

NEWS RELEASE

September 20, 2018

## Leading Edge Materials Reports Quarterly Results to July 31, 2018

**Vancouver, BC – September 20, 2018 – Leading Edge Materials Corp.** (“**Leading Edge Materials**” or the “**Company**”) (**TSXV: LEM**) (**Nasdaq First North: LEMSE**) (**OTCQB: LEMIF**) announces its third quarter results for the period ending July 31, 2018. All references to dollar amounts in this release are in Canadian dollars.

Work undertaken by Leading Edge Materials during the third quarter of 2018 are in line with the Board’s strategic roadmap to support and benefit from the electrification of Europe. Key elements of the Company’s ongoing investment strategy include high value product development from the Woxna graphite mine; increasing community engagement at the Norra Karr rare earth element project while identifying project improvements that reduce the environmental footprint; ongoing discovery of lithium at the Bergby project and in the surrounding region; and rapidly advancing various opportunities in cobalt across Europe, including Finnish and Romanian assets.

The Company is close to finalising test work to identify key equipment for the design and install of a value adding demonstration plant at the Woxna facility. This demonstration plant will enable the Company to demonstrate the commercial scaling of the process and produce samples of battery grade materials and by products for customer evaluation and qualification.

The Company continues to be an active participant in the EU Battery Alliance.

### 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 2018			Fiscal 2017				Fiscal 2016
	July 31, 2018 \$	April 30, 2018 \$	January 31, 2018 \$	October 31, 2017 \$	July 31, 2017 \$	April 30, 2017 \$	January 31, 2017 \$	October 31, 2016 \$
<b>Operations</b>								
Expenses	(697,426)	(665,364)	(1,979,241)	(843,952)	(598,339)	(661,022)	(669,396)	(2,060,555)
Other items	(7,721)	32,508	42,816	75,938	(85,392)	(59,749)	(78,116)	63,761
Comprehensive loss	(705,147)	(632,856)	(1,936,425)	(768,014)	(683,731)	(720,771)	(747,512)	(1,996,794)
Basic and diluted loss per share	(0.01)	(0.01)	(0.02)	(0.00)	(0.01)	(0.01)	(0.01)	(0.04)
<b>Financial Position</b>								
Working capital	1,369,748	2,041,550	2,698,150	3,490,760	4,430,469	3,980,145	3,582,767	2,436,641
Total assets	36,132,517	36,139,745	36,902,593	37,915,728	39,267,743	38,320,958	36,893,309	36,037,751
Total non-current liabilities	(8,902,310)	(8,157,203)	(8,204,190)	(8,330,321)	(9,557,984)	(8,967,308)	(7,942,687)	(8,072,937)

### Results of Operations

#### *Three Months Ended July 31, 2018 Compared to Three Months Ended April 30, 2018*

During the three months ended July 31, 2018 (“**Q3**”) the Company reported a comprehensive loss of \$705,147 compared to a comprehensive loss of \$632,856 for the three months ended April 30, 2018 (“**Q2**”), for an increase in loss of \$72,291, primarily attributable to the recognition of general prospecting exploration expenses incurred in Romania of \$91,044 in Q3.

*Nine Months Ended July 31, 2018 Compared to Nine Months Ended July 31, 2017*

During the nine months ended July 31, 2018 (the “**2018 period**”) the Company reported a net loss of \$3,274,428, compared to a net loss of \$2,152,014 for the nine months ended July 31, 2017 (the “**2017 period**”), an increase in loss of \$1,122,414. The increase in loss is primarily attributed to the recognition of share-based compensation of \$1,168,525 on the granting of stock options in the 2018 period. No stock options were granted or vested in during the 2017 period.

Excluding share-based compensation, expenses increased by \$244,749, from \$1,928,757 during the 2017 period to \$2,173,506 during the 2018 period.

### **Financial Condition / Capital Resources**

During the 2018 period the Company recorded a net loss of \$3,274,428 and, as at July 31, 2018, the Company had an accumulated deficit of \$25,942,467 and working capital of \$1,369,748. 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. 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 the 2018 period. The Company issued 400,000 common shares on the exercise of share options for \$156,000.

During the 2017 period the Company completed private placement financings of 4,004,222 units at \$0.45 per unit and 3,636,364 units at \$0.55 per unit for total gross proceeds of \$3,801,900. The net proceeds from these financings were used to conduct test work toward the production of high-purity graphite at the Woxna graphite project, to further lithium and cobalt exploration activities and for general corporate requirements. In addition, the Company issued 526,916 common shares on the exercise of share options and warrants for \$232,491.

### **Summary and Outlook**

At the Woxna Graphite Mine, the Company is focused on optimization of the purification and shaping processes required to convert low value graphite into high value battery-ready anode material. Laboratory based work to date has produced battery-ready anode materials by both chemical and thermal purification methods yielding high quality graphite materials that meets the electrochemical specifications of battery cell manufacturers. Ongoing larger scale testing and lab work is targeting process optimization of the Woxna flow sheet to define equipment requirements to produce battery grade materials and salable by-products. The research focus is directed towards commercially proven process improvements which can be installed on the Woxna mine site within existing operating permits.

In February 2018, the Company announced participation as a raw material industry representative within the EU Battery Alliance (the “**Alliance**”), which is comprised of more than 50 of Europe’s strongest corporate voices within the emerging lithium ion battery sector, plus numerous support and government agencies. The Company is the only potential supplier of natural graphite anode material within the Alliance, which allowed the Company’s voice to be clearly heard with regards to the sustainable supply of European raw materials.

### *Leading Edge Materials Strategic roadmap*

Woxna Graphite's goal is to become the leading European producer and supplier of sustainable graphite anode material for lithium ion batteries, targeted at meeting the forecast growth in European demand. The objective is to own and control a sustainable production chain for anode material from mining through processing to blending of customer specific products.

The Norra Karr project goals are directed towards increasing community and government engagement to demonstrate the positive aspects of the project. Ongoing technical optimisation of the process is targeting as close to a zero-waste project as possible to reduce the environmental footprint of the project.

The Swedish Lithium objectives are to undertake early stage exploration work to identify similar deposits to complement the Bergby Lithium project on a regional level. Ground based prospecting work is underway this summer.

The Cobalt Project's objectives are to undertake data review, combined with grassroots field work, to determine if further exploration works are warranted. Currently focused on ground based prospecting activities in Finland and both historic and ground based activities in Romania.

The Company continues to seek out prospective battery material projects in Europe and will provide updates as information becomes available.

### **Qualified Person**

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

### **Additional Information**

The Company's consolidated financial statements for the year ended October 31, 2017 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).

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

Mr. Blair Way, President and 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 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. The Company's flagship asset is the Woxna Graphite production facility located in central Sweden, targeting the supply of specialty materials for lithium ion battery production. The Company'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 operates in four divisions, Graphite, Lithium, Rare Earth and Cobalt. Mangold Fondkommission AB is the Company's Certified Adviser ("CA") as part of the listing requirements for Nasdaq First North.

**Additional Information**

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.

**Reader Advisory**

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