



Leading Edge Materials Closes Private Placement Financing

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VANCOUVER, Dec. 31, 2019 /CNW/ - **Leading Edge Materials Corp.** ("**Leading Edge Materials**" or the "**Company**") (**TSXV: LEM**) (**Nasdaq First North: LEMSE**) (**OTCQB: LEMIF**) is pleased to advise of the closing of the non-brokered private placement financing (the "**Private Placement**") as announced on [November 5, 2019](#) and [December 4, 2019](#). Pursuant to the Private Placement, the Company has issued 18,000,000 units (the "**Units**") at a price of \$0.056 per Unit for aggregate gross proceeds of C\$1,008,000. Each Unit consists of one common share and one common share purchase warrant. Each warrant is exercisable into one common share of the Company at an exercise price of \$0.10 until December 30, 2023.

The Company intends to use the proceeds for the Company's projects, located in Sweden and Romania and for general working capital and corporate purposes. This may include assessing the next appropriate actions for the Company's wholly-owned Swedish subsidiary, Woxna Graphite AB, as recommended by the internal strategic review (announced [May 27, 2019](#)). No finder's fees or commissions were paid in connection with the Private Placement.

Mr. Eric Krafft, who held 9.98% of the issued and outstanding common shares of the Company prior to the closing of the Private Placement, subscribed for 13,000,000 Units under the Private Placement. As a result, Mr. Krafft has become a new insider of the Company beneficially holding, or exercising control or direction over, 22,554,404 common shares of the Company or approximately 19.84% of the issued and outstanding common shares of the Company and warrants entitling Mr. Krafft to acquire up to an additional 17,426,364 common shares of the Company. A restriction has been placed on the exercise of any outstanding warrants held or controlled by Mr. Krafft as at closing of the Private Placement that prevents the exercise thereof if such exercise results in Mr. Krafft holding 20% or more of the issued and outstanding shares of the Company, unless approval is obtained from the Company's shareholders.

Mr. Mark Saxon, Interim CEO stated, "Closing of this Private Placement in full is a sign of confidence during a challenging period in mining markets. The raising of C\$1 million provides the working capital needed to achieve the next milestones for the Company, in particular for the Woxna graphite mine in Sweden. As the raise includes a 12-month hold of both shares and warrants, it reinforces the long-term support of Leading Edge Materials by new and existing shareholders."

The Common Shares, Warrants and Warrant Shares are subject to resale restrictions pursuant to a "distribution compliance period" (as defined in Regulation S under the United States Securities Act of 1933, as amended (the "**U.S. Securities Act**")) of one year expiring on December 31, 2020. The Common Shares, Warrants and the Warrant Shares have been issued in certificated form to facilitate the inclusion of required restrictive legends in accordance with United States securities

legislation.

In addition, a voluntary trading restriction has been placed on all securities issued under the Private Placement, including the securities issuable on exercise of the Warrants, pursuant to which such securities cannot be traded until December 31, 2020. This voluntary restriction runs concurrently with the above referenced one-year distribution compliance period under the U.S. Securities Act. The minimum investment amount for European Economic Area ("**EEA**") investors in the Private Placement was an amount equivalent to at least EUR 100,000.

The securities have not been, and will not be, registered under the U.S. Securities Act, or any U.S. state securities laws, and may not be offered or sold in the United States or to, or for the account or benefit of, U.S. persons absent registration or an applicable exemption from the registration requirements of the U.S. Securities Act and applicable U.S. state securities laws. This press release shall not constitute an offer to sell or the solicitation of an offer to buy securities in the United States, nor shall there be any sale of these securities in any jurisdiction in which such offer, solicitation or sale would be unlawful.

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

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. Leading Edge Materials' assets and research focus are towards the raw materials for Li-ion batteries, high thermal efficiency and materials that improve the efficiency of energy generation. Investments are linked to the global shift to low-carbon energy generation and energy storage.

Additional Information

The information was submitted for publication through the agency of the contact person set out above, on December 31, 2019 at 3:00 AM 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 CA on Nasdaq First North and may be contacted at +46 (0) 8 5030 1550.

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This news release may include forward-looking information that is subject to risks and uncertainties. All statements within, other than statements of historical fact, are to be considered forward-looking, including statements with respect to the use of proceeds from the Private Placement. Although the Company believes the expectations expressed in such forward-looking information are based on reasonable assumptions, such information is not a guarantee of future performance and actual results or developments may differ materially from those contained in forward-looking information. Factors that could cause actual results to differ materially from those in forward-looking information include, but are 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

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Any investment decision in connection with the Private Placement must be made on the basis of all publicly available information relating to the Company and the Company's shares/Units. The information contained in this announcement is for background purposes only and does not purport to be full or complete. No reliance may be placed for any purpose on the information contained in this announcement or its accuracy or completeness. This announcement does not purport to identify or suggest the risks (direct or indirect) which may be associated with an investment in the Company or the new shares/Units.

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