



NEWS RELEASE

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LEADING EDGE MATERIALS CEO REPORT TO THE SHAREHOLDERS

Geopolitical instability continues to disrupt global supply chains and has sharpened Europe's focus on securing critical raw materials essential to its industrial base and security. The outlook for heavy rare earth elements, in particular dysprosium, terbium and yttrium all prevalent at Norra Kärr, remains particularly constrained. These materials are indispensable to permanent magnet production for defence, electric vehicles, and renewable energy, yet supply remains highly concentrated. In this environment, reliance on long and fragile supply chains is no longer viable. Local production and secure sourcing have become strategic imperatives, requiring decisive regulatory and political action.

Against this backdrop, Leading Edge Materials' Norra Kärr and Woxna Graphite projects are well positioned, aligning urgent European demand with increasing policy support and a fundamental reassessment of supply chain risk. This is no longer solely a commercial consideration; it is a matter of economic security.

At Norra Kärr, 2025 was a year of meaningful progress. While the project was not included in the EU's initial list of Strategic Projects under the Critical Raw Materials Act, its strategic importance has continued to strengthen. China's export restrictions on heavy rare earth elements in 2025 led to sharp price increases for dysprosium and terbium, underscoring Europe's vulnerability and reinforcing the relevance of Norra Kärr.

In December 2025, the County Administrative Boards of Jönköping and Östergötland endorsed the Company's application for a 25-year Exploitation Concession. In March 2026, the Mining Inspectorate referred the application to the Swedish Government for a final decision, recommending approval. In light of the extended approval timeline, the Company has temporarily slowed certain pre-feasibility ("PFS") activities and now expects PFS completion during 2026.

At Woxna, Sweden's renewed interest in natural graphite was evident in late 2025, when multiple graphite exploitation concessions were awarded nationally. Woxna remains production-ready, and the Company is completing testwork aimed at producing premium, high-grade flake graphite concentrate. These results will underpin an updated business case, with the Company retaining flexibility regarding the project's next steps.

Bihor Sud delivered solid exploration progress in 2025. Drilling and underground work identified significant mineralisation at Valea Leucii, Dibarz, and Avram Iancu, with potential continuity across a broader area. A Competent Person's Report filed in March

2026 represents an important milestone, providing greater clarity on the project's scale and future potential.

In summary, the Company has navigated a challenging but productive year. Geopolitical and policy dynamics increasingly support our portfolio, and all three projects advanced materially. With a Norra Kärr concession decision pending at the government level, a pre-feasibility study targeted for 2026, a strengthening restart case at Woxna, and a clearer development pathway at Bihor Sud, 2026 is shaping up to be a pivotal year for the Company.

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