

Leading Edge Materials Reports Quarterly Results to January 31st, 2020

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VANCOUVER, March 26, 2020 - [Leading Edge Materials Corp.](#) ("Leading Edge Materials" or the "Company") (TSXV: LEMSE) (Nasdaq First North: LEMSE) (OTCQB: LEMIF) announces first quarter results for the period ending January 31, 2020. All references to dollar amounts in this release are in Canadian dollars.

Leading Edge Materials activities during the reporting period were in line with the Board's strategic roadmap to benefit from the electrification of transport and the manufacturing of lithium ion batteries in Europe. The Company owns the Woxna graphite mine in Sweden, with a view to readying the site for the supply of battery anode materials. Elsewhere in Europe, the Company is undertaking exploration for rare earth elements, lithium and cobalt.

The European Commission has forecast 400 GWh of annual battery demand in Europe by 2025, with a market value of approximately 400 billion. In late 2019 the European Commission's Vice President for the Energy Union Maro Tusk expressed a vision for a secure, transparent and integrated European battery materials supply chain that combines domestic mined materials and imports.

During the reporting period, the unprecedented and tragic human and financial challenges related to the COVID-19 virus are beginning to be revealed, first in China and rapidly the rest of the world. The impact of COVID-19 on the battery, automotive and mining industry remains unclear, however, it is believed to be a significantly negative event that will alter future forecasts.

Corporate progress was moderated during the period as the Company sought to secure project level funding for the Woxna graphite mine. Access to project level funding was unsuccessful, and therefore Leading Edge Materials completed a private placement financing of 18,000,000 units at \$0.056 per unit for gross proceeds of \$1,008,000 at the end of December 2019. The Company has continued to seek project level financing opportunities and will communicate developments should they arise.

Leading Edge Materials continues to hold the Woxna graphite on a production ready basis and includes full time staff to ensure permit conditions are met. Woxna site activity has been directed towards review of optimization opportunities for the graphite process flowsheet and for the proposed purification and spherulisation demonstration plant.

The Bergby lithium project in Sweden was progressed utilizing funding from EIT Raw Materials under the LiRef project. In February 2020, research indicated that in a bulk sample with a grade of 1.21% Li₂O, 90% of lithium is contained within spodumene or petalite, minerals that are widely used for lithium chemical production today. Leading Edge Materials continues to work with Swedish permitting authorities with regard to the Mining Lease application for the Norra Kärr heavy rare earth project.

As reported in October 2019, Leading Edge Materials submitted an application to the permitting authority Agenzia Nazionale Resurse Minerale ("NAMR") for an exploration license in Romania under a competitive tender process covering the Bihor Sud project. The Company was notified that one other application was received under the competitive tender. The tender was adjudicated on the basis of technical and financial merit.

During January 2020 Leading Edge Materials was advised that the other applicant lodged an appeal to the Bucharest Court of Appeal against NAMR. The appeal seeks to cancel the outcome of the tender process for the Bihor Sud Exploration License before a winner is declared. Adjudication of the tender has been suspended until the appeal by the other applicant has been definitively resolved. A first hearing took place on February 28, 2020 without resolution. Further hearing dates are anticipated to be substantially impacted by the COVID-19 virus.

Selected Financial Data

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

	Fiscal 2020	Fiscal 2019				Fiscal 2018	
Three Months Ended	January 31, 2020 \$	October 31, 2019 \$	July 31, 2019 \$	April 30, 2019 \$	January 31, 2019 \$	October 31, 2018 \$	July 31, 2018 \$
Operations							
Expenses	(375,930)	(409,297)	(561,771)	(571,749)	(850,681)	(1,151,305)	(697,426)
Other items	(31,374)	(8,799,476)	27,101	46,864	1,602	39,448	(7,721)
Comprehensive loss	(407,304)	(9,208,773)	(534,670)	(524,885)	(849,079)	(1,111,857)	(705,147)
Basic and diluted loss per share	(0.00)	(0.09)	(0.01)	(0.01)	(0.01)	(0.01)	(0.01)
Financial Position							
Working capital	711,727	132,551	518,129	929,183	1,438,895	960,707	1,369,748
Total assets	24,803,562	24,825,107	34,088,219	35,359,241	35,766,406	35,075,446	36,132,517
Total non-current liabilities	(7,154,761)	(7,701,324)	(7,876,382)	(8,637,726)	(8,515,027)	(8,306,212)	(8,902,310)

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Financial Condition / Capital Resources

During the three months ended January 31, 2020 the Company recorded a net loss of \$407,304 compared to a net loss of \$9,208,773 for the prior three months ended October 31, 2019. The decrease in net loss was primarily attributed to the impairment of the Woxna project in the preceding period. As at January 31st 2020, the Company had working capital of \$711,727.

The Company is maintaining its Woxna Graphite Mine on a "production-ready" basis to minimize costs. The Company anticipates that it does not have sufficient funding to meet anticipated levels of corporate administration and overheads for the ensuing twelve months and it will need additional capital to provide working capital and recommence operations at the Woxna Graphite Mine and/or modernize the plant to produce value added production, to fund future development of the Norra K?rr Property and complete the tendering process and, if successful, 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. 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

During December 2019 the Company completed a private placement financing of 18,000,000 units for gross proceeds of \$1,008,000.

Summary and Outlook?

Work undertaken by Leading Edge Materials during the quarter ended 31st January 2020 has been in line with the outcomes of the internal strategic review completed in May 2019. Despite weak investor sentiment in resource markets, Leading Edge Materials successfully completed a modest financing during the quarter, and progressed activities on a number of projects.

It is anticipated that the short- and medium-term outlook for Leading Edge Materials industry shall be heavily impacted by the COVID-19 virus. The Company's immediate focus is on the health and safety of employees and contractors. The Board remains very optimistic as to the longer-term strength of the European battery and electric vehicle industries and the important role played by current and prospective raw material suppliers like Leading Edge Materials.

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 condensed consolidated interim financial statements for the three months ended January 31, 2020 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.

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 March 26, 2020 at 2:00 p.m. Pacific time.

Reader Advisory

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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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