



# **LEADING EDGE MATERIALS CORP.**

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS  
FOR THE SIX MONTHS ENDED  
APRIL 30, 2026

*(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**  
*(Expressed in Canadian Dollars)*

	Note	April 30, 2026 \$	October 31, 2025 \$
<b>ASSETS</b>			
<b>Current assets</b>			
Cash		553,800	1,860,654
GST/VAT receivables		140,990	244,939
Prepaid expenses		149,172	142,811
Investments	3	-	29,167
<b>Total current assets</b>		<b>843,962</b>	<b>2,277,571</b>
<b>Non-current assets</b>			
Exploration and evaluation assets	4	23,499,284	22,382,097
Property, plant and equipment	5	5,323,951	5,616,789
Reclamation deposit	6	162,322	162,696
Right-of-use asset	5	23,439	29,536
<b>Total non-current assets</b>		<b>29,008,996</b>	<b>28,191,118</b>
<b>TOTAL ASSETS</b>		<b>29,852,958</b>	<b>30,468,689</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Accounts payable and accrued liabilities		291,593	384,380
Lease liability		12,881	12,755
<b>Total Current liabilities</b>		<b>304,474</b>	<b>397,135</b>
<b>Non-current liabilities</b>			
Provision for site restoration	6	5,236,259	5,444,696
Property acquisition obligation	4(a), 5	589,342	593,392
Lease liability		12,662	18,764
<b>Total non-current liabilities</b>		<b>5,838,263</b>	<b>6,056,852</b>
<b>TOTAL LIABILITIES</b>		<b>6,142,737</b>	<b>6,453,987</b>
<b>SHAREHOLDERS' EQUITY</b>			
Share capital	7	67,448,643	66,659,743
Share-based payments reserve	7(d)	10,934,346	9,924,182
Deficit		(54,672,768)	(52,569,223)
<b>TOTAL SHAREHOLDERS' EQUITY</b>		<b>23,710,221</b>	<b>24,014,702</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>		<b>29,852,958</b>	<b>30,468,689</b>

**Nature of Operations and Going Concern - Note 1**

These consolidated financial statements were approved for issue by the Board of Directors on June 19, 2026 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**

*(Expressed in Canadian Dollars)*

	Notes	Three Months Ended		Six Months Ended	
		April 30,		April 30,	
		2026	2025	2026	2025
		\$	\$	\$	\$
<b>Expenses</b>					
Accretion of provision for site restoration	6	33,184	32,218	66,368	64,436
Corporate development		14,502	27,232	67,511	110,506
Depreciation		28,784	12,754	57,310	24,567
Directors and officer's compensation	8(a)	73,490	78,270	147,210	155,779
Research, development and general exploration	4	46,697	77,449	94,147	139,957
Accounting and audit	8(b)	47,533	40,690	93,846	112,237
General and administration		27,314	20,642	73,828	57,853
Listing and regulatory costs		62,886	56,994	127,365	106,939
Operations		97,437	60,957	190,478	138,876
Salaries, compensation and benefits		61,628	41,695	104,900	79,220
Professional fees		60,358	4,886	104,698	10,856
Share based compensation	8(a)	804,590	585,529	1,010,164	714,821
Travel		23,314	31,086	35,009	50,392
		<u>1,381,717</u>	<u>1,070,402</u>	<u>2,172,834</u>	<u>1,766,439</u>
<b>Loss before other items</b>		<u>(1,381,717)</u>	<u>(1,070,402)</u>	<u>(2,172,834)</u>	<u>(1,766,439)</u>
<b>Other items</b>					
Interest income		2,393	12,286	9,366	37,762
Foreign exchange gain/(loss)		(4,429)	(117,063)	37,052	(115,373)
Mark to market adjustment loss		-	(5,969)	-	(6,632)
Gain on sale of investment		-	-	(3,311)	-
Other Income		26,155	1,980	26,182	2,298
		<u>24,119</u>	<u>(108,766)</u>	<u>69,289</u>	<u>(81,945)</u>
<b>Net loss and comprehensive loss</b>		<u>(1,357,598)</u>	<u>(1,179,168)</u>	<u>(2,103,545)</u>	<u>(1,848,384)</u>
<b>Loss per share - basic and diluted</b>		<u>(\$0.01)</u>	<u>(\$0.01)</u>	<u>(\$0.01)</u>	<u>(\$0.01)</u>
<b>Weighted average number of common shares outstanding - basic and diluted</b>		<u>256,530,449</u>	<u>232,112,501</u>	<u>252,072,769</u>	<u>232,112,501</u>

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

**LEADING EDGE MATERIALS CORP.**  
**CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY**  
*(Expressed in Canadian Dollars)*

**Six Months Ended April 30, 2026**

	<b>Share Capital</b>		<b>Share- Based Payments Reserve</b>	<b>Deficit</b>	<b>Total Equity</b>
	<b>Number of Shares</b>	<b>Amount \$</b>			
<b>Balance as at October 31, 2025</b>	<b>250,550,449</b>	<b>66,659,743</b>	<b>9,924,182</b>	<b>(52,569,223)</b>	<b>24,014,702</b>
Common shares issued for:					
Stock options Exercised	5,980,000	788,900	-	-	788,900
Share-based compensation	-	-	1,010,164	-	1,010,164
Net loss for the period	-	-	-	(2,103,545)	(2,103,545)
<b>Balance at April 30, 2026</b>	<b>256,530,449</b>	<b>67,448,643</b>	<b>10,934,346</b>	<b>(54,672,768)</b>	<b>23,710,221</b>

**Six Months Ended April 30, 2025**

	<b>Share Capital</b>		<b>Share- Based Payments Reserve</b>	<b>Deficit</b>	<b>Total Equity</b>
	<b>Number of Shares</b>	<b>Amount \$</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:					
Warrants Exercised	150,000	30,000	-	-	30,000
Share-based compensation	-	-	714,821	-	714,821
Net loss for the period	-	-	-	(1,848,384)	(1,848,384)
<b>Balance at April 30, 2025</b>	<b>232,211,949</b>	<b>63,727,686</b>	<b>9,507,535</b>	<b>(51,201,042)</b>	<b>22,034,179</b>

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

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

*(Expressed in Canadian Dollars)*

	<b>Three Months Ended</b>		<b>Six Months Ended</b>	
	<b>April 30,</b>		<b>April 30,</b>	
	<b>2026</b>	<b>2025</b>	<b>2026</b>	<b>2025</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>Operating activities</b>				
Net loss for the period	(1,357,598)	(1,179,168)	(2,103,545)	(1,848,384)
Adjustments for:				
Accretion of provision for site restoration	33,184	32,218	66,368	64,436
Depreciation	28,784	12,754	57,310	24,567
Foreign exchange	(19,239)	39,858	(3,677)	42,682
Mark to market adjustment loss	-	5,969	-	6,632
Gain/loss on sale of Investment	-	-	3,311	-
Share based compensation	804,590	585,529	1,010,164	714,821
Changes in non-cash working capital items:				
GST/VAT and other receivables	6,894	48,479	103,949	193,713
Prepaid expenses and other	11,886	5,309	(6,361)	20,889
Accounts payable and accrued liabilities	(218,815)	31,538	(92,787)	(246,458)
<b>Net cash from (used in) operating activities</b>	<b>(710,314)</b>	<b>(417,514)</b>	<b>(965,268)</b>	<b>(1,027,102)</b>
<b>Investing activity</b>				
Expenditures on exploration and evaluation assets	(537,280)	(485,862)	(1,117,187)	(1,129,514)
Proceeds from sale of investment	-	-	25,856	-
Additions to property, plant and equipment	-	(42,456)	(33,181)	(44,780)
<b>Net cash from (used in) investing activity</b>	<b>(537,280)</b>	<b>(528,318)</b>	<b>(1,124,512)</b>	<b>(1,174,294)</b>
<b>Financing activities</b>				
Issuance of common shares	788,900	30,000	788,900	30,000
Repayment of lease liabilities	(3,025)	-	(5,974)	-
<b>Net cash provided by financing activities</b>	<b>785,875</b>	<b>30,000</b>	<b>782,926</b>	<b>30,000</b>
<b>Net change in cash</b>	<b>(461,719)</b>	<b>(915,832)</b>	<b>(1,306,854)</b>	<b>(2,171,396)</b>
<b>Cash at beginning of the period</b>	<b>1,015,519</b>	<b>2,204,653</b>	<b>1,860,654</b>	<b>3,460,217</b>
<b>Cash at end of the period</b>	<b>553,800</b>	<b>1,288,821</b>	<b>553,800</b>	<b>1,288,821</b>

**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 CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE SIX MONTHS ENDED APRIL 30, 2026 AND 2025**  
*(Expressed in Canadian Dollars)*

**1. Nature of Operations and Going Concern**

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), the 100% owned Norra Kärr Heavy Rare Earths Elements ("HREE") project (Sweden) and the 90% 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 in 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 six months ended April 30, 2026, the Company recorded a net loss of \$2,103,545 and, as at April 30, 2026, the Company had an accumulated deficit of \$54,672,768 and working capital of \$539,488.

The Company currently lacks sufficient financial resources to fund its operations and meet its obligations for the next twelve months from the date these financial statements are issued. Continued operations are dependent on the Company's ability to secure additional financing.

Management is actively pursuing several options to address this liquidity shortfall, including raising capital through public or private equity financing (including a potential financing under the listed issuer financing exemption), and implementing cost-control measures to reduce operating cash burn. After the reporting date, a director and significant shareholder exercised stock options. Long-term corner stone shareholder has indicated an intention to provide continued financial support to the Company. The exercise prices of certain other stock options and warrants outstanding (Note 7) may also provide an incentive for holders to exercise these instruments, which, if exercised, would result in additional capital being raised. The Company has, in prior periods, faced similar funding requirements and has been successful in securing the financing necessary to continue its activities, and management believes it can do so again.

In addition, the Company is awaiting a final decision on the Norra Kärr mining licence from the Swedish Government. In March 2026, the Mining Inspectorate recommended that the Company's application should be approved. This followed the positive consultation responses from the County Administrative Boards ("CABs") of Jönköping and Östergötland in December last year. Norra Kärr remains Europe's most advanced heavy rare earth dysprosium project and management believes that the granting of the mining licence should improve the Company's ability to attract financing on acceptable terms.

There is no assurance that any such additional capital will be available to the Company on acceptable terms, that outstanding options or warrants will be exercised, that the mining licence will be granted, or that the indicated shareholder support will be formalised. Accordingly, the Company will restrict its activities until further financing is completed. These conditions indicate the existence of material uncertainties that may cast significant doubt about the Company's ability to continue as a going concern.

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 CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE SIX MONTHS ENDED APRIL 30, 2026 AND 2025**  
*(Expressed in Canadian Dollars)*

**2. Basis of Preparation**

***Statement of Compliance***

These consolidated financial statements have been prepared in accordance with IFRS Accounting Standards ("IFRS"), as issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC").

***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") (See Note 14)	Romania	51%

**LEADING EDGE MATERIALS CORP.**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE SIX MONTHS ENDED APRIL 30, 2026 AND 2025**  
*(Expressed in Canadian Dollars)*

**3. Investments**

Investments held by the Company are as follows:

<b>Particulars</b>	<b>April 30, 2026 \$</b>	<b>October 31, 2025 \$</b>
Shares in United Lithium Corp. (ULTH) (2025: 91,147)	-	29,167
<b>Total</b>	<b>-</b>	<b>29,167</b>

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

**4. Exploration and Evaluation Assets**

	<b>As at April 30, 2026</b>			<b>As at October 31, 2025</b>		
	<b>Acquisition Costs \$</b>	<b>Deferred Exploration Costs \$</b>	<b>Total \$</b>	<b>Acquisition Costs \$</b>	<b>Deferred Exploration Costs \$</b>	<b>Total \$</b>
Graphite Concessions	10,081	4,706	14,787	10,081	4,706	14,787
Norra Kärr	15,402,622	3,471,244	18,873,866	15,402,622	2,843,862	18,246,484
Romania	187,999	4,422,632	4,610,631	187,999	3,932,827	4,120,826
	<b>15,600,702</b>	<b>7,898,582</b>	<b>23,499,284</b>	<b>15,600,702</b>	<b>6,781,395</b>	<b>22,382,097</b>
		<b>Graphite concessions \$</b>	<b>Norra Karr \$</b>	<b>Romania \$</b>	<b>Total \$</b>	
<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 year	-	911,780	1,578,065	2,489,845		
<b>Balance at October 31, 2025</b>	<b>14,787</b>	<b>18,246,484</b>	<b>4,120,826</b>	<b>22,382,097</b>		
<b>Costs</b>						
Additions during the year	-	627,382	489,805	1,117,187		
<b>Balance at April 30, 2026</b>	<b>14,787</b>	<b>18,873,866</b>	<b>4,610,631</b>	<b>23,499,284</b>		

**LEADING EDGE MATERIALS CORP.**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE SIX MONTHS ENDED APRIL 30, 2026 AND 2025**  
*(Expressed in Canadian Dollars)*

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

(a) *Graphite Concessions*

Through Woxna, the Company holds a 100% interest in the Woxna Graphite Mine and the Kringelgruvan concession. The Woxna Graphite Mine is 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"). These concessions have all expired.

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 6.

(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. On March 10, 2026, the Mining Inspectorate submitted the Company's application for an Exploitation Concession 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.

(c) *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.

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%.

**LEADING EDGE MATERIALS CORP.**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE SIX MONTHS ENDED APRIL 30, 2026 AND 2025**  
*(Expressed in Canadian Dollars)*

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

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.

Under the provisions of the Romanian mining legislation, the Company is required to submit an annual technical/scientific report and exploration budget for the upcoming year to the Romanian Mining Authority. The Company did not make the required submission during the fiscal year as the Company is awaiting government clearance to submit the documents. As a result, the Romanian Mining Authority has the right to revoke the concession at its discretion. Management does not expect this matter to have an adverse impact on the exploration license and is working with the Romanian Mining Authority to submit the required documents. Management has also considered this matter in its assessment of impairment indicators and determined no impairment was required. See Note 13.

**5. Property, Plant and Equipment**

<b>Cost:</b>	<b>Vehicles \$</b>	<b>Equipment and Tools \$</b>	<b>Building \$</b>	<b>Manufacturing and Processing Facility \$</b>	<b>Mineral Property Acquisition and Development Costs \$</b>	<b>Right Of Use Asset \$</b>	<b>Total \$</b>
Balance at October 31, 2024	16,094	443,116	344,139	7,567,878	6,484,182	-	14,855,409
Addition	-	40,561	-	-	-	42,613	83,174
Adjustment to site restoration	-	-	-	-	194,449	-	194,449
Balance at October 31, 2025	16,094	483,677	344,139	7,567,878	6,678,631	42,613	15,133,032
Addition	-	33,181	-	-	-	-	33,181
Adjustment to site restoration	-	-	-	-	(274,805)	-	(274,805)
<b>Balance at April 30, 2026</b>	<b>16,094</b>	<b>516,858</b>	<b>344,139</b>	<b>7,567,878</b>	<b>6,403,826</b>	<b>42,613</b>	<b>14,891,408</b>
<b>Accumulated Depreciation and Impairment:</b>							
Balance at October 31, 2024	(6,174)	(268,414)	(217,514)	(3,910,218)	(5,000,000)	-	(9,402,320)
Depreciation	(2,266)	(35,254)	(33,790)	-	-	(13,077)	(84,387)
Balance at October 31, 2025	(8,440)	(303,668)	(251,304)	(3,910,218)	(5,000,000)	(13,077)	(9,486,707)
Depreciation	(1,627)	(25,320)	(24,267)	-	-	(6,097)	(57,311)
<b>Balance at April 30, 2026</b>	<b>(10,067)</b>	<b>(328,988)</b>	<b>(275,571)</b>	<b>(3,910,218)</b>	<b>(5,000,000)</b>	<b>(19,174)</b>	<b>(9,544,018)</b>
<b>Carrying Value :</b>							
Balance at October 31, 2025	7,654	180,009	92,835	3,657,660	1,678,631	29,536	5,646,325
Balance at April 30, 2026	6,027	187,870	68,568	3,657,660	1,403,826	23,439	5,347,390

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**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE SIX MONTHS ENDED APRIL 30, 2026 AND 2025**  
*(Expressed in Canadian Dollars)*

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

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.

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 April 30, 2026 the Company has recognized \$589,342 (October 31, 2025 - \$593,392) for the Property Acquisition Obligation associated with the Kringelgruvan concession, as described in Note 5(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 2.78% (2025 - 2.55%) and an inflation factor of 2.0% (2025 - 2.0%) 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>\$</b>
<b>Balance at October 31, 2024</b>	<b>5,121,374</b>
Accretion	128,872
Revision of estimates	(522,979)
Foreign exchange adjustment	717,428
	<hr/>
<b>Balance at October 31, 2025</b>	<b>5,444,696</b>
Accretion	66,368
Revision of estimates	(237,647)
Foreign exchange adjustment	(37,158)
	<hr/>
<b>Balance at April 30, 2026</b>	<b>5,236,259</b>
	<hr/>

As at April 30, 2026 reclamation deposits totaling \$162,322 (October 31, 2025 - \$162,696) have been paid. The reclamation deposits were placed as security for site restoration on the Kringelgruvan concession and on certain exploration and evaluation assets.

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**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.

(b) **Equity Financings**

*Six months Ended April 30, 2026*

During the six months ended April 30, 2026, 5,980,000 stock options were exercised for gross proceeds of \$788,900.

*Year Ended October 31, 2025*

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.

(c) **Warrants**

A summary of the number of common shares reserved pursuant to the Company's outstanding warrants at April 30, 2026 and October 31, 2025, and the changes for the periods ended on those dates is as follows:

	2026		2025	
	Number	Weighted Average Exercise Price \$	Number	Weighted Average Exercise Price \$
Balance beginning of year	79,837,630	0.20	62,856,130	0.17
Issued	-	-	17,738,500	0.32
Exercised	-	-	(750,000)	0.20
Expired	-	-	(7,000)	0.225
Balance end of year	<b>79,837,630</b>	0.20	<b>79,837,630</b>	0.20

The following table summarizes information about the number of common shares reserved pursuant to the Company's warrants outstanding and exercisable at April 30, 2026:

Number	Exercise Price \$	Expiry Date
21,639,130	0.225	August 23, 2027
33,900,000	0.20	July 23, 2028
6,560,000	0.20	September 26, 2028
17,738,500	0.32	August 14, 2029
<b>79,837,630</b>	<b>0.20</b>	

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**7. Share Capital** (continued)

(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.

*Six months Ended April 30, 2026*

7,200,000 stock options were granted at an exercise price of \$0.31 during the six months ended April 30, 2026 (2025 – 6,700,000). The value of options granted was determined using the Black-Scholes option pricing model. A weighted average grant date fair value of \$0.25211 (2025 – \$0.20253) was calculated using expected stock price volatility of 114.13%, risk free rate of 3.11% and option life of five years are based on the Company's historical share price volatility and option life.

*Year Ended October 31, 2025*

6,700,000 stock options were granted at an exercise price of \$0.24 during the year ended October 31, 2025 (2024 – 9,200,000). The value of options granted was determined using the Black-Scholes option pricing model. A weighted average grant date fair value of \$0.20253 (2024 – \$0.08075) was calculated using expected stock price volatility of 112.55%, risk free rate of 2.84% and option life of five years are based on the Company's historical share price volatility and option life.

150,000 stock options were granted at an exercise price of \$0.24 during the year ended October 31, 2025 (2024 – 450,000). The value of options granted was determined using the Black-Scholes option pricing model. A weighted average grant date fair value of \$0.17061 (2024 – \$0.06191) was calculated using expected stock price volatility of 110.75%, risk free rate of 2.65% 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 April 30, 2026 and October 31, 2025 and the changes for the year ended on those dates is as follows:

	<b>2026</b>		<b>2025</b>	
	<b>Number of Options Outstanding</b>	<b>Weighted Average Exercise Price \$</b>	<b>Number of Options Outstanding</b>	<b>Weighted Average Exercise Price \$</b>
Balance beginning of year	21,900,000	0.17	18,250,000	0.22
Issued	7,200,000	0.31	6,850,000	0.24
Exercised	(5,980,000)	0.13		
Expired	-	-	(3,200,000)	0.62
Balance end of period	<b>23,120,000</b>	0.22	<b>21,900,000</b>	0.17

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**7. Share Capital** (continued)

The following table summarizes information about the share options outstanding and exercisable at April 30, 2026:

<b>Number Outstanding</b>	<b>Number Exercisable</b>	<b>Exercise Price \$</b>	<b>Expiry Date</b>
700,000	700,000	0.20	November 3, 2027
2,700,000	2,700,000	0.195	April 26, 2028
450,000	450,000	0.10	April 26, 2027
5,220,000	5,220,000	0.10	April 25, 2029
6,700,000	4,422,000	0.24	April 23, 2030
150,000	99,000	0.24	April 23, 2028
7,200,000	2,376,000	0.31	April 27, 2031
<b>23,120,000</b>	<b>15,967,000</b>		

**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 six months ended April 30, 2026 and 2025 the following compensation was incurred:

	<b>2026 \$</b>	<b>2025 \$</b>
Directors and officer's compensation (current and former)	147,307	270,944
Share based compensation (current and former)	<u>1,001,398</u>	<u>689,056</u>
	<b>1,148,705</b>	<b>960,000</b>

As at April 30, 2026, \$7,757 (October 31, 2025 - \$ 7,798) remained unpaid and has been included in accounts payable and accrued liabilities.

Out of the total Directors' and Officers' compensation of \$273,525, CEO's compensation of \$126,315 has been capitalized to Exploration and Evaluation assets.

**9. Income per share**

As at April 30, 2026 and 2025, 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>Three months ended April 30,</b>		<b>Six months ended April 30,</b>	
	<b>2026 \$</b>	<b>2025 \$</b>	<b>2026 \$</b>	<b>2025 \$</b>
Net loss for the period	(1,357,598)	(1,179,168)	(2,103,545)	(1,848,384)
Basic weighted average number of shares outstanding	256,530,449	232,112,501	252,072,769	232,112,501
Diluted weighted average number of shares outstanding	256,530,449	232,112,501	252,072,769	232,112,501
<b>Loss per share – basic and diluted</b>	<b>(\$0.01)</b>	<b>(\$0.01)</b>	<b>(\$0.01)</b>	<b>(\$0.01)</b>

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**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:

<b>Financial Instrument</b>	<b>Category</b>	<b>April 30, 2026 \$</b>	<b>October 31, 2025 \$</b>
Cash	FVTPL	553,800	1,860,654
Reclamation deposit	amortized cost	162,322	162,696
Investments	FVTPL	-	29,167
Accounts payable and accrued liabilities	amortized cost	(291,593)	(384,380)
Property acquisition obligation	amortized cost	(589,342)	(593,392)

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, investments and property acquisition obligation approximates 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.

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

**Contractual Maturity Analysis at April 30, 2026**

	Carrying Amount \$	Contractual Cash Flows \$	Less than 3 Months \$	1 - 5 Years \$	Over 5 Years \$
Cash	553,800	553,800	553,800	-	-
Reclamation deposit	162,322	162,322	-	-	162,322
Accounts payable and accrued liabilities	(291,593)	(291,593)	(291,593)	-	-
Property acquisition obligation	(589,342)	(589,342)	-	(589,342)	-

*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 April 30, 2026, 1 Canadian Dollar was equal to 6.7872 SEK as per Swedish Central Bank and 1 Canadian Dollar was equal to 3.2654 RON as per Romania Bank. Balances are as follows:

	SEK	CDN \$ Equivalent	RON	CDN \$ Equivalent
Cash	1,000,295	147,379	113,405	34,729
VAT receivable	346,834	51,101	285,057	87,296
Reclamation deposit	748,781	110,322	-	-
Accounts payable and accrued liabilities	(1,031,910)	(152,037)	(155,192)	(47,526)
Property acquisition obligation	(4,000,000)	(589,342)	-	-
	<b>(2,936,000)</b>	<b>(432,577)</b>	<b>243,270</b>	<b>74,499</b>

Based on the net exposures as of April 30, 2026 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 \$43,258 and \$7,450 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. The Company will continue to assess new properties and seek to acquire an interest in additional properties if it feels there is sufficient geologic or economic potential and if it has adequate financial resources to do so. 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 six months ended April 30, 2026 and 2025 non-cash activities were conducted by the Company as follows:

	<b>2026</b>	<b>2025</b>
	<b>\$</b>	<b>\$</b>
Operating activity		
Provision for site restoration	(274,805)	250,710
Investing activity		
Revisions of estimates on property, plant and equipment	274,805	(250,710)

**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:

	<b>As at April 30, 2026</b>			
	<b>Corporate Canada \$</b>	<b>Mineral Operations Sweden \$</b>	<b>Mineral Operations Romania \$</b>	<b>Total \$</b>
Current assets	401,748	237,167	205,047	843,962
Exploration and evaluation assets	-	18,888,653	4,610,631	23,499,284
Property, plant and equipment	-	5,177,308	146,643	5,323,951
Reclamation deposit	-	162,322	-	162,322
Right-of-use asset	-	-	23,439	23,439
	<u>401,748</u>	<u>24,465,450</u>	<u>4,985,760</u>	<u>29,852,958</u>

  

	<b>As at October 31, 2025</b>			
	<b>Corporate Canada \$</b>	<b>Mineral Operations Sweden \$</b>	<b>Mineral Operations Romania \$</b>	<b>Total \$</b>
Current assets	1,609,534	183,891	484,146	2,277,571
Exploration and evaluation assets	-	18,261,271	4,120,826	22,382,097
Property, plant and equipment	-	5,442,493	174,296	5,616,789
Reclamation deposit	-	162,696	-	162,696
Right-of-use asset	-	-	29,536	29,536
	<u>1,609,534</u>	<u>24,050,351</u>	<u>4,808,804</u>	<u>30,468,689</u>

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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 April 30, 2026, the Company's expenditure commitment for the five-year period ending May 15, 2027 was budgeted as \$6,484,813 Euros (approx. \$9,532,675 CAD) of which \$4,610,631 CAD has been spent as at April 30, 2026. The Company is in discussions with the relevant authorities in Romania to change categories of work e.g. underground channel sampling for drilling. The proposal will generate the same volume of geological data and is intended to meet the same exploration objectives. It will also reduce expenditure.

**14. Events after the Reporting Period**

- On May 26, 2026, the Company announced it had agreed to increase its stake in the Bihor Sud Exploration Licence joint venture to 90%, following an amendment to the shareholders joint venture agreement ("JVA") originally entered into with REMAT Group Management SRL ("REMAT") on August 9, 2018. The amended shareholders JVA recognises the Company's significant investment in the licence over the past eight years.
- On June 9, 2026, the Company announced testwork results on ore sourced from the Company's 100% owned Woxna Graphite Mine ("Woxna"). The programme was designed to evaluate new processing techniques aimed at producing large-flake, high-purity flake graphite concentrate suitable for premium industrial and battery applications.