



LEADING EDGE MATERIALS CORP.

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TSX.V: LEM | Nasdaq First North: LEMSE | OTCQB: LEMIF | FRA: 7FL

NEWS RELEASE

March 22, 2024

LEADING EDGE MATERIALS REPORTS QUARTERLY RESULTS TO JANUARY 31, 2024

Vancouver, March 22, 2024 – Leading Edge Materials Corp. (“Leading Edge Materials” or the “Company”) (TSXV: LEM) (Nasdaq First North: LEMSE) (OTCQB: LEMIF) (FRA: 7FL) announces results for the fiscal period ending January 31, 2024. All references to dollar amounts in this release are in Canadian dollars.

Highlights During and After the Quarter

During the three months ended January 31, 2024:

- On December 14, 2023, the company announced it has received further positive assay results for Co-Ni-Au from Gallery 7. This second batch of 104 samples prolongate the zone of Co-Ni-Au-occurrences by about 250 m to a total length of roughly 400 m NNW-SSE, and constitute the central-southern part of G7 at the Bihor Sud project in Romania. Highlights include 6.7% Co, 13.0% Ni, 7.5 g/t Au.
- On December 21, 2023, 314,286 warrants were exercised at an average price of \$0.10 per share for gross proceeds of \$31,428.
- On December 28, 2023, 3,375,000 warrants were exercised at an average price of \$0.10 per share for gross proceeds of \$337,500.

Results of Operations

Three Months Ended January 31, 2024, Compared to Three Months Ended October 31, 2023

During the three months ended January 31, 2024 (“Q1 2024”) the Company reported a net loss of \$685,928 compared to a reported net loss of \$387,343 for the three months ended October 31, 2023 (“Q4 2023”), a increase in loss by \$298,585, the increase in loss mainly due to share based compensation expenses of \$159,472 (Q4 2023- \$46,683), foreign exchange gain \$35,971 (Q4 2023- gain \$125,700) and net mark to market adjustment loss of \$86,074 (Q4 2023- gain \$42,550).

Three Months Ended January 31, 2024, Compared to Three Months Ended January 31, 2023

During the three months ended January 31, 2024 (“2024 period”), the Company reported a net loss of \$685,928 compared to a net loss of \$637,135 for the three months ended January 31, 2023 (“2023 period”), a increase in loss of \$48,793, the increase in loss mainly due to Research, development and general exploration expenses of \$117,350 (Q1 2023- \$32,797).

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 2024	Fiscal 2023				Fiscal 2022		
Three Months Ended	January 31, 2024 \$	October 31, 2023 \$	July 31, 2023 \$	April 30, 2023 \$	January 31, 2023 \$	October 31, 2022 (Restated) \$	July 31, 2022 (Restated) \$	April 30, 2022 (Restated) \$
Operations								
Expenses	(660,617)	(582,552)	(313,950)	(1,048,182)	(489,432)	(860,062)	(685,569)	(700,413)
Other items	(25,311)	195,209	(8,442)	(187,421)	(147,703)	308,721	(190,659)	(356,226)
Comprehensive profit/(loss)	(685,928)	(387,343)	(322,392)	(1,235,603)	(637,135)	(551,341)	(876,228)	(1,056,639)
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	2,316,098	2,713,098	848,952	1,344,044	2,124,643	1,365,657	1,686,095	2,396,484
Total assets	26,003,943	25,387,449	23,584,544	24,181,654	24,845,430	23,832,418	24,827,062	25,000,847
Total non-current liabilities	(5,489,843)	(4,670,790)	(5,109,575)	(5,404,808)	(5,556,603)	(5,292,618)	(6,159,922)	(6,045,964)

Financial Condition / Capital Resources

During the three months ended January 31, 2024, the Company recorded a net loss of \$685,928 and, as of January 31, 2024, the Company had an accumulated deficit of \$47,536,228 and working capital of \$2,316,098. The Company is maintaining its Woxna Graphite Mine on a “production-ready” basis to minimize costs and is conducting ongoing research and development to produce higher value specialty products. The Company is also evaluating a potential restart of production at the Woxna Graphite Mine. The Company anticipates that it has sufficient funding to meet anticipated levels of corporate administration and overheads for the ensuing twelve months however, it will need additional capital to provide working capital and recommence operations at the Woxna Graphite Mine, establish a production facility for the Anode Project, to fund future development of the Norra Karr Property or to complete exploration activities in Romania. There is no assurance such additional capital will be available to the Company on acceptable terms or at all. In the longer term the recoverability of the carrying value of the Company's long-lived assets is dependent upon the Company's ability to preserve its interest in the underlying mineral property interests, the discovery of economically recoverable reserves, the achievement of profitable operations and the ability of the Company to obtain financing to support its ongoing exploration programs and mining operations.

Outlook

We continue to see European policy initiatives increasingly taking shape as industrial policy, hardly seen in the western world since WW2. The object of improving European competitiveness is clear. We have in previous notes followed how this has developed via the general climate agenda, the Critical Raw Materials Act and the Net-Zero Industry Act. Relevant to us is that one of the fundamental starting points is access to raw materials and process technologies of these.

Woxna Graphite Mine

We maintain our built and permitted Woxna graphite mine and plant on care and maintenance, while monitoring market signals to consider a restart of graphite concentrate production, as the first step to developing a downstream anode business. Despite the looming demand-supply deficit, flake graphite prices have remained weak this past year.^[1] Increased capacity in Chinese synthetic graphite production has been an important factor^[2]. It is estimated that China accounts for 92% of global anode production^[3]. This is important as it leads to constraints and impairs competitiveness for European auto industry.

Of course, this offers Sweden a great opportunity as a producer, and Woxna a first mover advantage to help address this.

Norra Kärr Heavy Rare Earth Project

At our Norra Kärr development project, we are working fully focused on our mining lease application. We aim to have this submitted within 12 months from now.

As this is done based on the new 2021 design of this project, we are benefitting from authorities and other stakeholders evaluating the merits of the project based on recent plans that substantially reduce the potential for environmental risk. During this year we plan to establish an office near site from which this work and the important initiatives around social license and stakeholder engagement will be carried out.

Norra Kärr, as one of the largest HREE deposits globally, and the most advanced one in the EU, has the potential to be a cornerstone supplier to Western magnet producers^[4].

Additionally, with Sweden recently having joined NATO, we feel the importance of Norra Kärr may become more pronounced also outside the EU.

Bihor Sud Nickel-Cobalt Exploration Project

Since having obtained permission to enter our underground galleries last year, this project has been advancing rapidly. As we have reported during the past year, we have encountered and assayed high grades of Co-Ni-Au and Cu-Zn-Pb-Ag mineralization's over large distances underground.

These results confirm our belief that this is a high prospective exploration project with potential for both scale and high-grade mineralization.

We have retained possession of an underground drill, which is being prepared to be put to work in areas from the inside of the G4 and G7 galleries.

During spring we plan a surface drill program on 50-100 m deep geophysical anomalies and to explore the depth extent of G7 Co-Ni-mineralization.

Additionally, we have entered our next target, Gallery 2, for which we have high expectations.

As far as exploration projects go, we feel that this is an exceptional one, and we are hopeful for plenty of news flow during the coming quarters.

^[1]https://source.benchmarkminerals.com/article/why-battery-material-prices-slumped-under-pressure-in-the-first-half-of-2023?mc_cid=1c25ba3e5d&mc_eid=33b1527344

^[2]https://source.benchmarkminerals.com/article/natural-graphite-market-dominated-by-oversupply-2023-in-review?mc_cid=2a16054797&mc_eid=33b1527344

^[3]https://source.benchmarkminerals.com/article/in-charts-why-decoupling-from-chinas-anode-market-could-be-difficult-for-the-west?mc_cid=b3fbca6cc2&mc_eid=33b1527344

^[4] <https://www.fastmarkets.com/insights/rare-earth-magnet-production-outside-asia-gearing-up-2024-preview/>

Financial Information

The report for three months ending April 30, 2024, is expected to be published on or about June 21, 2024.

On behalf of the Board of Directors, Leading Edge Materials Corp.

Eric Krafft, Interim CEO

For further information, please contact the Company at:

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About Leading Edge Materials

Leading Edge Materials is a Canadian public company 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), Norra Karr HREE project (Sweden) and the 51% owned Bihor Sud Nickel Cobalt exploration alliance (Romania).

Additional Information

The Company's financial statements for the fiscal period ended January 31, 2024 and related management's discussion and analysis are available on the Company's website at www.leadingedgematerials.com or under its profile on SEDAR at www.sedarplus.com.

The information was submitted for publication through the agency of the contact person set out above, on March 22, 2024 at 10:00 am Vancouver time.

Leading Edge Materials is listed on the TSXV under the symbol "LEM", OTCQB under the symbol "LEMIF" and Nasdaq First North Stockholm under the symbol "LEMSE". Mangold Fondkommission AB is the Company's Certified Adviser on Nasdaq First North and may be contacted via email CA@mangold.se or by phone +46 (0) 8 5030 1550.

Reader Advisory

Certain information in this news release 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 Karr 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. The Woxna project has never defined a mineral reserve. On June 9, 2021, Leading Edge announced the results of an independent preliminary economic assessment for the development of Woxna (the "2021 Woxna PEA"), the full details of which are included in a technical report entitled "NI 43-101 Technical Report – Woxna Graphite" prepared for Woxna Graphite AB with effective date June 9, 2021 and issue date July 23, 2021, available on Leading Edge's website www.leadingedgematerials.com and under its SEDAR profile www.sedar.ca. The 2021 Woxna PEA is preliminary in nature, it includes inferred mineral resources that are considered too speculative geologically to have the economic considerations applied to them that would enable them to be categorized as mineral reserves, and there is no certainty that the preliminary economic assessment will be realized. Mineral resources that are not mineral reserves do not have demonstrated economic viability. On July 22, 2021, Leading Edge announced the results of an independent preliminary economic assessment for the development of Norra Karr (the "2021 Norra Karr PEA"), the full details of which are included in a technical report titled "PRELIMINARY ECONOMIC ASSESSMENT OF NORRA KARR RARE EARTH DEPOSIT AND POTENTIAL BY-PRODUCTS, SWEDEN" prepared for Leading Edge Materials Corp. with effective date August 18, 2021 and issue date August 19, 2021, available on Leading Edge's website www.leadingedgematerials.com and under its SEDAR profile www.sedar.ca. The 2021 Norra Karr PEA is preliminary in nature, it includes inferred mineral resources that are considered too speculative geologically to have the economic considerations applied to them that would enable them to be categorized as mineral reserves, and there is no certainty that the preliminary economic assessment will be realized. Mineral resources that are not mineral reserves do not have demonstrated economic viability. 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.

On March 11, 2020, the World Health Organization ("WHO") declared the novel coronavirus outbreak identified as "COVID-19", as a global pandemic. In order to combat the spread of COVID-19 governments worldwide have enacted emergency measures including travel bans, legally enforced or self-imposed quarantine periods, social distancing and business and organization closures. These measures have caused material disruptions to businesses, governments and other organizations resulting in an economic slowdown and increased volatility in national and global equity and commodity markets. The Company has implemented safety and physical distancing procedures, including working from home where possible and ceased all travel, as recommended by the various governments. The Company will continue to monitor the impact of the COVID-19 outbreak, the duration and impact which is unknown at this time, as is the efficacy of any intervention. It is not possible to reliably estimate the length and severity of these developments and the impact on the financial results and condition of the Company and its operations in future periods.