



LEADING EDGE MATERIALS CORP.

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

NEWS RELEASE

September 20, 2023

LEADING EDGE MATERIALS REPORTS QUARTERLY RESULTS TO JULY 31, 2023

Vancouver, September 20, 2023 – Leading Edge Materials Corp. (“Leading Edge Materials” or the “Company”) (TSXV: LEM) (Nasdaq First North: LEMSE) (OTCQB: LEMIF) (FRA: 7FL) third quarter results for the period ending July 31, 2023. All references to dollar amounts in this release are in Canadian dollars.

Highlights During and After the Quarter

During the three months ended July 31, 2023:

- On June 1, 2023, the Company announced in-situ assay results at over 30% Nickel and 4.7% Cobalt at Bihor Sud. Additionally, surface trench assay results indicate a zone of Pb-Zn-Ag mineralisation.

Subsequent to July 31, 2023:

- On August 23, 2023, company announced the closing of the non-brokered private placement financing. Pursuant to the Private Placement, the Company has issued 21,739,130 units at a price of C\$0.115 per unit for aggregate gross proceeds of C\$2,500,000.

Results of Operations

Three Months Ended July 31, 2023, Compared to Three Months Ended April 30, 2023

During the three months ended July 31, 2023 (“Q3 2023”) the Company reported a net loss of \$322,392 compared to a reported net loss of \$1,235,603 for the three months ended April 30, 2023 (“Q2 2023”), an decrease in loss by \$913,211 the decrease in loss mainly due to share-based compensation related to granting of stock options under the Company’s stock option plan of \$710,563 in Q2 2023 compared to share-based compensation of \$Nil in Q3 2023.

Three Months Ended July 31, 2023, Compared to Three Months Ended July 31, 2022

During the three months ended July 31, 2023 (“2023 period”), the Company reported a net loss of \$322,392 compared to a net loss of \$609,709 for the three months ended July 31, 2022 (“2022 period”), an decrease in loss of \$287,317, the decrease in loss mainly due to mark to market gain of \$34,065 (2022 period loss-\$126,036) and Directors and officer’s compensation of \$46,270 (2022 period - \$97,482).

Specific expenses of note during three months ended July 31, 2023 are as follows:

- incurred \$46,270 (2022 - \$97,482) for directors and officer’s compensation.
- incurred \$48,829 (2022 - \$67,500) for listing and regulatory fees with respect to ongoing fees for the Company’s listing of its common shares on the TSXV, Nasdaq First North and OTC exchanges.
- incurred a total of \$37,998 (2022 - \$29,915) for accounting and audit out of which the Company incurred \$14,390 (2022 - \$11,827) for accounting services of SKS Business Services along with \$7,677 (2022 - \$7,373) for bookkeeping and accounting services for subsidiary companies provided by other independent accountants;
- incurred research, development and general exploration expense of \$10,200 (2022 - \$26,240);
- incurred \$34,716 (2022 - \$67,191) in costs for operations.

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.

Three Months Ended	Fiscal 2023			Fiscal 2022				Fiscal 2021
	July 31, 2023 \$	April 30, 2023 \$	January 31, 2023 \$	October 31, 2022 \$	July 31, 2022 \$	April 30, 2022 \$	January 31, 2022 \$	October 31, 2021 \$
Operations								
Expenses	(313,950)	(1,048,182)	(570,549)	(425,075)	(419,050)	(433,894)	(1,874,407)	(583,391)
Other items	(8,442)	(187,421)	(66,586)	308,721	(190,659)	(356,226)	(219,942)	28,466
Comprehensive profit/(loss)	(322,392)	(1,235,603)	(637,135)	(116,354)	(609,709)	(790,120)	(2,094,349)	(554,925)
Basic Profit/(loss) per share	(0.00)	(0.01)	(0.00)	(0.00)	(0.00)	(0.01)	(0.01)	(0.00)
Diluted profit/(loss) per share	(0.00)	(0.01)	(0.00)	(0.00)	(0.00)	(0.01)	(0.01)	(0.00)
Financial Position								
Working capital	848,952	1,344,044	2,124,643	1,365,657	1,686,095	2,396,484	3,236,870	2,350,166
Total assets	23,584,544	24,181,654	24,845,430	23,832,418	24,827,062	25,000,847	30,597,341	28,756,406
Total non-current liabilities	(5,109,575)	(5,404,808)	(5,556,603)	(5,292,618)	(6,159,922)	(6,045,964)	(10,812,012)	(9,946,686)

Financial Condition / Capital Resources

During the three months ended July 31, 2023, the Company recorded a net loss of \$322,392 as of July 31, 2023, the Company had an accumulated deficit of \$46,909,932 and working capital of \$848,952. 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

As mentioned in our last quarterly update¹, there are numerous new political and legislative initiatives to support mining and processing of critical raw materials in the EU. We are pleased to see the increasing political support focused on these key themes given their importance, tying together the issues of climate change, resilient supply chains for products needed to sustain our way of life, decreased dependence on regions which may not share our western values and future jobs. We feel that our Company has an important role to play in this reality and have projects particularly well positioned to benefit from these trends.

In addition to the EU Critical Raw Materials Act, which is well in process towards becoming legislation, there are increasing suggestions² for various ways the EU could stimulate direct funding of underlying projects in the short to midterm. Again, reading between the lines, we conclude that there is a definite sense of urgency in Europe (as in the US) to catch up with the enviable position of players in Asia.

As reported, the Company did a recent private placement raising gross proceeds of CAD 2.5m. More than half of this was subscribed by insiders, demonstrating continued commitment and conviction in our prospects. The remainder was taken up by a small number of professional long term sector investors.

Woxna Graphite Mine

In terms of our assets and the underlying materials needed for the green transition, natural graphite remains a particularly interesting commodity according to many analysts³. This because graphite is a core component in almost all lithium-ion

¹ <https://leadingedgematerials.com/leading-edge-materials-reports-quarterly-results-to-april-30-2023/>

² <https://www.transportenvironment.org/discover/expansion-of-the-eu-innovation-fund-needed-for-battery-supply-chain/>

³ <https://www.fastmarkets.com/insights/graphite-market-outlook-five-key-factors-to-watch>

chemistries, with extreme dependence on Asian supply chains and importance to help decarbonize battery anodes. Many analysts predict a six- to sevenfold increase in graphite demand by 2030⁴, amongst the most severe of any commodity.

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 graphite prices have remained weak to date this year.⁵

The attractiveness of owning a built mine once the underlying commodity increases in value can't be overstated. This is why we are confident that Woxna will offer us a tremendous opportunity to benefit from the demand-supply imbalance.

Additionally, there are signs that bifurcated markets are developing for battery materials, those from China and those of Western origins. This stems from both ESG and other concerns⁶ and may be seen in differentiated pricing⁷. Of course, Sweden has a great opportunity as a producer, and Woxna a first mover advantage.

Norra Kärr Heavy Rare Earth Project

At our Norra Kärr development project, we are progressing work with a Natura 2000 permit application. 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. In parallel, we have started working towards a new mining lease application as well as evaluating the most appropriate next stages of feasibility development.

Quite a bit has been happening recently in the rare earth and permanent magnet space. Prices for the magnet metals have increased⁸ because of supply concerns in Asia. We are told that China, being the dominant processor of concentrate and magnet producer, is actively trying to tie up supply around the world. In particular, it is the heavy rare earths which are a challenge to secure, with prices squeezing higher⁹.

Across the Baltic Sea, the Canadian company Neo Performance Materials have broken ground on building a rare earth permanent magnet factory in Estonia¹⁰. This is important as it demonstrates, as we have said, the emergence of new Western producers of these critical products. Norra Kärr, as one of the largest HREE deposits globally, and the only one in the EU, has the potential to be a cornerstone supplier to Western magnet producers.

Bihor Sud Nickel-Cobalt Exploration Project

Since having obtained permission to enter our underground galleries in January, this project has been advancing rapidly. Results are encouraging: in the first target gallery G7 we have encountered visual Co-Ni mineralization over 135 m until a collapsed zone in mineralized rocks which is currently being cleaned out to open another 900 m of gallery. This is important since it appears that mineralized zone continues beyond the collapsed rocks. Further extensive Co-Ni mineralization has been identified 50 m above G7 in a cross cut coming from the higher level gallery G4.

As communicated, in situ samples from G7 gallery walls have assayed up to 30% Ni and 4.7% Co while surface trench assay results indicate a zone of Pb-Zn-Ag mineralization. These results confirm our belief that this is a high prospective exploration project with potential for both scale and high-grade mineralization.

Line sampling of the Co-Ni-mineralization in G7 and the Pb-Zn-Cu-Ag mineralization in G4 was completed and samples sent for assaying. Results are expected shortly, and follow-up channel sampling is currently underway.

We are working towards doing a surface drill program on 50-100 m deep geophysical anomalies and to explore the depth extent of G7 Co-Ni-mineralization, as well as an underground drill program from inside G4 and G7.

⁴ <https://www.economist.com/finance-and-economics/2023/09/11/how-to-avoid-a-green-metals-crunch>

⁵ https://source.benchmarkminerals.com/article/why-battery-material-prices-slumped-under-pressure-in-the-first-half-of-2023?mc_cid=1c25ba3e5d&mc_eid=33b1527344

⁶ <https://aheadoftheherd.com/import-ban-on-goods-made-with-chinese-slave-labor-extended-to-electric-car-batteries-richard-mills/>

⁷ <https://www.spglobal.com/marketintelligence/en/news-insights/latest-news-headlines/north-american-graphite-market-to-disconnect-from-chinese-prices-76963809>

⁸ <https://www.reuters.com/markets/commodities/chinese-rare-earth-prices-hit-20-month-high-myanmar-supply-worry-2023-09-07/>

⁹ <http://news.chinatungsten.com/en/component/content/article/14-tungsten-news-en/tungsten-product-news/158697-tpn-12740.html>

¹⁰ <https://energydigital.com/articles/neo-produces-specialised-magnets-for-clean-energy-tech>

Financial Information

The annual audited consolidated financial statements for the year ending October 31, 2023, is expected to be published on or about January 24, 2024.

The Company also announces that in connection with the recently private placement closed on August 23, 2023, the Company issued 7,000 finder's warrants (the "Warrants") to an arm's length third party as a finder fee on a portion of the private placement. Each Warrant will entitle the holder to purchase one Common Share (a "Warrant Share") at a price of C\$0.225 per Warrant Share until the date which is two (2) years from the closing date of the Private Placement (the "Closing Date").

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 unaudited consolidated financial statements for the nine months ended July 31, 2023 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.ca

The information was submitted for publication through the agency of the contact person set out above, on September 20, 2023, at 12:30 pm 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 or a feasibility study and the associated increased risk of technical and economic failure in case of restarting production; risks relating to the preliminary and non-binding nature of the MOU with Sicona. 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.