

Leading Edge Materials Reports Fiscal 2019 Results and Records Impairment on the Woxna Graphite Mine

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VANCOUVER, Jan. 21, 2020 - [Leading Edge Materials Corp.](#) ("Leading Edge Materials" or the "Company") (TSXV: LE First North: LEMSE) (OTCQB: LEMIF) announces results for the fiscal year ending October 31, 2019. All references to amounts in this release are in Canadian dollars.

Leading Edge Materials management annually assesses impairment with respect to the carrying value of the Company plant and equipment. Leading Edge Materials management determined that impairment indicators as defined in IAS 36 present for the Woxna Graphite Mine, and an impairment test was performed. The Company has applied a value in use that takes into account the Company's financial position, results of operations, operational issues and other factors in determining an estimated recoverable amount. This method indicated that an impairment provision of \$8,800,000 was appropriate in respect of the carrying value of the Woxna graphite mine and Kringelgruvan mining lease.

Mark Saxon, Interim President and CEO, stated: "2019 was a challenging year for public mining industry markets. Despite very positive developments in the lithium ion battery and EV markets in Europe provides confidence that Leading Edge Materials is placed within a very attractive sector.

The Woxna Graphite Mine is held on a production-ready basis as the research and customer qualification is completed and value-add materials. Although an accounting impairment was declared on the Woxna Mine for the year, since the constant the mine over \$30m has been invested in the site and these past investments provide a strategic advantage towards the launching higher-value production."

Highlights

During the past financial year, the Company achieved a number of milestones including:

- Completion of an engineering study to design and support the safe and effective installation of a battery graphite demonstration plant on the Woxna mine site. The demonstration plant is designed to purify and spheronise approximately 100kg of graphite anode per day;
- Approval to operate the demonstration plant at the Woxna Mine site was received from the local permitting authority (Länsstyrelsen);
- Successful test work on the manufacturing of expandable graphite using large flake material from the Woxna Graphite Mine which produced results in line with existing commercial products;
- Ongoing permitting activities including preparation for a Natura2000 assessment for a Mining Lease application and the Kärr rare earth element project. Renewed customer and investor interest in secure access to rare earth elements was witnessed;
- Completion of early stage exploration activity on the Bihor Sud Prospecting Permit in Romania, and application through a competitive tender for an Exploration License;

In addition, the Company completed an internal strategic review to consider the structural and corporate setting of Leading Edge Materials. The outcomes of the strategic review continue to guide Company management.

Selected Financial Data

The following selected financial information is derived from the audited consolidated financial statements of the Company in accordance with IFRS.

	Year Ended October 31,		
	October 31,	October 31,	October 31,
	2019	2018	2017
	\$	\$	\$
Operations			
Expenses	(2,393,498)	(4,493,336)	(2,772,709)
Other items	(8,723,909)	107,051	(147,319)
Net loss	(11,117,407)	(4,386,285)	(2,920,028)
Basic and diluted loss per share	(0.12)	(0.05)	(0.03)
Dividends per share	Nil	Nil	Nil
Balance Sheet			
Working capital	132,551	960,707	3,490,760
Total assets	24,825,107	35,075,446	37,915,728
Total non-current liabilities	(7,701,324)	(8,306,212)	(8,330,321)

Financial Condition / Capital Resources

During fiscal 2019 the Company recorded a net loss of \$11,117,407 and, as at October 31, 2019, the Company had an accumulated deficit of \$38,171,731 and working capital of \$132,551. Subsequent to October 31, 2019 the Company completed a private placement financing of 18,000,000 units for gross proceeds of \$1,008,000.

The Company maintains the Woxna Graphite Mine on a "production-ready" basis to minimize costs. The Company currently has no significant budget allocated for the Norra Kärr Project. Although the Company has sufficient funding to meet anticipated levels of corporate administration and overheads for the ensuing twelve months, it anticipates that it will need additional capital to maintain current levels of research and development, recommence operations at the Woxna Graphite Mine and/or upgrade the plant to produce value added production. 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

No financings were undertaken during fiscal 2019.

Summary and Outlook

Work undertaken by Leading Edge Materials during fiscal 2019 has been in line with the outcomes of the internal strategic review completed in May 2019. The Company remains focused on the future supply of raw materials to a rapidly growing European lithium ion battery and EV market. Key elements of the Company's ongoing investment strategy include: high value product development work on the Woxna graphite mine in particular battery anode material; increasing community engagement and technical knowledge at the Norra Kärr rare earth element project; and advancing discovery opportunities in cobalt, nickel and base metals in Romania, subject to granting of an Exploration License at Bihor Sud.

At the Woxna graphite production facility, the Company is focused on optimization of the purification and shaping processes required to convert low value graphite into high value lithium ion battery-ready anode material. Laboratory based work to date has produced battery-ready anode materials that meet the electrochemical specifications of battery cell manufacturers. Larger scale test work using an on site demonstration plant is proposed to optimize a purification flow sheet and definition of equipment requirements to produce battery grade materials and other salable by-products.

In Romania, Leading Edge Materials operates a local branch company ("LEM Romania") of which it is the majority shareholder with the right to earn a 90% interest. During 2019, LEM Romania completed early stage exploration activity on the 25.5 sq km (2,550 ha) Bihor Sud Prospecting Permit. On the basis of positive results LEM Romania elected to submit an Exploration License application in a competitive tender process.

Qualified Person

The technical content of this release has been reviewed and approved by Mr. Mark Saxon, B.Sc. Hons (Geology), a Fellow of the Australasian Institute of Mining and Metallurgy, the Company's Interim President and CEO and a Qualified Person as defined by National Instrument 43-101.

On behalf of the Board of Directors,
[Leading Edge Materials Corp.](#)

Mr. Mark Saxon, Interim President and 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. LEM's assets and research focus are towards the raw materials for Li-ion batteries (graphite, lithium, cobalt); materials for high thermal efficiency building products (graphite, silica, nepheline); and materials that improve the efficiency of energy generation (dysprosium, neodymium, hafnium). Investments are linked to the global shift to low-carbon energy generation and energy storage. Leading Edge Materials currently operate in four divisions, Graphite, Lithium, Rare Earth and Cobalt.

Additional Information

The Company's consolidated financial statements for the year ended October 31, 2019 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.sedar.com.

This information is inside information that [Leading Edge Materials Corp.](#) (publ) is obliged to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication through the agency of the contact person set out below, at 21 January, 2020 at 6:15 PM Vancouver time.

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 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

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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