

REFLEX ANNOUNCES PRIVATE PLACEMENT OF UP TO C\$4.25M, IMPLEMENTATION OF EQUITY INCENTIVE PLAN AND SHARE GRANTS OF AWARDS

Nov. 21, 2022

Vancouver, British Columbia - Reflex Advanced Materials Corp., (“Reflex” or the “Company”) (CSE:RFLX | OTCQB:RFLXF | FSE:HF2) is pleased to announce a non-brokered private placement for gross proceeds of up to C\$4,250,000, the implementation of an equity incentive plan of the Company and the grant of stock options (“Options”) and restricted share units (“RSUs”) under the equity incentive plan.

Financing

The Company announces that it intends to complete a non-brokered private placement consisting of: (i) units of the Company at a price of \$0.40 per unit (the “\$0.40 Unit”) for aggregate gross proceeds of up to C\$4,000,000, with each \$0.40 Unit comprised of one (1) non-flow-through common share of the Company (each, a “Share”) and one (1) non-flow-through common share purchase warrant of the Company (each, a “Warrant”) entitling the holder to acquire one (1) Share (each, a “Warrant Share”) at a price of C\$0.55 per Warrant Share for a period of twenty-four (24) months (the “Non-Flow Through Offering”); and (ii) units of the Company at a price of \$0.55 per unit (the “0.55 Unit”) for aggregate gross proceeds of up to C\$250,000 with each \$0.55 Unit comprised of one (1) flow-through common share (each, a “FT Share”) and one (1) non-flow-through Warrant entitling the holder to acquire one (1) Warrant Share at a price of C\$0.65 per Warrant Share for a period of twenty-four (24) months (the “FT Offering” and, together with the Non-Flow Through Offering, the “Offering”). FT Shares issued under the FT Offering are intended to qualify as “flow through shares” within the meaning of the Income Tax Act (Canada) (the “Tax Act”).

The gross proceeds from the sale of the FT Shares will be used to incur “Canadian exploration expenses” that are intended to qualify as “flow-through mining expenditures” as those terms are defined in the Tax Act, which the Company intends to renounce to the initial purchasers of the FT Shares. The Company intends to use the net proceeds raised from the Non-Flow Through Offering to undertake advanced exploration and development activities on the Ruby Graphite Property, to finance the Company’s payment obligations to Broadstone Resources Inc. under the option agreement in respect of the Ruby Graphite Property and general working capital, including repayment of the Company’s current short term financial obligations.

All securities issued in the Offering will be subject to a statutory four month hold period. Closing of the Offering is subject to receipt of all regulatory approvals, including approval of the Canadian Securities Exchange. The Offering is expected to close on or about December 15, 2022 (the “Closing Date”).

This news release does not constitute an offer to sell or a solicitation of an offer to buy any securities in the United States. The securities have not been and will not be registered under the United States Securities Act of 1933, as amended (the “U.S. Securities Act”) or any state securities laws and may not

be offered or sold within the United States or to U.S. Persons unless registered under the U.S. Securities Act and applicable state securities laws or an exemption from such registration is available.

Equity Compensation Plan and Award Grants

The Company also announces that the board of directors of the Company (the “Board”) has approved the adoption of an equity incentive plan (the “Plan”) and reserved common shares of the Company (“Common Shares”) for issuance under the Plan, subject to approval of the Plan by the Canadian Securities Exchange (the “CSE”) and the shareholders of the Company. The Plan allows the Company to issue Options, RSUs, performance share units and deferred share units (collectively, “Awards”) to qualified directors, officers, employees and other service providers of the Company to attract, retain and motivate such persons and to align the interests of such persons with the interests of shareholders and the long-term goals and success of the Company. The maximum number of Common Shares available for issuance under the Plan shall not exceed twenty (20) percent of the Company’s issued and outstanding Common Shares from time to time. As of the date hereof, based on 31,164,766 Common Shares being issued and outstanding, 6,232,953 Common Shares are available for issuance under the Plan upon the proper vesting and exercise or settlement (as applicable) of Awards in accordance with the terms of the Plan. Additional details regarding the Plan will be contained in the management information circular to be mailed to the Company’s shareholders in connection with the Company’s next annual general meeting of shareholders.

The Board also approved the grant of 950,000 Options, with an exercise price of \$0.43, and 2,800,000 RSUs to certain directors, officers and service providers of the Company. The grant of these Awards is subject to approval by the CSE and the shareholders of the Company. Assuming that the Plan and the grant of these Awards are approved by the CSE and the shareholders of the Company, all of the Options and 300,000 of the RSUs will vest in four equal instalments over a two-year period, with one quarter of these Options and RSUs vesting on each of the six, twelve, eighteen and twenty-four month anniversary of the date of grant. The remainder of the RSUs shall vest immediately following approval of the Plan and the grant of such RSUs by the CSE and the shareholders of the Company. Each vested RSU and each vested Option (upon payment of the exercise price) entitles the holder to receive one Common Share of the Company. The Options expire on November 20, 2027.

The Board intends to submit the Plan and the Award grants described above to the shareholders of the Company for approval at the next annual general meeting of the shareholders of the Company. In the event that the Plan, or the Award grants under the Plan, are not approved by the CSE or the shareholders of the Company, such Awards shall not vest and shall be cancelled. In the event that the Plan is not approved by the CSE or the shareholders of the Company, the Plan shall be of no further force or effect and the Company shall not be entitled to grant Awards thereunder.

On Behalf of The Board of Directors

Paul Gorman
Chief Executive Officer and Director

For further information, please contact the Company at:

Phone : (416) 768-6101

Email: paul@reflexmaterials.com

Website: reflexmaterials.com

About Reflex Advanced Materials Corp.

Reflex Advanced Materials Corp. is focused on improving domestic specialty mineral infrastructure efficiencies to meet surging national demand by North American manufacturers. Its objective is to locate and, if warranted, develop economic mineral properties in the strategic metals and advanced materials space. The Company is working to advance its Ruby Graphite Project, located in Beaverhead County, Montana, and ZigZag Lake Lithium Property, located in Thunder Bay Mining Division, Crescent Lake Area, Ontario.

Forward-Looking Statements

Certain statements contained in this press release constitute forward-looking information. These statements relate to future events or future performance. The use of any of the words “could”, “intend”, “expect”, “believe”, “will”, “projected”, “estimated” and similar expressions and statements relating to matters that are not historical facts are intended to identify forward-looking information and are based on the Company’s current belief or assumptions as to the outcome and timing of such future events.

In particular, this press release contains forward-looking information relating to, among other things, the Offering, including the total proceeds, use of proceeds, the FT Shares qualifying as flow-through shares as defined in the Tax Act, the closing (including the proposed closing date) of the Offering and the approval of the Plan by the shareholders of the Company and the CSE, including the Company’s intent to submit the Plan and the Awards made thereunder to shareholders for approval at the next annual general meeting of shareholders. Various assumptions or factors are typically applied in drawing conclusions or making the forecasts or projections set out in forward-looking information, including the assumption that the Company will close the Offering on the timeline anticipated, will raise the anticipated amount of gross proceeds from the Offering, will use the proceeds of the Offering as anticipated and that the Plan and the Awards made thereunder will be approved by the CSE and the shareholders of the Company. Those assumptions and factors are based on information currently available to the Company. Although such statements are based on reasonable assumptions of the Company’s management, there can be no assurance that any conclusions or forecasts will prove to be accurate.

Forward looking information involves known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by the forward-looking information. Such factors include the risk that the Offering does not close on the timeline expected, or at all, the risk that the Company raises less than the anticipated amount of gross proceeds from the Offering, the risk that the Company does not use the proceeds from the Offering as currently expected, the risk that the FT Shares are not qualified as flow-through shares as defined in the Tax Act, the risk that the Plan and the Awards made thereunder will not be approved by the CSE and the shareholders of the Company, risks inherent in the exploration and development of mineral deposits, including risks relating to changes in project parameters as plans continue to be redefined, risks relating to variations in grade or recovery rates, risks relating to changes in mineral

prices and the worldwide demand for and supply of minerals, risks related to increased competition and current global financial conditions, access and supply risks, reliance on key personnel, operational risks regulatory risks, including risks relating to the acquisition of the necessary licenses and permits, financing, capitalization and liquidity risks, title and environmental risks and risks relating to the failure to receive all requisite shareholder and regulatory approvals. The forward-looking information contained in this release is made as of the date hereof, and the Company not obligated to update or revise any forward-looking information, whether as a result of new information, future events or otherwise, except as required by applicable securities laws. Because of the risks, uncertainties and assumptions contained herein, investors should not place undue reliance on forward-looking information. The foregoing statements expressly qualify any forward-looking information contained herein.

The Canadian Securities Exchange has not approved nor disapproved the contents of this news release and does not accept responsibility for the adequacy or accuracy of this release.