$	\$
Mr. Eric Krafft	48,270	43,132
Mr. Kurt Budge	60,928	30,281
Mr. Lars-Eric Johansson	43,122	21,566
Mr. Daniel Major	43,122	21,566
Ms. Manuela Balaj-Coroiu	2,875	2,437
Mr. Sanjay Swarup	2,875	1,652
	201,192	120,634

Outstanding Share Data

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