



LEADING EDGE MATERIALS CORP.

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TSX.V: LEM | Nasdaq First North: LEMSE | OTCQB: LEMIF | FRA: 7FL

NEWS RELEASE

January 23, 2026

LEADING EDGE MATERIALS REPORTS FISCAL 2025 RESULTS

Vancouver, January 23, 2026 – Leading Edge Materials Corp. (“Leading Edge Materials” or the “Company”) (TSXV: LEM) (Nasdaq First North: LEMSE) (OTCQB: LEMIF) (FRA: 7FL) announces results for the fiscal year ending October 31, 2025. All references to dollar amounts in this release are in Canadian dollars.

Highlights During and After the Fiscal 2025

During the fiscal year ended October 31, 2025:

- On December 8, 2024, the Company applied to the Mining Inspectorate of Sweden (Sw. Bergsstaten) for an Exploitation Concession (Sw. Bearbetningskoncession) 25-year mining lease for Norra Kärr.
- On February 9, 2025, the Company provided an update on a Rapid Development Plan (“RDP”) for Norra Kärr, to be in production in the shortest possible timeframe, supplying HREE-rich eudialyte mineral concentrate and industrial mineral nepheline syenite.
- The Company provided an update on the value creation options being considered for Woxna Graphite, on February 16, 2025, including a possible restart of operations, the production of high-quality high grade flake graphite concentrate.
- On March 23, 2025, the Company provided a progress update on Norra Kärr, in the context of the European Commission’s (“EC”) Joint White Paper for European Defence Readiness 2030, highlighting the increasing geopolitical competition over critical raw materials (“CRMs”) and the need for the EU and its member states to build strategic reserves of raw materials.
- On March 25, 2025, the EU announced its first list of Strategic Projects under the Critical Raw Materials Act (“CRMA”); Norra Kärr was not included.
- On June 9, 2025, the Company announced the signing of an agreement with Svensk Kapitalmarkadsgranskning (“SKMG”) for an assignment as Certified Adviser for the Nasdaq First North Growth Market (Stockholm).
- On August 15, 2025, the Company closed the non-brokered private placement financing (the “Private Placement”) previously announced on June 10, 2025. Pursuant to the Private Placement, the Company issued 17,738,500 units at a price of C\$0.16 per Unit for aggregate gross proceeds of C\$2,838,160.

After the fiscal year ended October 31, 2025:

- On December 3, 2025, the Company announced that the County Administrative Boards (“CABs”) of Jönköping and Östergötland had endorsed (Sw. Tillstyrker) the Company’s application for an Exploitation Concession 25-year mining lease for Norra Kärr. This step forwards precedes a final decision on the application by the Mining Inspectorate.
- On December 14, 2025, the company announced it had been accepted by EIT Raw Materials as a Project Partner. EIT Raw Materials represents a powerful knowledge and innovation community in Europe.

Results of Operations

Three Months Ended October 31, 2025, Compared to Three Months Ended July 31, 2025

During the three months ended October 31, 2025 ("Q4 2025") the Company reported a net loss of \$756,874 compared to a reported net loss of \$611,307 for the three months ended July 31, 2025 ("Q3 2025"), an increase in loss of \$145,567 is due to foreign exchange loss of \$64,195 in Q4 2025 compared to gain of \$80,335 Q3 2025.

Year Ended October 31, 2025, Compared to Year Ended October 31, 2024

During the year ended October 31, 2025 ("fiscal year 2025") the Company reported a net loss of \$3,216,565 compared to a net loss of \$2,687,724 for the year ended October 31, 2024 ("fiscal year 2024"), an increase in loss of \$528,841. The increase in loss was due to Directors and officer's compensation of \$303,927 in fiscal year 2025 compared to \$232,702 in fiscal year 2024, share based payment during fiscal year 2025 of \$1,131,468 compared to \$775,940 in fiscal year 2024, travel expenses during fiscal year 2025 of \$148,686 compared to \$57,918 in fiscal year 2024.

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 2025				Fiscal 2024			
	October 31, 2025	July 31, 2025	April 30, 2025	January 31, 2025	October 31, 2024	July 31, 2024	April 30, 2024	January 31, 2024
Operations								
Expenses	(731,190)	(697,621)	(1,070,402)	(696,037)	(97,209)	(797,070)	(863,745)	(660,617)
Other items	(25,684)	86,314	(108,766)	26,821	(222,820)	(25,168)	4,216	(25,311)
Comprehensive profit/(loss)	(756,874)	(611,307)	(1,179,168)	(669,216)	(320,029)	(822,238)	(859,529)	(685,928)
Basic Profit/(loss) per share	(0.00)	(0.00)	(0.01)	(0.00)	(0.00)	(0.00)	(0.01)	(0.00)
Diluted profit/(loss) per share	(0.00)	(0.00)	(0.01)	(0.00)	(0.00)	(0.00)	(0.01)	(0.00)
Financial Position								
Working capital	1,880,436	679,695	1,191,514	2,198,641	3,337,686	3,973,458	1,610,635	2,316,098
Total assets	30,468,689	29,503,036	28,361,774	28,480,311	29,343,716	28,454,783	24,991,481	26,003,943
Total non-current liabilities	(6,056,852)	(6,806,650)	(6,009,933)	(5,596,369)	(5,641,854)	(5,683,545)	(5,101,289)	(5,489,843)

Financial Condition / Capital Resources

During the year ended October 31, 2025, the Company recorded a net loss of \$3,216,565 and, as of October 31, 2025, the Company had an accumulated deficit of \$52,569,223 and working capital of \$1,880,436. The Company is maintaining its Woxna Graphite Mine on a “production-ready” basis to minimize costs. The Company continues to review options for Woxna, which include the possibility of contracting with a long-term partner willing to pay for secure natural graphite produced to the highest ESG and sustainability standards. The Company anticipates that it has sufficient funding to meet anticipated levels of corporate administration and overheads for the ensuing twelve months however, it will need additional capital to provide working capital and recommence operations at the Woxna, establish a production facility for the Anode Project, to fund future development of the Norra Kärr Property or to complete 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.

Outlook

Geopolitical turbulence has become the new normal, and the future remains deeply uncertain. China's volatile approach to export controls—imposing restrictions, suspending them, then reimposing them elsewhere—has catalyzed unprecedented urgency across Europe to secure critical raw materials supply and safeguard European industry.

The stakes have never been clearer. Throughout autumn 2025, from Kokkola Material Week to Raw Materials Week in Brussels and SveMin's Autumn Summit in Stockholm, a single message dominated: geopolitics isn't merely influencing the critical raw materials agenda—it's defining it entirely. For rare earth elements specifically, military tensions, economic coercion, and supply weaponization are the main drivers behind Europe's push for supply chain independence.

The supply situation for heavy rare earth elements—essential for permanent magnet manufacturing in defense systems, EVs, and wind turbines—has reached critical levels. Both the EU and Sweden are now actively dismantling the historical barriers that have impeded progress: permitting paralysis and capital constraints.

On December 3, 2025, the European Commission launched ReSourceEU, a €3 billion program designed to de-risk and diversify supply chains for critical rare earth metals and elements. The initiative includes financial mechanisms to enable companies to source from non-Chinese suppliers despite higher costs, alongside a ‘raw materials platform’ to pool company orders and build joint strategic stockpiles. This represents Europe's most concrete response yet to China's systematic weaponization of critical materials.

Europe is not acting alone. The United States, Canada, and Australia are providing substantial financial backing to rare earth projects through structured mechanisms including price floors and long-term offtake agreements. The U.S. Government's USD 400 million equity investment in MP Materials in July 2025—making it the company's largest shareholder—and a USD 150 million loan from the Department of War to support the expansion of MP's rare earth separation capabilities demonstrate the extent to which governments now view domestic rare earth capacity as national security infrastructure. These coordinated international efforts are establishing credible alternatives to China's decades-long state-sponsored strategy to dominate the market.

The geopolitical fragmentation of critical raw materials supply chains is no longer emerging—it has arrived. While temporary détentes provide tactical breathing room, the underlying strategic competition continues to intensify. The International Energy Agency has stated that China's 2025 export control escalations transformed high supply concentration from a theoretical risk into an active, demonstrated vulnerability affecting production across Western automotive and defense sectors.

Within this landscape, Leading Edge Materials' Norra Kärr and Woxna Graphite projects are strategically positioned at the intersection of urgent European demand, unprecedented policy support, and a structural shift in how Western nations value supply chain resilience. The timing has fundamentally changed: what was once a commercial question has become a matter of economic security.

Woxna Graphite Mine

The Woxna Graphite Mine is being maintained on a “production ready” basis while keeping operational holding costs to a minimum. In partnership with an engineering consultant, the Company is updating an internal production restart study undertaken in 2022; metallurgical testwork is being conducted to assess potential improvements to the processing facility that could maximize operational efficiency. The Company's goal is to deliver premium-quality high-grade flake graphite concentrate or value-added products.

In August 2025, Benchmark Minerals reported “Graphite buyers are increasingly seeking to diversify their raw material supply away from China. This has pushed the supply chain to call for new graphite price grades which reflect the trends in this market outside of China. In the graphite market, trade flows have been disrupted by policy announcements restricting imports from specific countries, for example through the introduction of export licence requirements and tariffs. In 2025, China will produce about 70% of global supplies of natural flake graphite and almost all the spherical graphite used in anodes for lithium-ion batteries.”

Against this backdrop, in the final weeks of 2025, The Mining Inspectorate of Sweden awarded four Exploitation Concessions for graphite projects. Stable jurisdictions, such as the Nordics, can contribute to delivering the essential raw materials needed to support the European lithium-ion battery value chain and industrial markets. The EU currently imports approximately 100,000 tonnes per year of natural graphite. The broader context for Woxna is very different now, market interest remains strong - reinforcing confidence in Woxna's commercial potential - the adoption of the CRMA, volatile geopolitics and trade flows, increasing the strategic importance of natural graphite to Sweden and the European Union, the necessity to secure the supply chain, and with a new business plan in hand possibilities to raise finance for a restart of production.

Norra Kärr Heavy Rare Earth Element (“HREE”) Project

With Norra Kärr, the Company is waiting for a decision on its application for an Exploitation Concession 25-year mining lease to the Mining Inspectorate of Sweden. A decision is expected on the Bearbetningskoncession in the near future. The Company is also working on a new Pre-feasibility (“PFS”) due to be completed during 2026.

The drastic shortage of heavy rare earth elements - particularly Dysprosium and Terbium – was highlighted in a Reuters article titled ‘West scrambles to fill heavy rare earth gap as China rivalry deepens’, published November 19, 2025 (<https://www.reuters.com/sustainability/climate-energy/west-scrambles-fill-heavy-rare-earth-gap-china-rivalry-deepens-2025-11-19/>).

The article underscored the critical supply chain vulnerability that Europe has failed to address for more than a decade, and this message was strengthened by comments from the CEO of Vacuumschmelze, Europe's principal manufacturer of permanent magnets, when he spoke at Raw Materials Week 2025 in Brussels.

The urgency is not new. In 2014, the European Rare Earths Competency Network (ERECON) warned that “the development of new sources of heavy rare earths outside of China and greater recycling must remain an urgent priority for Europe.”

Their report on strengthening the European rare earths supply chain specifically identified Norra Kärr as one of two “best known” advanced-stage REE projects in Europe that could secure European supply for decades. Back in 2014, they projected that, with permitting and adequate funding, mining could begin before 2020. These factors still challenge European projects more than a decade later.

When it comes to Norra Kärr, the deposit's strategic importance to Europe has never been clearer. The Swedish Geological Survey (“SGU”) discovered Norra Kärr in the 1900s and, in 2011, designated it as being of National Interest due to the significance of its rare earth elements (“REEs”) for Sweden and Europe.

More recently, with the respect to the Company's application for a mining lease, SGU in its capacity as an expert authority for issues relating to geology and minerals in Sweden has stated that the deposit at Norra Kärr is very important for Sweden's and the EU's supply of rare earth metals, and that Norra Kärr is one of Europe's richest deposits for these minerals – especially with regard to heavy rare earth elements.

Norra Kärr is estimated to produce 248 tonnes of Dysprosium and 36 tonnes of Terbium oxides annually over an initial 26-year mine life - covering only 30% of the currently defined resource, which remains open for expansion. As a comparison, on 25 October, Australian company Lynas Rare Earths ("Lynas") announced plans for an expanded heavy rare earths separation facility in Malaysia, with nameplate capacity of 250 tonnes of Dysprosium and 50 tonnes of Terbium oxides

(Source: Sw. <https://wcsecure.weblink.com.au/pdf/LYC/03015215.pdf>).

Lynas, along with MP Materials ("MP") are the most significant players in the rare earths market outside of China. Lynas is expected to be a beneficiary of the USD 8.5 billion U.S.-Australia Rare Earth Deal signed on 20 October 2025 and has already benefited from Australian Government grant funding in recent years. The U.S. Government has invested in MP, becoming the company's largest shareholder through the purchase of USD 400 million in preferred stock in July this year and the Department of War has extended a USD 150 million loan to support the expansion of MP's rare earth separation capabilities. These public market-making instruments from governments directly supporting their critical mineral strategies have unlocked private capital, including USD 1 billion in commercial debt from JPMorgan Chase and Goldman Sachs.

The Company's recent focus has been on permitting primary raw material production from the Norra Kärr site, but the downstream processing of eudialyte mineral concentrate is also being considered, with one option being to create a rare earths' processing hub that could import concentrates as well as process Norra Kärr material.

When the financials for producing mixed rare earth oxides were modelled as part of the Preliminary Economic Assessment ("PEA") in 2021, the Project had a pre-tax NPV10 of over US\$1B. While the numbers will be updated in PFS, we have a robust project, and the Company is already mapping the funding options that could be available as we progress. As one of the largest HREE deposits globally - and the most advanced within the EU - Norra Kärr has the potential to become a cornerstone supplier for Western magnet producers.

Bihor Sud Nickel-Cobalt Exploration Project

Following the substantial addition of ownership and operational permits for the former Avram Iancu mine within the exploration area, in summer 2025, the Company has been reassessing its highest-value prospects. The Avram Iancu site benefits from extensive historical mining and exploration activities that have established hundreds of kilometers of underground galleries and workings. Historical data indicates the presence of massive sulphide zones within carbonate-replacement deposits, featuring primary copper-bearing minerals such as chalcocite and bornite.

A Competent Person Report is being completed, while management concurrently explores alternative financing options to advance project development. This technical report will consolidate the substantial work completed to date and establish a clear roadmap for the project.

Bihor Sud remains a very exciting brownfield exploration project. It's a historic mining area with tens of kilometers of underground galleries, or tunnels, developed in the licence area. Between the 1960-90s the responsible division of the Romanian State only targeted what was then called 'strategic metals', principally uranium, and explored for nothing else.

The Company's objective at Bihor Sud, is to define a large-scale, mineable mineral resource. Initially, we are following-up on the work done in gallery G7 last year, and the extensive Cobalt-Nickel-Gold mineralized zone that was identified, and in the new year starting to drill in gallery G2 which has shown its potential for extensive Zinc-Lead-Copper-Silver mineralization. We are encouraged by the findings to date, which highlight the strong potential for discovering a significant polymetallic deposit.

Financial Information

The report for three months ending January 31, 2026, is expected to be published on or about March 20, 2026.

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

Kurt Budge, CEO

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About Leading Edge Materials

Leading Edge Materials is a Canadian public company focused on developing a portfolio of critical raw material projects located in the European Union. Critical raw materials are determined as such by the European Union based on their economic importance and supply risk. They are directly linked to high growth technologies such as lithium-ion batteries and permanent magnets for electric motors, wind turbines and defense applications. The portfolio of projects includes the 100% owned Woxna Graphite mine (Sweden), 100% owned Norra Kärr Heavy Rare Earth Elements project (Sweden), and the 51% owned Bihor Sud Nickel Cobalt exploration alliance (Romania).

Additional Information

The information was submitted for publication through the agency of the contact person set out above, on January 23, 2026, at 3:30 PM Vancouver time.

Leading Edge Materials is listed on the TSXV under the symbol "LEM", OTCQB under the symbol "LEMIF" and Nasdaq First North Stockholm under the symbol "LEMSE". Svensk Kapitalmarknadsgranskning ("SKMG") is the Company's Certified Adviser for the Nasdaq First North Growth Market (Stockholm) and may be contacted via email ca@skmg.se or by phone +46 (0)8 913 008.

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