

# Leading Edge Materials Reports Quarterly Results to July 31st 2019

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VANCOUVER, Sept. 27, 2019 - Leading Edge Materials Corp. ("Leading Edge Materials" or the "Company") (TSXV: LE (OTCQB: LEMIF) (Nasdaq First North: LEMSE) announces third quarter results for the period ending July 31st, 2019. All figures in this release are in Canadian dollars.

Work undertaken by Leading Edge Materials during the third quarter of 2019 was in line with the Board's established plan from the roll out of transport electrification in Europe, while responding to the findings of an internal strategic review completed in May 2019.

The strategic review highlighted that the Company's combination of discovery-stage and development-stage assets may have different requirements with regard to operational structure, capital needs and investor preferences. As a result, the Board is expected to seek direct funding into its Swedish subsidiary Woxna Graphite AB, and if successful initiate the transition of Woxna Graphite AB into a freestanding company. A freestanding structure may enable Woxna Graphite AB to execute more effectively upon its high value graphite materials business plan by undertaking strategic financings independent of Leading Edge Materials, and allow the local team to be expanded with an increased focus on customer relationships. Furthermore, it is anticipated that Woxna Graphite AB will be in a stronger position to benefit from Swedish and European public funding opportunities that are developing in the battery materials sector.

Direct funding opportunities have been sought during the reporting period. The Board is reviewing potential alternatives and identifying appropriate leadership and other resources. The Board will communicate these findings as they become available. The Board emphasizes that Leading Edge Materials will continue to hold significant exposure to the success of the Woxna Graphite mine as a future graphite materials supplier.

At the Woxna graphite mine, the Company is focused on optimization of the processes required to convert low value graphite into high value finished products including lithium-ion battery-ready anode material.

During the reporting period, research was completed to manufacture expandable graphite using material from Woxna. This research was completed in Germany with leading consultancy ProGraphite GmbH. ProGraphite used run-of-mine +80 mesh (>100µm) material from the Woxna mine to test a range of standard process variables. Testing demonstrated that expansion in lithium-ion commercial graphite products can be achieved with a combination of sulphuric acid and potassium permanganate. The research tested did not require the use of toxic chromium, lead, or bromine-bearing chemicals that are used in the manufacture of traditional Chinese expandable graphite.

Expandable natural graphite is a critical industrial material, with a significant and growing market. Current market size is estimated to be 70,000 to 80,000 tonnes per year, with approximately 45% of demand coming from manufacture of fire-resistant refractories. Other market segments include flexible foils, conductivity additives, and a small volume as a graphene manufacturing precursor.

Subject to financing, the Company plans to advance the development of an onsite demonstration plant to produce battery-grade graphite anode. This demonstration plant will allow engagement with customers by providing volumes of anode material that are adequate to be used within customer test circuits.

In 2018 Leading Edge Materials initiated an Exploration Alliance (the "Exploration Alliance") in Romania focused on the discovery and development of lithium ion battery raw materials. The Exploration Alliance has principally been directed towards copper mineralization within the Upper Cretaceous Carpathian magmatic belt of the Balkan region, with an eye to identifying other mineral opportunities. The Carpathian is a well mineralized intrusive arc that extends from Western Turkey to Hungary, forming the western end of the Tethyan Metallogenic Belt.

Following due diligence, Leading Edge Materials established a local branch company ("LEM Romania") of which it is the majority shareholder with the right to earn a 90% interest. During 2018 and 2019, LEM Romania completed various prospecting and geological mapping across an area of 25.5 sq km (2,550 ha) pertaining to the Bihor Sud Prospecting Permit in central Romania. Results from the Bihor Sud Prospecting Permit were considered encouraging, and consequently LEM Romania submitted a request that the Romanian Mining Inspectorate ("Agen?ia Na?ional? pentru Resurse Minerale") publish an Exploration License tender across the prospective areas. Publication of the request for tenders for the Bihor Sud Exploration License occurred during August 2019 and a tender document is now being prepared.

Bihor Sud lies within the same intrusive belt and less than 400km north of the Timok copper-gold project in Serbia. Other mineral deposits in the West Tethyan Metallogenic Belt include Skouries, Chelopech, Bor and Majdanpek.

Leading Edge Materials' Norra Kärr rare earth element project lies in south-central Sweden, 15 km northeast of the township of Gränna and 300 km southwest of the capital Stockholm in mixed forestry and farming land. Process development testwork and other activity at Norra Kärr remains restricted while permitting of a Mining Lease is resolved.

The Norra Kärr project is held upon an Exploration License while reapplication for a Mining Lease remains in progress. August 2019, an application to extend the Exploration License for an additional 3 years was submitted to the Bergsstaten.

In December 2018, Leading Edge Materials submitted supplementary information regarding the updated Norra Kärr Mining Lease application to the Bergsstaten ("Swedish Mining Inspectorate"). The Bergsstaten forwarded the supplementary information to the Länsstyrelsen ("County Administration Board") of Jönköping. On March 8th, 2019, Länsstyrelsen submitted their opinion. Additional information is required for them to support re-granting of the Norra Kärr Mining Lease.

Leading Edge Materials reviewed the comments of the Länsstyrelsen, and has initiated a Natura2000 permit application for Natura2000 areas in the Norra Kärr region which may be influenced by a future mining operation. During the reporting period, a summary of the Natura2000 assessment was submitted to the Länsstyrelsen for review and public comment. Responses are awaited.

The Bergby lithium project is located in central Sweden, 25km north of the town of Gävle. Bergby has been tested by a series of drill holes to a maximum depth of 131.1m over an approximate 1500m strike length. Mineralization drilled to date lies vertically beneath the surface and extends from the outcrop beneath thin glacial soil cover. Intersections often include elevated levels of tantalum.

Leading Edge Materials, through its Swedish subsidiary Woxna Graphite AB, is a project member of the EIT Rawmaterials project. The project is validating two conversion processes with the target to develop one robust and flexible process to convert spodumene concentrate into battery grade lithium chemical. It aims to foster the development of a sustainable European lithium value chain. The partners include four mining companies (Savannah Resources, Leading Edge, Keliber and Europena Lithium) and four technology companies (Aurora Lithium AB, Outotec, FLSmidth, GTK and Luleå University of Technology).

The Company continues to be an active participant in the EU Battery Alliance, a forum comprised of more than 50 of Europe's strongest corporate voices within the emerging lithium ion battery sector, plus numerous support and government agencies.

#### 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 2019			Fiscal 2018			
	July 31, 2019 \$	April 30, 2019 \$	January 31, 2019 \$	October 31, 2018 \$	July 31, 2018 \$	April 30, 2018 \$	January 31 2018 \$
Operations							
Expenses	(561,771)	(571,749)	(850,681)	(1,151,305)	(697,426)	(665,364)	(1,976,066)
Other items	27,101	46,864	1,602	39,448	(7,721)	32,508	39,641
Comprehensive loss	(534,670)	(524,885)	(849,079)	(1,111,857)	(705,147)	(632,856)	(1,936,425)
Basic and diluted loss per share	(0.01)	(0.01)	(0.01)	(0.01)	(0.01)	(0.01)	(0.02)
Financial Position							
Working capital	518,129	929,183	1,438,895	960,707	1,369,748	2,041,550	2,698,150
Total assets	34,088,219	35,359,241	35,766,406	35,075,446	36,132,517	36,139,745	36,902,593
Total non-current liabilities	(7,876,382)	(8,637,726)	(8,515,027)	(8,306,212)	(8,902,310)	(8,157,203)	(8,204,190)

## Results of Operations

### Three Months Ended July 31, 2019 Compared to Three Months Ended April 30, 2019

During the three months ended July 31, 2019 (the "Q3") the Company reported a net loss of \$534,670 compared to a net loss of \$524,885 for the prior three months ended April 30, 2019 (the "Q2"), for a minimal increase in loss of \$9,785. During Q3 the Company recognized \$126,000 share based compensation compared to \$23,100 in Q2 due to increases in share option grants. The increase was primarily offset by a general reduction in expense and foreign exchange gains recorded in Q3.

### Financial Condition / Capital Resources

During the 2019 period the Company recorded a net loss of \$1,908,634 and, as at July 31, 2019, the Company had an accumulated deficit of \$28,962,958 and working capital of \$518,129. The Company is maintaining its Woxna Graphite Mine on a "production-ready" basis to minimize costs. The Company currently has no significant budget allocated for the Norra Kärr Project. The Company anticipates that it will require additional capital to meet anticipated levels of corporate administration and overheads for the ensuing twelve months, to recommence operations at the Woxna Graphite Mine and/or modernize the plant to produce value added production. The Company is conducting a strategic review which may result in direct funding of Woxna Graphite AB. There are no assurances that the Company will be successful in obtaining funding. In addition the Norra Kärr Property will require significant funds for development. 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. Whether the Company can generate positive cash flow and, ultimately, achieve profitability is uncertain. These uncertainties may cast significant doubt upon the Company's ability to continue as a going concern.

## Financings

Nil.

## Summary and Outlook

Leading Edge Materials' internal Strategic Review during highlighted the opportunity for direct funding for the Woxna graphite mine, while progressing other exploration activities. The Board emphasizes that Leading Edge Materials will continue to hold significant exposure to the success of the Woxna graphite mine as a future anode supplier, while enabling resources to be allocated to progress discovery at other projects within the portfolio.

On behalf of the Board of Directors, [Leading Edge Materials Corp.](#)  
Mr. Mark Saxon, Interim CEO

## About Leading Edge Materials

Leading Edge Materials is a Canadian public company focused on production of high value critical raw materials for the European market, with an operating base in the Nordic region, a region well recognized for its promotion and investment in innovation. LEM's flagship asset is the Woxna Graphite production facility located in central Sweden targeting the supply of specialty materials for lithium ion battery production.

## Additional Information

The Company's condensed consolidated interim financial statements for the nine months ended July 31, 2019 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).

Leading Edge Materials is listed on the TSXV under the symbol "LEM" and Nasdaq First North Stockholm under the symbol "LEMSE". Mangold Fondkommission AB is the Company's CA on Nasdaq First North and may be contacted at +46 (0) 8 5030 1550.

This information was submitted by Leading Edge Materials for publication, through the agency of the contact person set out above, on September 27, 2019 at 2:00 p.m. Pacific time.

## Reader Advisory

This news release may contain statements which constitute "forward-looking information", including statements regarding the plans, intentions, beliefs and current expectations of the Company, its directors, or its officers with respect to the future business activities of the Company. The words "may", "would", "could", "will", "intend", "plan", "anticipate", "believe", "estimate", "expect" and similar expressions, as they relate to the Company, or its management, are intended to identify such forward-looking statements. Investors are cautioned that any such forward-looking statements are not guarantees of future business activities and involve risks and uncertainties, and that the Company's future business activities may differ materially from those in the forward-looking statements as a result of various factors, including, but not limited to, fluctuations in market prices, successes of the operations of the Company, continued availability of capital and financing and general economic, market or business conditions. There can be no assurances that such information will prove accurate and, therefore, readers are advised to rely on their own evaluation of such uncertainties. The Company does not assume any obligation to update any forward-looking information except as required under the applicable securities laws.

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