



## LEADING EDGE MATERIALS CORP.

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

NEWS RELEASE

SEPTEMBER 28, 2022

### LEADING EDGE MATERIALS REPORTS QUARTERLY RESULTS TO JULY 31, 2022

**Vancouver, September 28, 2022 – 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, 2022. 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, 2022:

- On May 17, 2022, the Company signed Bihor Sud Exploration License between the Company’s subsidiary LEM Romania SRL and National Agency for Mineral Resources, Romania (“NAMR”).
- On June 21, 2022, the Company took a decision to initiate a Natura 2000 permit application process for the Norra Karr project and retract the appeal against the mining lease rejection for Norra Karr.
- On July 15, 2022, the Company received confirmation that NAMR approved the first-year exploration program for the Bihor Sud exploration license.

Subsequent to July 31, 2022:

- On August 30, 2022, the Company announced a change in senior Management with the resignation of Mr. Filip Kozlowski, CEO of the Company, effective as of October 14, 2022. Mr. Eric Krafft, Director of the Company will be named interim CEO.

#### Results of Operations

*Three Months Ended July 31, 2022, Compared to Three Months Ended April 30, 2022*

During the three months ended July 31, 2022 (“Q3 2022”) the Company reported a net loss of \$609,709 compared to a reported net loss of \$790,120 for the three months ended April 30, 2022 (“Q2 2022”), a decrease in loss of \$180,411, the decrease in loss mainly due to a reduced loss on revaluation of marketable securities of \$126,036 booked in Q3 2022 compared to \$357,800 in Q2 2022.

*Three Months Ended July 31, 2022, Compared to Three Months Ended July 31, 2021*

During the three months ended July 31, 2022 (“2022 period”), the Company reported a net loss of \$609,709 compared to a net loss of \$1,077,588 for the three months ended July 31, 2021 (“2021 period”), a decrease in loss of \$467,879, the decrease in loss mainly due to a reduced loss on revaluation of marketable securities of \$126,036 booked in the 2022 period compared to \$430,315 booked in the 2021 period.

## 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 2022			Fiscal 2021			Fiscal 2020	
	July 31, 2022 \$	April 30, 2022 \$	January 31, 2022 \$	October 31, 2021 \$	July 31, 2021 \$	April 30, 2021 \$	January 31, 2021 \$	October 31, 2020 \$
<b>Operations</b>								
Expenses	(419,050)	(433,894)	(1,874,407)	(460,907)	(600,531)	(483,495)	(664,674)	(882,556)
Other items	(190,659)	(356,226)	(219,942)	(94,018)	(477,057)	1,573,567	(3,603)	327,987
Comprehensive profit/(loss)	(609,709)	(790,120)	(2,094,349)	(554,925)	(1,077,588)	1,090,072	(668,277)	(554,569)
Basic Profit/(loss) per share	(0.00)	(0.00)	(0.01)	(0.01)	(0.01)	0.01	(0.00)	(0.01)
Diluted profit/(loss) per share	(0.00)	(0.00)	(0.01)	(0.01)	(0.01)	0.01	(0.00)	(0.01)
<b>Financial Position</b>								
Working capital	1,686,095	2,396,484	3,236,870	2,350,166	2,803,903	3,935,156	2,598,191	3,277,010
Total assets	24,827,062	25,000,847	30,597,341	28,756,406	28,455,148	29,133,933	28,759,753	27,218,052
Total non-current liabilities	(6,159,922)	(6,045,964)	(10,812,012)	(9,946,686)	(9,054,376)	(8,620,700)	(9,154,787)	(7,053,874)

## Financial Condition / Capital Resources

During the three months ended July 31, 2022, the Company recorded a net loss of \$609,709 and, as of July 31, 2022, the Company had an accumulated deficit of \$44,598,448 and working capital of \$1,686,095. 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. See also "COVID-19".

## Outlook

On August 30, Leading Edge Materials announced a management change with CEO Filip Kozlowski leaving his role on October 14, to be replaced by director Eric Krafft as acting CEO. A recruitment process is ongoing for a new CEO for the Company that will set the course for the next phase of growth.

Pricing for both graphite<sup>1</sup> and rare earth oxides<sup>2</sup> have been reversing gains displayed earlier in the year. Downstream demand has been negatively impacted by a challenging power supply situation with temporary industrial shutdowns<sup>3</sup> and substantial COVID lockdowns in China<sup>4</sup>. Longer term, the demand outlook for graphite from the battery industry is continuing to grow with for example the announcement of a massive 100 GWh battery plant by CATL in Hungary<sup>5</sup>.

<sup>1</sup> <https://www.fastmarkets.com/commodity-price/graphite-flake-94-c-100-mesh-cif-europe-mb-gra-0039>

<sup>2</sup> <https://www.metal.com/price/Rare%20Earth/Rare-Earth-Oxides>

<sup>3</sup> <https://technode.com/2022/08/22/chinese-battery-giants-face-production-cuts-as-power-outages-continue-in-sichuan/>

<sup>4</sup> <https://www.mining.com/web/metals-rout-deepens-as-china-lockdowns-add-to-growth-fears/>

<sup>5</sup> <https://electrek.co/2022/08/12/catl-announces-giant-new-100-gwh-battery-plant-hungary/>

Europe is accelerating policy measures to increase its raw materials security by going forward with plans for a Critical Raw Materials Act<sup>6</sup> and a European Sovereignty fund that will look to support projects of strategic interest<sup>7</sup>.

Sweden held parliamentary elections in September with a right-wing coalition winning the majority of mandates, indicating a change in government once negotiations are done. Parties of the coalition have expressed their positive sentiment towards a strong and growing Swedish mining industry.

Preparatory studies and work are ongoing for the upcoming permitting process for Norra Kärr. The Company is continuing to evaluate the potential restart of flake graphite production at the Woxna mine with a careful consideration on the weakening macroeconomic outlook for European industry. The longer term opportunity to produce a graphite anode material is still the main focus and the Company is awaiting results from planned testwork with its potential JV partner Sicona. Since the granting of the exploration license in Romania an exploration team has been established and initial exploration work such as mapping and sampling having started on the ground with interesting targets for further evaluation already identified. Geophysical studies are scheduled to start while preparatory work is being done do enable the opening of old mining galleries which would provide an excellent exploration opportunity over the winter season.

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<sup>6</sup> <https://www.linkedin.com/pulse/critical-raw-materials-act-securing-new-gas-oil-heart-thierry-breton/>

<sup>7</sup> <https://www.linkedin.com/pulse/european-sovereignty-fund-industry-made-europe-thierry-breton/>

## **Financial Information**

The annual audited consolidated financial statements for the year ending October 31, 2022, is expected to be published on or about January 25, 2023.

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

Filip Kozlowski, CEO

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

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[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 unaudited consolidated financial statements for the three months ended July 31, 2022 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.sedar.com](http://www.sedar.com)

The information was submitted for publication through the agency of the contact person set out above, on September 28, 2022, at 1:15 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 for its Nasdaq First North listing.

## Reader Advisory

*Certain information in this MD&A 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. 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.*

### *COVID-19*

*On March 11, 2020, the World Health Organization declared COVID-19 a pandemic. At this time, World Health Organization has not yet announced the end of the pandemic. The duration and full financial effect of the COVID-19 pandemic is unknown at this time with management monitoring developments across all jurisdictions and will adjust its planning as necessary.*