



LEADING EDGE MATERIALS CORP.

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE NINE MONTHS ENDED
JULY 31, 2024

(Unaudited - Expressed in Canadian Dollars)

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

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

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

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

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

	Note	July 31, 2024 \$	October 31, 2023 \$
ASSETS			
Current assets			
Cash		3,792,852	2,427,311
GST/VAT receivables		224,594	193,246
Prepaid expenses		58,527	110,901
Investments	3	36,250	150,462
Inventory		80,124	77,236
Plant stores and supplies		84,241	83,355
Total current assets		4,276,588	3,042,511
Non-current assets			
Exploration and evaluation assets	4	18,612,468	17,744,472
Property, plant and equipment	5	5,471,098	4,509,105
Reclamation deposit	6	94,629	91,361
Total non-current assets		24,178,195	22,344,938
TOTAL ASSETS		28,454,783	25,387,449
LIABILITIES			
Current liabilities			
Accounts payable and accrued liabilities		303,130	329,413
Non-current liabilities			
Provision for site restoration	6	5,167,653	4,173,494
Property acquisition obligation	4(a), 5	515,892	497,296
Total non-current liabilities		5,683,545	4,670,790
TOTAL LIABILITIES		5,986,675	5,000,203
SHAREHOLDERS' EQUITY			
Share capital	7	63,026,686	59,220,772
Share-based payments reserve	7(d)	8,659,417	8,016,774
Deficit		(49,217,995)	(46,850,300)
TOTAL SHAREHOLDERS' EQUITY		22,468,108	20,387,246
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		28,454,783	25,387,449

Nature of Operations - Note 1

Events after the Reporting Period – Note 14

These condensed consolidated interim financial statements were approved for issue by the Board of Directors on September 20, 2024 and are signed on its behalf by:

/s/ Eric Krafft
Eric Krafft
Director

/s/ Daniel Major
Daniel Major
Director

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

LEADING EDGE MATERIALS CORP.
CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS

(Unaudited - Expressed in Canadian Dollars)

	Notes	Three Months Ended July 31,		Nine Months Ended July 31,	
		2024	2023	2024	2023
		\$	\$	\$	\$
Expenses					
Accretion of provision for site restoration	6	31,280	10,200	93,840	30,600
Corporate development		87,320	8,822	186,461	41,264
Depreciation		7,393	16,795	20,775	28,380
Directors and officer's compensation	8(a)	115,338	46,270	208,142	135,993
Research, development and general exploration	4	192,866	10,200	404,233	72,661
Accounting and audit	8(b)	36,327	37,998	145,669	124,019
General and administration		14,892	17,737	42,204	42,618
Listing and regulatory costs		48,840	48,829	138,958	138,310
Operations		62,773	34,716	218,998	160,174
Salaries, compensation and benefits		43,008	55,220	131,795	216,730
Professional fees		9,285	12,073	40,153	14,531
Share based compensation	8(a)	133,295	-	642,643	807,592
Travel		14,453	15,090	47,561	38,692
Loss before other items		<u>(797,070)</u>	<u>(313,950)</u>	<u>(2,321,432)</u>	<u>(1,851,564)</u>
Other items					
Interest income		13,521	9,047	58,618	34,533
Foreign exchange gain/(loss)		(21,253)	(51,554)	8,964	(263,229)
Mark to market adjustment gain/(loss)		(17,475)	34,065	(114,211)	(40,925)
Write off of Exploration and Evaluation assets		-	-	-	(81,117)
Other Income		39	-	366	7,172
		<u>(25,168)</u>	<u>(8,442)</u>	<u>(46,263)</u>	<u>(343,566)</u>
Net loss and comprehensive loss		<u>(822,238)</u>	<u>(322,392)</u>	<u>(2,367,695)</u>	<u>(2,195,130)</u>
Loss per share - basic and diluted		<u>(\$0.00)</u>	<u>(\$0.00)</u>	<u>(\$0.01)</u>	<u>(\$0.01)</u>
Weighted average number of common shares outstanding - basic and diluted		<u>192,187,794</u>	<u>165,523,533</u>	<u>191,183,414</u>	<u>162,190,200</u>

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

LEADING EDGE MATERIALS CORP.
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

(Unaudited - Expressed in Canadian Dollars)

Nine Months Ended July 31, 2024					
Share Capital					
	Number of Shares	Amount \$	Share- Based Payments Reserve \$	Deficit \$	Total Equity \$
Balance at October 31, 2023	187,262,663	59,220,772	8,016,774	(46,850,300)	20,387,246
Common shares issued for:					
Warrants exercised	3,689,286	368,929	-	-	368,929
Share issued	34,400,000	3,439,985	-	-	3,439,985
Share Issue cost (Finder's Fees)	-	(3,000)	-	-	(3,000)
Share-based compensation	-	-	642,643	-	642,643
Net loss for the period	-	-	-	(2,367,695)	(2,367,695)
Balance at July 31, 2024	225,351,949	63,026,686	8,659,417	(49,217,995)	22,468,108

Nine Months Ended July 31, 2023					
Share Capital					
	Number of Shares	Amount \$	Share- Based Payments Reserve \$	Deficit \$	Total Equity \$
Balance at October 31, 2022 (as restated)	152,523,533	55,442,053	7,609,123	(44,714,802)	18,336,374
Common shares issued for:					
Warrants exercised	13,000,000	1,300,000	-	-	1,300,000
Share-based compensation	-	-	807,592	-	807,592
Net loss for the period	-	-	-	(2,195,130)	(2,195,130)
Balance at July 31, 2023	165,523,533	56,742,053	8,416,715	(46,909,932)	18,248,836

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

LEADING EDGE MATERIALS CORP.
CONSOLIDATED STATEMENTS OF CASH FLOWS

(Unaudited - Expressed in Canadian Dollars)

	Three Months Ended July 31,		Nine Months Ended July 31,	
	2024 \$	2023 \$	2024 \$	2023 \$
Operating activities				
Net loss for the period	(822,238)	(322,392)	(2,367,695)	(2,195,130)
Adjustments for:				
Accretion of provision for site restoration	31,280	10,200	93,840	30,600
Depreciation	7,393	16,795	20,775	28,380
Write off of Exploration and Evaluation assets	-	-	-	81,117
Foreign exchange	8,848	39,206	11,556	9,768
Mark to market adjustment loss	17,475	(34,065)	114,211	40,925
Sharebased compensation	133,295	-	642,643	807,592
Changes in non-cash working capital items:				
GST/VAT receivables	(51,402)	(1,776)	(31,348)	(4,272)
Prepaid expenses and other	11,794	(11,434)	52,374	(3,380)
Accounts payable and accrued liabilities	133,004	20,515	(26,283)	22,707
Net cash from (used in) operating activities	<u>(530,551)</u>	<u>(282,951)</u>	<u>(1,489,927)</u>	<u>(1,181,693)</u>
Investing activity				
Expenditures on exploration and evaluation assets	(370,475)	(177,307)	(867,996)	(579,014)
Additions to property, plant and equipment	(67,537)	-	(82,450)	(2,069)
Net cash from (used in) investing activity	<u>(438,012)</u>	<u>(177,307)</u>	<u>(950,446)</u>	<u>(581,083)</u>
Financing activities				
Issuance of common shares	3,439,985	-	3,808,914	1,300,000
Share issue costs	(3,000)	-	(3,000)	-
Net cash provided by financing activities	<u>3,436,985</u>	<u>-</u>	<u>3,805,914</u>	<u>1,300,000</u>
Net change in cash	2,468,422	(460,258)	1,365,541	(462,776)
Cash at beginning of the period	<u>1,324,430</u>	<u>1,196,018</u>	<u>2,427,311</u>	<u>1,198,536</u>
Cash at end of the period	<u>3,792,852</u>	<u>735,760</u>	<u>3,792,852</u>	<u>735,760</u>

Supplemental cash flow information – See Note 11

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

LEADING EDGE MATERIALS CORP.
NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE NINE MONTHS ENDED JULY 31, 2024
(Unaudited - Expressed in Canadian Dollars)

1. Nature of Operations

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

During the nine months ended July 31, 2024 the Company recorded a net loss of \$2,367,695 and, as at July 31, 2024, the Company had an accumulated deficit of \$49,217,995 and working capital of \$3,973,458. For the Woxna Graphite Mine the Company maintains ongoing research and development to produce higher specialty products such as high purity graphite for battery and other specialty end uses. The Company is maintaining its Woxna Graphite Mine on a "production-ready" basis to minimize costs whilst such development work is ongoing. For the Norra Kärr HREE project the Company's focus is on filing a mining lease permit application and associated environmental impact assessment. Once filed, focus will move to producing an updated Prefeasibility Study. Finally, for Bihor Sud project, the Company is planning a restart of drilling in several galleries. The objective being to add scale to the high-grade mineralization already encountered and develop an exploration target. The Company anticipates that it has sufficient funding to meet anticipated levels of corporate administration and overheads for the ensuing twelve months, however, it will need additional capital to recommence operations at the Woxna Graphite Mine and/or modernize the plant to produce value added production and to fund future development of the Norra Kärr Property. There is no assurance such additional capital will be available to the Company on acceptable terms or at all. In the longer term the recoverability of the carrying value of the Company's long-lived assets is dependent upon the Company's ability to preserve its interest in the underlying mineral property interests, the discovery of economically recoverable reserves, the achievement of profitable operations and the ability of the Company to obtain financing to support its ongoing exploration and development programs, and mining operations.

These condensed consolidated interim financial statements are prepared in accordance with International Financial Reporting 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 condensed consolidated interim 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.

2. Basis of Preparation

Statement of Compliance

These condensed consolidated interim financial statements have been prepared using accounting policies consistent with International Financial Reporting Standards ("IFRS"), and in accordance with International Accounting Standards ("IAS") 34, Interim Financial Reporting, as issued by the International Accounting Standards Board ("IASB"). These condensed consolidated interim financial statements should be read in conjunction with the audited consolidated financial statements for the year ended October 31, 2023, which have been prepared in accordance with IFRS as issued by the IASB. The accounting policies followed in these condensed consolidated interim financial statements are consistent with those applied in the Company's consolidated financial statements for the year ended October 31, 2023.

LEADING EDGE MATERIALS CORP.
NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE NINE MONTHS ENDED JULY 31, 2024
(Unaudited - Expressed in Canadian Dollars)

2. Basis of Preparation (continued)

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:

<u>Company</u>	<u>Location of Incorporation</u>	<u>Ownership Interest</u>
Flinders Holdings Limited ("Flinders Holdings")	British Columbia	100%
Woxna Graphite AB ("Woxna")	Sweden	100%
Tasman Metals Ltd.	British Columbia	100%
GREENNA Mineral AB (Formerly "Tasman Metals AB")	Sweden	100%
LEM Resources SRL ("LEM Romania")	Romania	51%

3. Investments

Investments held by the Company are as follows:

Particulars	July 31, 2024 \$	October 31, 2023 \$
132,647 shares in United Lithium Corp. (ULTH)	34,488	119,383
400,000 warrants in United Lithium Corp. (Expire on April 29, 2024)	1,762	31,079
Total	36,250	150,462

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

The value of warrants was determined using the Black-Scholes pricing model using level 2 inputs, the value was calculated based on risk-free rate of 3.59%, expected stock volatility of 111.75% and forfeiture rate of 0.0%.

68,791 ULTH shares are still held in escrow.

4. Exploration and Evaluation Assets

	As at July 31, 2024			As at October 31, 2023		
	Acquisition Costs \$	Deferred Exploration Costs \$	Total \$	Acquisition Costs \$	Deferred Exploration Costs \$	Total \$
Graphite Concessions	10,081	4,706	14,787	10,081	4,706	14,787
Norra Kärr	15,402,622	966,062	16,368,684	15,402,622	966,062	16,368,684
Romania	187,999	2,040,998	2,228,997	187,999	1,173,002	1,361,001
	15,600,702	3,011,766	18,612,468	15,600,702	2,143,770	17,744,472

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4. Exploration and Evaluation Assets (continued)

	Graphite concessions \$	Anode Project \$	Norra Kärr \$	Romania \$	Total \$
Balance at October 31, 2022	14,787	81,117	16,361,351	452,408	16,909,663
Costs					
Additions during the year	-	-	7,333	908,593	915,926
Write Off	-	(81,117)	-	-	(81,117)
Balance at October 31, 2023	14,787	-	16,368,684	1,361,001	17,744,472
Costs					
Additions during the period	-	-	-	867,996	867,996
Balance at July 31, 2024	14,787	-	16,368,684	2,228,997	18,612,468

(a) *Graphite Concessions*

Through Woxna, the Company holds a 100% interest in the Woxna Graphite Mine, comprising four concessions, known as Kringelgruvan, Mattsmyra, Gropabo and Mansberg. The Woxna Graphite Mine is located in Ovanaker Municipality, Gavleborg County, central Sweden.

In 1993 Woxna entered into agreements under which it acquired:

- (i) the Kringelgruvan concession for an initial payment of SEK 150,000 and a further payment of SEK 4,000,000 (the "Property Acquisition Obligation"); and
- (ii) the Mattsmyra, Gropabo and Mansberg concessions (the "Graphite Concessions") for an initial payment of SEK 32,500 and a further payment of SEK 1,000,000 on each of the three concessions (the "Additional Consideration").

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

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

(b) *Norra Kärr*

The Norra Kärr Property consists of an exploration permit (Norra Kärr nr 1), valid until August 31, 2026, located in south-central Sweden. The Company is re-applying for the Norra Kärr mining lease (Norra Kärr K nr 1).

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4. Exploration and Evaluation Assets (continued)

(c) *Anode Project*

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

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

(d) *Romania Exploration Alliance*

In fiscal 2017 the Company and REMAT Group Management SRL ("REMAT") agreed to pursue the investigation and initiation of a prospecting permit application over the Bihor Sud perimeter in Romania. REMAT proceeded to incorporate LEM Resources SRL ("LEM Romania") in fiscal 2017. LEM Romania successfully applied for a non-exclusive prospecting permit (the "Permit") over 25.5 square kilometers in the Bihor area (the "Project"). On August 9, 2018, the Company and REMAT completed a share purchase agreement (the "Share Purchase Agreement") and executed a shareholders' joint venture agreement (the "JV Agreement") whereby the Company acquired an initial 51% ownership interest (the "Initial Interest") in LEM Romania, by issuing 367,006 common shares of the Company at a fair value of \$165,152. As LEM Romania had no assets or liabilities at the time of acquisition of the initial interest, the Company recorded the initial consideration as general exploration expenses. A finder's fee of 5% (the "Finder's Fee") related to the Project will be paid in stages.

Under the JV Agreement the Company has agreed to issue to REMAT certain amounts of shares in the Company upon different milestones being achieved (the "Bonus Shares") as per below;

- (i) 550,509 shares upon the signing of an exploration license; (Issued on May 27, 2022)
- (ii) A maximum of 3,670,062 shares upon identification of any historic Ni-Co and/or Ag-base metal mineral resource estimates at various tonnage thresholds;
- (iii) 734,012 shares upon the filing of a NI 43-101 technical report that establishes a mineral resource on any portion of the Project, with an additional maximum 4,404,072 shares subject to such Ni-Co and/or Ag-base metal mineral resource meeting various tonnage thresholds; and
- (iv) 917,515 shares upon the filing of a Feasibility Study technical report.

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

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

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NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
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5. Property, Plant and Equipment

Cost:	Vehicles \$	Equipment and Tools \$	Building \$	Manufacturing and Processing Facility \$	Mineral Property Acquisition and Development Costs \$	Total \$
Balance at October 31, 2022	16,094	287,018	344,139	7,567,878	6,388,736	14,603,865
Addition	-	3,410	-	-	-	3,410
Adjustment to site restoration	-	-	-	-	(727,313)	(727,313)
Balance at October 31, 2023	16,094	290,428	344,139	7,567,878	5,661,423	13,879,962
Addition	-	82,450	-	-	-	82,450
Adjustment to site restoration	-	-	-	-	900,319	900,319
Balance at July 31, 2024	16,094	372,878	344,139	7,567,878	6,561,742	14,862,731
Accumulated Depreciation and Impairment:						
Balance at October 31, 2022	(4,442)	(265,163)	(168,006)	(3,910,218)	(5,000,000)	(9,347,830)
Depreciation	(732)	(1,374)	(20,922)	-	-	(23,027)
Balance at October 31, 2023	(5,174)	(266,537)	(188,928)	(3,910,218)	(5,000,000)	(9,370,857)
Depreciation	(660)	(1,240)	(18,876)	-	-	(20,776)
Balance at July 31, 2024	(5,834)	(267,777)	(207,804)	(3,910,218)	(5,000,000)	(9,391,633)
Carrying Value:						
Balance at October 31, 2023	10,920	23,891	155,211	3,657,660	661,423	4,509,105
Balance at July 31, 2024	10,260	105,101	136,335	3,657,660	1,561,742	5,471,098

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 July 31, 2024 the Company has recognized \$515,892 (October 31, 2023 - \$497,296) for the Property Acquisition Obligation associated with the Kringelgruvan concession, as described in Note 4(a)(i).

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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 1.99% (2023 – 2.998%) and an inflation factor of 2.00% (2023 – 2.00%). Settlement of the obligation is expected to be funded from general corporate funds at the time of decommissioning. Changes to the decommissioning obligation were as follows:

	\$
Balance at October 31, 2022	4,795,779
Accretion	105,028
Revision of estimates	(731,725)
Foreign exchange adjustment	4,412
Balance at October 31, 2023	4,173,494
Accretion	93,840
Revision of estimates	744,253
Foreign exchange adjustment	156,066
Balance at July 31, 2024	5,167,653

As at July 31, 2024 reclamation deposits totaling \$94,629 (October 31, 2023 - \$91,361) have been paid. The reclamation deposits were placed as security for site restoration on the Kringelgruvan concession and on certain exploration and evaluation assets.

As at July 31, 2024 the Mattsmyra, Gropabo and Mansberg concessions remain undeveloped and there are no property restoration obligations relating to these concessions.

7. Share Capital

(a) **Authorized Share Capital**

The Company's authorized share capital consists of an unlimited number of common shares without par value. All issued common shares are fully paid.

(b) **Equity Financings**

Nine Months ended July 31, 2024

During nine months ended July 31, 2024, 3,689,286 warrants were exercised for gross proceeds of \$368,929.

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

Year Ended October 31, 2023

During the year ended October 31, 2023, 13,000,000 warrants were exercised for gross proceeds of \$1,300,000.

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7. Share Capital (continued)

On August 23, 2023, the Company completed a private placement financing of 21,739,130 units at a price of \$0.115 per unit for gross proceeds of \$2,500,000. 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 \$0.225 per share, expiring August 23, 2027. The Company paid finders' fees of \$20,930 cash and issued 7,000 finder's warrants.

(c) **Warrants**

During nine months ended July 31, 2024, 3,689,286 warrants were exercised for gross proceeds of \$368,929 and 390,000 warrants were expired.

A summary of the number of common shares reserved pursuant to the Company's outstanding warrants at July 31, 2024 and October 31, 2023 and the changes for the periods ended on those dates is as follows:

	2024		2023	
	Number	Weighted Average Exercise Price \$	Number	Weighted Average Exercise Price \$
Balance beginning of period	57,825,416	0.17	49,079,286	0.17
Issued	34,400,000	0.20	21,746,130	0.225
Exercised	(3,689,286)	0.10	(13,000,000)	0.10
Expired	(390,000)	0.10	-	-
Balance end of period	88,146,130	0.18	57,825,416	0.21

The following table summarizes information about the number of common shares reserved pursuant to the Company's warrants outstanding and exercisable at July 31, 2024:

Number	Exercise Price \$	Expiry Date
32,000,000	0.20	August 7, 2024
7,000	0.225	August 23, 2025
21,739,130	0.225	August 23, 2027
34,400,000	0.20	July 23, 2028
88,146,130		

(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.

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

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7. Share Capital (continued)

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

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

A summary of the Company's share options at July 31, 2024 and October 31, 2023 and the changes for the period ended on those dates is as follows:

	2024		2023	
	Number of Options Outstanding	Weighted Average Exercise Price \$	Number of Options Outstanding	Weighted Average Exercise Price \$
Balance beginning of period	8,600,000	0.36	8,070,000	0.43
Issued	9,650,000	0.10	5,400,000	0.20
Exercised	-	-	-	-
Expired	-	-	(4,870,000)	0.29
Balance end of period	18,250,000	0.22	8,600,000	0.36

The following table summarizes information about the share options outstanding and exercisable at July 31, 2024:

Number Outstanding	Number Exercisable	Exercise Price \$	Expiry Date
3,200,000	3,200,000	0.62	January 27, 2025
500,000	330,000	0.195	April 26, 2026
700,000	231,000	0.20	November 3, 2027
4,200,000	2,772,000	0.195	April 26, 2028
450,000	148,500	0.10	April 26, 2027
9,200,000	3,036,000	0.10	April 25, 2029
18,250,000	9,717,500		

8. Related Party Disclosures

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

(a) During the periods ended July 31, 2024 and 2023 the following compensation was incurred:

Particulars	Three months Ended July 31,		Nine months Ended July 31,	
	2024 \$	2023 \$	2024 \$	2023 \$
Directors and officer's compensation	115,338	46,270	208,142	135,993
Share based compensation (current and former)	-	-	577,426	676,134
	115,338	46,270	785,568	812,127

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8. Related Party Disclosures (continued)

As at July 31, 2024, \$51,463 (October 31, 2023 - \$4,536) remained unpaid and has been included in accounts payable and accrued liabilities.

- (b) SKS Business Services Ltd., a private corporation owned by Sanjay Swarup (appointed as Chief Financial Officer ("CFO") of the Company on March 1, 2021), provides accounting and administrative services. During the nine months ended July 31, 2024, the Company incurred \$43,894 (2023 - \$43,436 for accounting services by SKS Business Services.

9. Income per share

As at July 31, 2024 and 2023, 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:

Particulars	Three months ended July 31,		Nine months ended July 31,	
	2024 \$	2023 \$	2024 \$	2023 \$
Net loss for the period	(822,238)	(322,392)	(2,367,695)	(2,195,130)
Basic weighted average number of shares outstanding	192,187,794	165,523,533	191,183,414	162,190,200
Diluted weighted average number of shares outstanding	192,187,794	165,523,533	191,183,414	162,190,200
Loss per share - basic and diluted	(\$0.00)	(\$0.00)	(\$0.01)	(\$0.01)

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:

Financial Instrument	Category	July 31, 2024 \$	October 31, 2023 \$
Cash	FVTPL	3,792,852	2,427,311
Reclamation deposit	amortized cost	94,629	91,361
Investments	FVTPL	36,250	150,462
Accounts payable and accrued liabilities	amortized cost	(303,130)	(329,413)
Property acquisition obligation	amortized cost	(515,892)	(497,296)

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.

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10. Financial Instruments and Risk Management (continued)

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

The recorded amounts for amounts receivable and accounts payable and accrued liabilities approximate their fair value due to their short-term nature. The recorded amounts for the reclamation deposit and property acquisition obligation approximate their fair value. The Company's fair value of cash under the fair value hierarchy is measured using Level 1.

The Company's risk exposures and the impact on the Company's financial instruments are summarized below:

Credit Risk

Credit risk is the risk of loss associated with a counterparty's inability to fulfill its payment obligations. The Company's credit risk is primarily attributable to cash, amounts receivable and reclamation deposit. Management believes that the credit risk concentration with respect to financial instruments included in cash, amounts receivable and reclamation deposit is remote.

Liquidity Risk

Liquidity risk is the risk that the Company will not have the resources to meet its obligations as they fall due. The Company manages this risk by closely monitoring cash forecasts and managing resources to ensure that it will have sufficient liquidity to meet its obligations. The following table is based on the contractual maturity dates of financial assets and liabilities and the earliest date on which the Company can be required to settle financial liabilities.

Contractual Maturity Analysis July 31, 2024

	Carrying Amount \$	Contractual Cash Flows \$	Less than 3 Months \$	1 - 5 Years \$	Over 5 Years \$
Cash	3,792,852	3,792,852	3,792,852	-	-
Reclamation deposit	94,629	94,629	-	-	94,629
Investments	36,250	36,250	-	36,250	-
Accounts payable and accrued liabilities	(303,130)	(303,130)	(303,130)	-	-
Property acquisition obligation	(515,892)	(515,892)	-	(515,892)	-

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 July 31, 2024, 1 Canadian Dollar was equal to 7.7536 SEK as per Swedish Central Bank and 1 Canadian Dollar was equal to 3.3288 RON as per Romania Bank .

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10. Financial Instruments and Risk Management (continued)

Balances are as follows:

	SEK	CDN \$ Equivalent	RON	CDN \$ Equivalent
Cash	2,279,019	293,932	247,002	74,202
VAT receivable	373,008	48,108	567,721	170,549
Inventories	621,246	80,124	-	-
Plant stores and supplies	653,168	84,241	-	-
Reclamation deposit	733,712	94,629	-	-
Accounts payable and accrued liabilities	(202,089)	(26,064)	(295,982)	(88,916)
Property acquisition obligation	(4,000,000)	(515,892)	-	-
	458,064	59,078	518,741	155,835

Based on the net exposures as July 31, 2024 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 \$5,908 & \$15,584 higher or lower.

Capital Management

The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company, in order to support the acquisition and exploration mineral properties. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain development of the business. The Company defines capital that it manages as share capital and cash. Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable.

11. Supplemental Cash Flow Information

During the nine months ended July 31, 2024 and 2023 non-cash activities were conducted by the Company as follows:

	2024 \$	2023 \$
Operating activity		
Provision for site restoration	900,318	(219,992)
Investing activity		
Revisions of estimates on property, plant and equipment	(900,318)	219,992

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12. Segmented Information

The Company is involved in the exploration and development of resource properties in Sweden and Romania with corporate operations in Canada and accordingly, has no reportable segment revenues or operating results. The Company's total assets are segmented geographically as follows:

	As at July 31, 2024			
	Corporate Canada	Mineral Operations Sweden	Mineral Operations Romania	Total
	\$	\$	\$	\$
Current assets	3,468,702	563,135	244,751	4,276,588
Exploration and evaluation assets	-	16,383,471	2,228,997	18,612,468
Property, plant and equipment	-	5,389,481	81,617	5,471,098
Reclamation deposit	-	94,629	-	94,629
	3,468,702	22,430,716	2,555,365	28,454,783

	As at October 31, 2023			
	Corporate Canada	Mineral Operations Sweden	Mineral Operations Romania	Total
	\$	\$	\$	\$
Current assets	2,144,215	700,431	197,865	3,042,511
Exploration and evaluation assets	-	16,383,471	1,361,001	17,744,472
Property, plant and equipment	-	4,506,344	2,761	4,509,105
Reclamation deposit	-	91,361	-	91,361
	2,144,215	21,681,607	1,561,627	25,387,449

13. Commitments

In Romania, for exploration licenses applied through the public bid process, an investment offer is presented for each exploration license, the offer of which represents the total amounts required to be spent in order to maintain possession of the concession area at the end of the five-year investment period. Accordingly, should the Company wish to retain possession of the exploration license in Romania it holds as at October 31, 2023, the Company's expenditure commitment for the five-year period ending May 15, 2027 is \$6,484,813 Euros (approx. \$9,532,675 CAD) of which \$2,228,997 CAD has been spent as at July 31, 2024.

14. Events after the Reporting Period

On August 11, 2024 the Company announces that an application for Strategic Project designation for the Norra Kärr Heavy Rare Earths Project has been submitted. The European Commission has indicated that the first list of Strategic Projects will be announced in December 2024.