



## LEADING EDGE MATERIALS CORP.

14<sup>th</sup> floor, 1040 West Georgia Street, Vancouver, BC, V6E 4H1  
info@leadingedgematerials.com | www.leadingedgematerials.com  
TSX.V: LEM | Nasdaq First North: LEMSE | OTCQB: LEMIF | FRA: 7FL

NEWS RELEASE

January 24, 2025

### LEADING EDGE MATERIALS REPORTS FISCAL 2024 RESULTS

**Vancouver, January 24, 2025 – 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 year ending October 31, 2024. All references to dollar amounts in this release are in Canadian dollars.

#### Highlights During and After the Fiscal 2024

During the fiscal year ended October 31, 2024:

- On December 14, 2023, the Company announced further positive assay results for Co-Ni-Au from gallery G7 at the Bihor Sud project in Romania. The findings extend the zone of identified 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. Highlights included 6.7% Co, 13.0% Ni, 7.5 g/t Au.
- On May 19, 2024, Mr. Kurt Budge was appointed Chief Executive Officer of the Company.
- On June 18, 2024, at Bihor Sud, the Company announced that it had identified extensive Zn-Pb-Ag+/-Cu mineralization in galleries G2 and G7.
- On July 23, 2024, the Company closed the first tranche of the private placement announced previously on July 15, 2024, issuing 34,400,000 common shares at a price of \$0.10/share for gross proceeds of \$3,440,000.
- On August 11, 2024, the Company announced that an application for Strategic Project designation for the Norra Kärr Heavy Rare Earths (“HREE”) Project has been submitted.
- On September 26, 2024, Company closed the second and final tranche of the private placement announced previously on July 15, 2024, issuing 6,710,000 common shares at a price of \$0.10/share for gross proceeds of \$671,000.

After the fiscal year ended October 31, 2024:

- On December 8, 2024, the Company applied to the Mining Inspectorate of Sweden (“Bergsstaten”) for an Exploitation Concession (“Bearbetningskoncession”) 25-year mining lease for Norra Kärr.

#### Results of Operations

*Three Months Ended October 31, 2024, Compared to Three Months Ended July 31, 2024*

During the three months ended October 31, 2024 (“Q4 2024”) the Company reported a net loss of \$320,029 compared to a reported net loss of \$822,238 for the three months ended July 31, 2024 (“Q3 2024”), an decrease in loss of \$502,209 is due to capitalization of Research, development and general exploration expense for full year 2024 in Q4 2024.

*Year Ended October 31, 2024, Compared to Year Ended October 31, 2023*

During the year ended October 31, 2024 (“fiscal year 2024”) the Company reported a net loss of \$2,687,724 compared to a net loss of \$2,397,107 for the year ended October 31, 2023 (“fiscal year 2023”), an increase in loss of \$290,617. The increase in loss was primarily attributed to Directors and officer's compensation of \$232,702 in fiscal year 2024 compared to \$182,341 in fiscal year 2023, Corporate development during fiscal year 2024 of \$190,599 compared to \$68,406 in fiscal year 2023, Mark to market loss of \$127,912 in fiscal year

2024 compared to gain of \$1,625 in fiscal year 2023 and Write off of Inventory during fiscal year 2024 of \$165,669 compared to \$Nil in fiscal year 2023.

## 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 2024            |                     |                      |                        | Fiscal 2023                          |                                   |                                    |                                      |
|---------------------------------|------------------------|---------------------|----------------------|------------------------|--------------------------------------|-----------------------------------|------------------------------------|--------------------------------------|
|                                 | October 31, 2024<br>\$ | July 31, 2024<br>\$ | April 30, 2024<br>\$ | January 31, 2024<br>\$ | October 31, 2023<br>(Restated)<br>\$ | July 31, 2023<br>(Restated)<br>\$ | April 30, 2023<br>(Restated)<br>\$ | January 31, 2023<br>(Restated)<br>\$ |
| <b>Operations</b>               |                        |                     |                      |                        |                                      |                                   |                                    |                                      |
| Expenses                        | (97,209)               | (797,070)           | (863,745)            | (660,617)              | (457,890)                            | (309,832)                         | (1,014,364)                        | (466,664)                            |
| Other items                     | (222,820)              | (25,168)            | 4,216                | (25,311)               | 195,209                              | (8,442)                           | (187,421)                          | (147,703)                            |
| Comprehensive profit/(loss)     | (320,029)              | (822,238)           | (859,529)            | (685,928)              | (262,681)                            | (318,274)                         | (1,201,785)                        | (614,367)                            |
| Basic Profit/(loss) per share   | (0.00)                 | (0.00)              | (0.01)               | (0.00)                 | (0.00)                               | (0.00)                            | (0.01)                             | (0.00)                               |
| Diluted profit/(loss) per share | (0.00)                 | (0.00)              | (0.01)               | (0.00)                 | (0.00)                               | (0.00)                            | (0.01)                             | (0.00)                               |
| <b>Financial Position</b>       |                        |                     |                      |                        |                                      |                                   |                                    |                                      |
| Working capital                 | 3,337,686              | 3,973,458           | 1,610,635            | 2,316,098              | 2,713,098                            | 848,952                           | 1,344,044                          | 2,124,643                            |
| Total assets                    | 29,343,716             | 28,454,783          | 24,991,481           | 26,003,943             | 25,512,111                           | 23,588,662                        | 24,215,472                         | 24,868,198                           |
| Total non-current liabilities   | (5,641,854)            | (5,683,545)         | (5,101,289)          | (5,489,843)            | (4,670,790)                          | (5,109,575)                       | (5,404,808)                        | (5,556,603)                          |

## Financial Condition/Capital Resources

During the year ended October 31, 2024, the Company recorded a net loss of \$2,687,724 and, as of October 31, 2024, the Company had an accumulated deficit of \$49,352,658 and working capital of \$3,337,686. The Company is maintaining its Woxna Graphite Mine on a “production-ready” basis to minimize costs. The Company continues to review options for Woxna, which include the possibility of contracting with a long-term partner willing to pay for secure natural graphite produced to the highest ESG and sustainability standards. 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, establish a production facility for the Anode Project, to fund future development of the Norra Kärr 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

2024 marked a breakthrough year for policy support within the European Union, driving the development and exploration of critical raw materials projects.

The Critical Raw Materials Act (“CRMA”), adopted by the European Council on March 18, 2024, represents a potential game-changer for the Company's portfolio. The CRMA is at the forefront of the EU's efforts to build secure and sustainable supply chains for critical raw materials.

On May 23, 2024, the EU opened a call for Strategic Projects as defined by the CRMA. These projects are key to expanding the EU's capacity to extract, process, and recycle strategic raw materials, as well as diversifying supply sources from third countries. These materials are vital to the success of the green and digital transitions, and to the resilience of the defence and aerospace sectors.

Further supporting these goals, on July 31, the European Bank for Reconstruction and Development ("EBRD") and the EU launched a joint facility aimed at providing equity investments of up to €100 million for the exploration of critical and strategic raw materials. This new initiative directly aligns with the EU's CRMA objectives and the REPowerEU Plan, both essential to the EU's green and digital transitions.

The urgency to back development and attract investment is not lost on President-elect Donald Trump who posted in December 2024 that "Any person or company investing ONE BILLION DOLLARS, OR MORE, in the United States of America, will receive fully expedited approvals and permits, including, but in no way limited to, all Environmental approvals. GET READY TO ROCK!!!!".

While the substance may be lacking for now, the intent is clear, and new policies could see an acceleration of investments already being made by the U.S. International Development Finance Corporation ("DFC") in critical raw materials projects.

The EU is also mobilizing investment with, on December 3, the European Commission and the European Investment Bank ("EIB") announcing a new partnership to support investments in the EU's battery manufacturing sector, a further €1.8 billion committed to investments in the wider battery value chain, as part of €3 billion of public support in total for the development of a competitive and sustainable European battery industry.

Against this backdrop, the Company has made good progress during the year, with Norra Kärr being the priority; having completed a fundraising, 2025 is shaping up to be even better, with key decisions awaited, first on Strategic Project status, and second on the Exploitation Concession application. In addition, a new plan for Woxna, and we hope exploration success at Bihor Sud.

### ***Woxna Graphite Mine***

As the only built and permitted natural flake graphite mine in Europe, Woxna Graphite is well-positioned to play a significant role in the production of a 'headline news' critical raw material, natural graphite, as feedstock to the European anode value chain or industrial graphite markets.

China's influence on graphite is clear. In October 2023, China's Ministry of Commerce and the General Administration of Customs announced that effective December 2023, export permits would be imposed on key lithium-ion battery anode raw materials. The affected products were high purity synthetic graphite and its products, and natural flake graphite and its products, including spherical and expanded graphite. The export controls were imposed by China on the grounds of safeguarding domestic interests.

The US responded, in June, announcing 25% tariffs on imports of natural and synthetic graphite anodes from China, following the previous announcement of 25% tariffs on natural graphite imports beginning in 2026. Fastmarkets analyst Georgi Georgiev has said "graphite has emerged as Washington's 'Achilles Heel' in its trade confrontation with Beijing".<sup>1</sup>

The case for regional primary raw material supply is further strengthened when a major natural graphite producer Syrah Resources declares 'force majeure' for its Balama operations in Mozambique, caused by post-general election civil unrest and violent protests across the country's major cities. Syrah is one of the few established graphite producers outside of China but has been unable to produce at Balama since October. Syrah reports it is working on restoring operations "as quick as possible" but has acknowledged that will be a lengthy process.

While graphite may have been the forgotten part of the lithium-ion battery until now, it's becoming harder to ignore, and if we are to have a successful energy transition, then e-mobility and renewables generation are key, and for those end-uses you need lots of graphite for manufacturing anodes. Stable jurisdictions, such as the Nordics, can contribute to delivering the essential raw materials needed to support the European battery industry. The EU currently imports approximately 100,000 tonnes per year of natural graphite.

Woxna has had its challenges over the years, but the broader context is very different now, the adoption of the CRMA, uncertain geopolitics and trade flows, increasing the strategic importance of natural graphite to Sweden and the European Union, and by extension new opportunities to raise finance for exploration and development.

The Company continues to review options for Woxna, which include the possibility of contracting with a long-term partner willing to pay for secure natural graphite produced to the highest ESG and sustainability standards. The Company believes that the market must value and pay for these attributes, and that transparency initiatives will create a barrier to entry for non-compliant raw materials and be a driver for their improved performance.

### ***Norra Kärr Heavy Rare Earth Element ("HREE") Project***

In August, the Company applied for Strategic Project status under the CRMA and, in December, submitted a new application for an Exploitation Concession, 25-year mining lease, to the Mining Inspectorate of Sweden.

The Norra Kärr journey started long ago, with its discovery by the Geological Survey of Sweden ("SGU") in the early 1900s. In more recent times, July 2011, SGU designated Norra Kärr a mineral deposit of national interest linked to its potential for providing a supply of rare earth elements ("REE") to Sweden and Europe. Norra Kärr is the only NI 43-101 compliant REE resource in mainland Europe.

The EU is almost 100% dependent on China for HREEs (Source: <https://www.consilium.europa.eu/en/infographics/critical-raw-materials>) and Norra Kärr represents the region's first step towards primary production and establishment of a secure, sustainable, and resilient supply chain for HREEs.

With EU demand for rare earth metals expected to increase six-fold by 2030 (Source: [https://single-market-economy.ec.europa.eu/sectors/raw-materials/areas-specific-interest/critical-raw-materials/critical-raw-materials-act\\_en#overview-of-the-critical-raw-materials-act](https://single-market-economy.ec.europa.eu/sectors/raw-materials/areas-specific-interest/critical-raw-materials/critical-raw-materials-act_en#overview-of-the-critical-raw-materials-act)), wars, uncertainty around geopolitics and global trade policies mean that security of supply of critical raw materials is of paramount importance.

The 2014 report by The European Rare Earths Competency Network ("ERECON") titled Strengthening 'The European Rare Earths Supply-Chain', stated that 'The development of new sources of heavy rare earths outside of China and greater recycling must [therefore] remain an urgent priority...'

In 2023, the EU imported 18,300 tonnes of rare earth elements, with imports split between China 39%, Malaysia 33%, and Russia 22%. Clearly, supply disruption from anyone of these sources would be damaging for the EU. The geopolitical risk is self-evident. In the current design, Norra Kärr is estimated to produce 5,341 tonnes of rare earth oxides over a production life of 26 years, with only a third of the defined resource being exploited. The critical importance of the deposit to the EU cannot be underestimated.

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<sup>1</sup> [The graphite fight: US tariffs trigger race to build non-Chinese supply chain, Financial Times, 9 June 2024, https://www.ft.com/content/9117e5e6-baf9-4bdf-8080-9aa019ef1bfc](https://www.ft.com/content/9117e5e6-baf9-4bdf-8080-9aa019ef1bfc)

Looking ahead, 2025 is shaping up to be a transformational year for Norra Kärr, with a decision expected on Strategic Project status in the first quarter, and thereafter the Exploitation Concession. The Company is also planning for the start of Pre-feasibility (“PFS”) in the second quarter.

The Company believes that the decoupling of extraction and downstream processing, with a quarry at Norra Kärr producing two valuable products, a HREE magnetic concentrate and the industrial mineral nepheline syenite, and an industrial plant conceptually located at Luleå, could expedite permitting timelines.

The scope of the downstream is being considered, with one option being to create a rare earths processing hub that could import concentrates as well as process Norra Kärr material. This would not only capture the value chain in Sweden, but also increase the significance of the overall project, as the Company is in effect creating two strategically important businesses instead of one.

When the financials were modelled for the Preliminary Economic Assessment (“PEA”) in 2021, the Project had a pre-tax NPV<sub>10</sub> of over US\$1B. While the numbers will be updated in PFS, we have a robust project, and the Company is already mapping the funding options that could be available as we progress. As one of the largest HREE deposits globally - and the most advanced within the EU - Norra Kärr has the potential to become a cornerstone supplier for Western magnet producers<sup>2</sup>.

### ***Bihor Sud Nickel-Cobalt Exploration Project***

Drilling at Bihor Sud was initially delayed over the summer, due to the late arrival of the drill rig and the need to implement robust health and safety protocols and finally started at the end of September. Since then, steady progress has been made as the team operating the Company’s rig has been training ‘on the job’ and drilling in gallery G7.

To accelerate the programme, the Company is hiring four new geologists and will be signing up a new drill contractor to start drilling gallery G2. The driller is expected to be on site at the end of January 2025.

Bihor Sud remains a very exciting brownfield exploration project. It’s a historic mining area with tens of kilometers of underground galleries, or tunnels, developed in the licence area. Between the 1960-90s the responsible division of the Romanian State only targeted what was then called ‘strategic metals’, principally uranium, and explored for nothing else.

The Company’s objective at Bihor Sud, is to define a large-scale, mineable mineral resource. Initially, we are following-up on the work done in gallery G7 last year, and the extensive Cobalt-Nickel-Gold mineralized zone that was identified, and in the new year starting to drill in gallery G2 which has shown its potential for extensive Zinc-Lead-Copper-Silver mineralization. We are encouraged by the findings to date, which highlight the strong potential for discovering a significant polymetallic deposit.

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<sup>2</sup> <https://www.fastmarkets.com/insights/rare-earth-magnet-production-outside-asia-gearing-up-2024-preview/>

## Financial Information

The report for three months ending January 31, 2025, is expected to be published on or about March 21, 2025.

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

Kurt Budge, CEO

## For further information, please contact the Company at:

info@leadingedgematerials.com

[www.leadingedgematerials.com](http://www.leadingedgematerials.com)

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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 audited consolidated financial statements for the year ended October 31, 2024 and related management's discussion and analysis are available on the Company's website at [www.leadingedgematerials.com](http://www.leadingedgematerials.com) or under its profile on SEDAR at [www.sedarplus.com](http://www.sedarplus.com).

The information was submitted for publication through the agency of the contact person set out above, on January 24, 2025 at 3:00 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](mailto: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](http://www.leadingedgematerials.com) and under its SEDAR profile [www.sedar.ca](http://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](http://www.leadingedgematerials.com) and under its SEDAR profile [www.sedar.ca](http://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.