



## LEADING EDGE MATERIALS CORP.

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

NEWS RELEASE

March 22, 2023

### LEADING EDGE MATERIALS REPORTS QUARTERLY RESULTS TO JANUARY 31, 2023

**Vancouver, March 22, 2023 – Leading Edge Materials Corp. (“Leading Edge Materials” or the “Company”)** (TSXV: LEM) (Nasdaq First North: LEMSE) (OTCQB: LEMIF) (FRA: 7FL) first quarter results for the period ending January 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 January 31, 2023:

- On November 3, 2022, the Company also granted stock options to officers and consultants to purchase an aggregate of 700,000 common shares of the Company, at exercise price of \$0.20 per Optioned Share, expiring on the date that is 5 years from the date of grant. The Options will vest 33% one year after the date of grant, 33% two years after the date of grant and 34% three years after the date of grant. The Options were issued pursuant to the terms of the Company’s Option Plan.
- On January 9, 2023, the company issued 13,000,000 common shares on the exercise of 13,000,000 warrants by the Interim CEO for the proceeds of \$1,300,000.
- On January 23, 2023, the company announced that it is ahead of schedule in exploration of its exclusive and 100% owned Bihor Sud license in the Apuseni Mountains of central-western Romania. Furthermore, extensive Nickel and Cobalt mineralisation has been visually identified over 100 m in the first of the recently opened historic galleries on the property.

Subsequent to January 31, 2023:

- On March 1, 2023, the Company announced it identified extensive Co-Ni-mineralization 50 metres above the previously reported Gallery 7 at its Bihor Sud project in the Apuseni Mountains of central-western Romania.

#### Results of Operations

*Three Months Ended January 31, 2023, Compared to Three Months Ended October 31, 2022*

During the three months ended January 31, 2023 (“Q1 2023”) the Company reported a net loss of \$637,135 compared to a reported net loss of \$116,354 for the three months ended October 31, 2022 (“Q4 2022”), a increase in loss by \$520,781, the increase in loss mainly due to Woxna exploration cost write-off \$81,117 (Q4 2022- \$Nil), stock based compensation \$97,029 (Q4 2022- \$Nil), foreign exchange loss \$24,612 (Q4 2022- gain \$236,983) and net mark to market adjustment loss of \$52,812 (Q4 2022- gain \$61,664).

*Three Months Ended January 31, 2023, Compared to Three Months Ended January 31, 2022*

During the three months ended January 31, 2023 (“2023 period”), the Company reported a net loss of \$637,135 compared to a net loss of \$2,094,349 for the three months ended January 31, 2022 (“2022 period”), a decrease in loss of \$1,457,214, the decrease in loss mainly due to share-based compensation related to granting of stock options under the Company’s stock option plan of \$97,029 in Q1 2023 compared to share-based compensation of \$1,421,437 in Q4 2022.

## 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 2023	Fiscal 2022				Fiscal 2021		
Three Months Ended	January 31, 2023	October 31, 2022	July 31, 2022	April 30, 2022	January 31, 2022	October 31, 2021	July 31, 2021	April 30, 2021
	\$	\$	\$	\$	\$	\$	\$	\$
<b>Operations</b>								
Expenses	(570,549)	(425,075)	(419,050)	(433,894)	(1,874,407)	(583,391)	(600,531)	(483,495)
Other items	(66,586)	308,721	(190,659)	(356,226)	(219,942)	28,466	(477,057)	1,573,567
Comprehensive profit/(loss)	(637,135)	(116,354)	(609,709)	(790,120)	(2,094,349)	(554,925)	(1,077,588)	1,090,072
Basic Profit/(loss) per share	(0.00)	(0.00)	(0.00)	(0.01)	(0.01)	(0.00)	(0.01)	0.01
Diluted profit/(loss) per share	(0.00)	(0.00)	(0.00)	(0.01)	(0.01)	(0.00)	(0.01)	0.01
<b>Financial Position</b>								
Working capital	2,124,643	1,365,657	1,686,095	2,396,484	3,236,870	2,350,166	2,803,903	3,935,156
Total assets	24,845,430	23,832,418	24,827,062	25,000,847	30,597,341	28,756,406	28,455,148	29,133,933
Total non-current liabilities	(5,556,603)	(5,292,618)	(6,159,922)	(6,045,964)	(10,812,012)	(9,946,686)	(9,054,376)	(8,620,700)

## Financial Condition / Capital Resources

During the three months ended January 31, 2023, the Company recorded a net loss of \$637,135 and, as of January 31, 2023, the Company had an accumulated deficit of \$45,351,937 and working capital of \$2,124,643. 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

The last months have not been short of geopolitical turbulence and macro-economic challenges. If one is inclined to find a positive spin on effects of the difficulties we are facing in Europe, it may be that challenges and questions are of such large magnitude that politicians and citizens realise that we need to be open minded for large legislative changes. It has become undeniable that becoming dependent on others who may not share our values or geopolitical goals is unwise. This manifests itself in ways relevant to us by, for example, the recently proposed EU Critical Raw Materials Act.<sup>1</sup>

In brief, the proposed legislation is an enormous effort to support current and stimulate future sustainable supply chains of these deemed critical raw materials from within the union. The impact on us and our activities cannot be overstated: we are in Europe, it applies specifically to all the materials we are exposed to, streamlined and predictable permitting procedures for strategic projects, improved access to finance, etc. Cautiously factoring in beneficial additional order effects and improving public realisation of importance of sustainable access to these materials, we have to conclude that it is about twenty years since we felt such optimism for extractive industries. We are looking forward to following these important initiatives and will be reporting in due course how they directly apply to us.

<sup>1</sup> [https://single-market-economy.ec.europa.eu/publications/european-critical-raw-materials-act\\_en](https://single-market-economy.ec.europa.eu/publications/european-critical-raw-materials-act_en)

Our built and permitted Woxna graphite mine and plant continues to be meticulously kept on care and maintenance. As reported, we are evaluating a restart of the mine to initially produce graphite concentrate. Aside from technical and product marketing aspects, needless to say the assessment by the Board of Directors in regard to shareholder value is key in driving a restart decision. Given the EU CRMA, the strategic importance of Woxna is enhanced in our opinion.

For the Norra Karr project, we took the decision to initiate a Natura 2000 permit application process. By doing this based on the new design of the Norra Karr project we will benefit from authorities and other stakeholders evaluating the merits of the project based on the most recent plans that substantially reduce the potential for environmental risk. In parallel, through the various environmental and metallurgical studies that may be required to support the Natura 2000 permit application the Company can further progress the Norra Karr project towards its next stages of feasibility development. We will continue to adapt our path should the legal framework evolve going forward. Aspects of the proposed EUCRMA appear particularly relevant to this project.

Lastly, since having received permission to enter underground galleries at our Romanian exploration project in January, this has been advancing rapidly. Results have not disappointed: in the first target gallery G7 we have encountered visual Co-Ni mineralisation over 135 m. Additionally, further extensive Co-Ni mineralisation has been identified in G4, 50 m above and in the cross-cut and raise connecting these two galleries. This indicates that we are potentially encountering sizeable systems with good potential. Immediate focus is on finishing the five exploration trenches, mapping and sampling the mineralised zones inside the galleries.

## **Financial Information**

The report for the quarter ending April 30, 2023, is expected to be published on or about June 21, 2023.

### **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 three months ended January 31, 2023 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 March 22, 2023, at 11:00 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](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 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](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. 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.*