



LEADING EDGE MATERIALS CORP.

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

NEWS RELEASE

September 27, 2021

LEADING EDGE MATERIALS REPORTS QUARTERLY RESULTS TO JULY 31, 2021

Vancouver, September 27, 2021 – Leading Edge Materials Corp. (“Leading Edge Materials” or the “Company”) (TSXV: LEM) (Nasdaq First North: LEMSE) (OTCQB: LEMIF) (FRA: 7FL) announces third quarter results for the period ending July 31, 2021. All references to dollar amounts in this release are in Canadian dollars unless otherwise specified.

Highlights During and After the Quarter

During the three months ended July 31, 2021, the Company:

- On May 5, 2021, the Mining Inspectorate of Sweden decided to reject the mining lease application for the Norra Karr project. The Company subsequently appealed this decision to the Government of Sweden.
- The Company announced on June 9, 2021, positive preliminary economic assessment results for its Woxna graphite anode project with US\$317/US\$248 million pre/post-tax NPV and 42.9%/37.4% pre/post-tax IRR.
- On June 21, 2021, the Company announced preliminary life cycle assessment results on the Woxna Graphite project demonstrating potential 90% lower carbon footprint compared with currently dominating Chinese supply alternatives for the production of graphite anode materials.
- On July 22, 2021, the Company announced positive preliminary economic assessment results for its Norra Karr REE project with pre- and post-tax Net Present Value (NPV) of \$1,026M and \$762M using a 10% discount rate and pre- and post-tax Internal Rate of Return (IRR) of 30.8% and 26.3%.
- The Company filed the technical report entitled "NI 43-101 Technical Report – Woxna Graphite" prepared for Woxna Graphite AB with effective date June 9, 2021 and issue date July 23, 2021, available on Leading Edge's website www.leadingedgematerials.com and under its SEDAR profile www.sedar.ca.
- The company changed the name of its Swedish subsidiary owning the Norra Karr HREE project from Tasman Metals AB to GREENNA Mineral AB.
- The Company's dormant Finnish subsidiary ACP Akku Oy was dissolved.

Subsequent to July 31, 2021, the Company:

- The Company filed the technical report titled “PRELIMINARY ECONOMIC ASSESSMENT OF NORRA KARR RARE EARTH DEPOSIT AND POTENTIAL BY-PRODUCTS, SWEDEN” prepared for Leading Edge Materials Corp. with effective date August 18, 2021 and issue date August 19, 2021, available on Leading Edge's website www.leadingedgematerials.com and under its SEDAR profile www.sedar.ca.

Results of Operations

Three Months Ended July 31, 2021 Compared to Three Months Ended April 30, 2021

During the three months ended July 31, 2021 ("Q3") the Company reported a net loss of \$1,077,588 compared to a reported net profit of \$1,090,072 for the three months ended April 30, 2021 ("Q2"), a decrease in profit of \$2,167,660, mainly due to gain on sale of the Bergby Project amounting to \$1,472,255 in last quarter.

Nine Months Ended July 31, 2021 Compared to Nine Months Ended July 31, 2020

During the nine months ended July 31, 2021 ("2021 period") the Company reported a net loss of \$655,793 compared to a net loss of \$1,167,252 for the nine months ended July 31, 2020 ("2020 period"), a decrease in loss of \$511,459. The decrease in loss was primarily attributed to the gain on sale of the Bergby Project in last quarter.

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.

	Fiscal 2021			Fiscal 2020				Fiscal 2019
Three Months Ended	July 31, 2021	April 30, 2021	January 31, 2021	October 31, 2020	July 31, 2020	April 30, 2020	January 31, 2020	October 31, 2019
	\$	\$	\$	\$	\$	\$	\$	\$
Operations								
Expenses	(1,030,846)	(483,495)	(664,675)	(882,556)	(420,959)	(337,609)	(375,930)	(409,297)
Other items	(46,742)	1,573,567	(3,603)	327,987	(21,567)	20,187	(31,374)	(8,799,476)
Comprehensive profit/(loss)	(1,077,588)	1,090,072	(668,278)	(554,569)	(442,526)	(317,422)	(407,304)	(9,208,773)
Basic Profit/(loss) per share	(0.01)	0.01	(0.00)	(0.01)	(0.00)	(0.00)	(0.00)	(0.09)
Diluted profit/(loss) per share	(0.01)	0.01	(0.00)	(0.01)	(0.00)	(0.00)	(0.00)	(0.09)
Financial Position								
Working capital	2,803,903	3,935,156	2,598,191	3,277,010	3,354,422	499,883	711,727	132,551
Total assets	28,455,148	29,133,933	28,759,753	27,218,052	27,832,104	24,722,718	24,803,562	24,825,107
Total non-current liabilities	(9,054,376)	(8,620,700)	(9,154,787)	(7,053,874)	(7,486,123)	(7,452,242)	(7,154,761)	(7,701,324)

Financial Condition / Capital Resources

During the nine months ended July 31, 2021, the Company recorded a net loss of \$655,793 and, as at July 31, 2021 the Company had an accumulated deficit of \$40,549,345 and working capital of \$2,803,903. The Company is maintaining its Woxna Graphite Mine on a "production-ready" basis to minimize costs and is conducting ongoing research and development to produce higher specialty products. 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 Graphite Mine and/or modernize the plant to produce value added production, to fund future development of the Norra Karr 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. See also "COVID-19".

During the nine months ended July 31, 2021 the company has issued 493,109 shares due to exercise of options by option holders for gross proceeds of \$95,348.

During fiscal 2020 the Company completed the following private placement financings:

- (i) 18,000,000 units at \$0.056 per unit for gross proceeds of \$1,008,000; and
- (ii) 32,000,000 units at a price of \$0.11 per unit for gross proceeds of \$3,520,000.

In addition, the Company issued 800,000 common shares on the exercise of warrants for \$80,000. The net proceeds from these financings and warrant exercises have been designated to maintain the Company's projects in Sweden and Romania and for general working capital and corporate purposes.

Outlook

The Company's projects are linked to disruptive high growth technologies such as batteries for electromobility and energy storage and permanent magnets for electric motors and wind power that underpin the clean energy transition towards climate neutrality. An IPCC report on climate science made a loud warning to the world that closing the 2030 emissions gap is crucial if there should be any chance of limiting warming to 1.5C¹. Europe launched its "fit for 55" programme targeting a series of measures with the goal to cut emissions by at least 55% by 2030 compared with 1990 levels². As global leaders are preparing to gather for the COP26 meeting one can expect further announcements on ambitious goals, all strengthening the case for technologies and industries that enable the transition. Carbon emissions trading in the EU made new highs above €60 per tonne. Industry is taking note with continues announced plans to shift to more climate friendly production and product offerings.

With recent announcements from example Mercedes that they are entering a battery production collaboration with Stellantis and Total targeting more than 120 GWh capacity by end of this decade³, European future demand for anode material is continuing to increase. As of August 2021, announced battery cell production capacity in Europe by 2030 stands at 965 GWh, now overshooting expected 2030 demand at 874 GWh⁴. This means expected demand for anode material by 2030 is somewhere around 1,000,000 tonnes, leaving the question where this material is going to be sourced from. Echoing past comments by Volkswagen that they "need to get actively involved in the raw materials business"⁵, Ford CEO Jim Farley recently proclaimed that their "supply chain has to go all the way to the mines" to solve the issue of battery supply and minerals⁶.

Signs of demand driven price squeezes in lithium and uranium have attracted fresh investor interest to look at other raw materials that enable a low carbon footprint energy system. Continued shipping disruptions is starting to have an impact on graphite prices sold in Europe with the gap incrementally widening against China prices. Fastmarkets recently reported that soaring costs and strong demand is also starting to push up prices

¹ https://www.ipcc.ch/report/ar6/wg1/downloads/report/IPCC_AR6_WGI_Full_Report.pdf

² <https://www.consilium.europa.eu/en/policies/eu-plan-for-a-green-transition/>

³ <https://www.stellantis.com/en/news/press-releases/2021/september/stellantis-and-totalenergies-welcome-mercedes-benz-as-new-partner-of-acc>

⁴ <https://www.mckinsey.com/industries/automotive-and-assembly/our-insights/why-the-automotive-future-is-electric>

⁵ <https://www.handelsblatt.com/unternehmen/industrie/interview-vw-vorstand-ueber-moeglichen-ipo-des-batteriegeschaefts-wir-schliessen-zunaechst-nichts-aus/27242244.html>

⁶ <https://eu.detroitnews.com/story/business/autos/ford/2021/09/25/ford-ceo-urges-making-evs-more-affordable-bringing-mining-back-us/5852516001/>

for spherical purified graphite⁷. Supply disruptions is also impacting REE prices where the border between Myanmar and China, has hindered trade flow which normally supports 50% of China's heavy-REE feedstocks with no sign of resolution in the near-term⁸. With an increasing interest from a new set of investors that are starting to look at battery raw materials and rare earth elements as a means to get exposure to the green transition, the Company is getting more active in participating in investor conferences across Europe and North America to raise awareness of our portfolio of projects.

On the policy side Sweden's social democratic party leading the government announced that the party is looking to take a political stance that more mines need to open in Sweden to support the green transition⁹. The EU, through the European Raw Materials Alliance, is shortly expected to announce a "A European Call for Action" to support the development of a European integrated value-chain for rare earth magnets and motors¹⁰. Meanwhile the leaders of the "Quad" nations, United States, India, Japan and Australia held a meeting to discuss co-operation to reduce China's dominance over the rare-earth element supply¹¹. Separately, the U.S. Department of Commerce Announced a Section 232 Investigation into the effect of imports of neodymium magnets on U.S. national security¹². China on its side announced a strategic restructuring of two of the major state-owned companies in the medium-heavy rare earth sector to create a "super-group" to promote a healthy development of the rare-earth industry and deal with price abnormalities¹³. The geopolitics around the rare-earth industry is never a dull moment, but recent developments indicates that the rest of the year could be unusually eventful.

Having concluded the two preliminary economic assessments for Woxna Graphite and Norra Karr these now form the basis for the work with the projects going forward. For Woxna this means planning for capacity to produce larger amounts of sample material to further qualify this towards possible future customers in Europe. For Norra Karr the immediate focus is to utilize the new design of the project and use this as the new basis for gaining positive momentum on the mining lease application. In parallel we are continuing to be active participants in important public forums such as the European Raw Materials Alliance.

A confluence of important factors that underpin the Company's strategy are all moving in the right direction at the moment and our projects are well positioned to benefit from this environment over the near future.

Qualified Person

The scientific, technical and economic information related to the Norra Karr project has been reviewed and approved by Dr. Rob Bowell of SRK Consulting (UK) Ltd, a chartered chemist of the Royal Society of Chemistry, a chartered geologist of the Geological Society of London, and a Fellow of the Institute of Mining, Metallurgy and Materials, who is an independent Qualified Person under the terms of NI 43-101 for REE deposits.

The scientific, technical and economic information related to the Woxna Graphite project has been reviewed and verified by Christopher Stinton of Zenito Limited, BSc (Hons), CEng MIMMM, an independent Qualified Person as defined by NI 43-101.

Financial Information

The report for the year ending October 31, 2021, is expected to be published on or about January 26, 2022.

⁷ <https://www.indmin.com/Article/4008973/Graphite-PricingNews/GLOBAL-GRAPHITE-SNAPSHOT-Soaring-costs-strong-demand-drive-up-spherical-prices.html>

⁸ <https://roskill.com/news/rare-earths-china-rare-earth-compounds-supply-chain-break-off/>

⁹ <https://nsd.se/nyheter/artikel/lofven-klargor-s-linjen--fler-gruvor-ska-oppnas/jv9v4d7l>

¹⁰ https://twitter.com/EU_ERMA/status/1440956049373155332

¹¹ <https://amp.smh.com.au/world/north-america/quad-leaders-unite-to-weaken-chinese-dominance-over-rare-earth-minerals-20210924-p58ukq.html>

¹² <https://www.commerce.gov/news/press-releases/2021/09/us-department-commerce-announces-section-232-investigation-effect>

¹³ <https://www.globaltimes.cn/page/202109/1235016.shtml>

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

Filip Kozlowski, 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 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 batteries for electromobility and energy storage and permanent magnets for electric motors and wind power that underpin the clean energy transition towards climate neutrality. The portfolio of projects includes the 100% owned Woxna Graphite mine (Sweden), Norra Karr HREE 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 September 27, 2021, at 1:15 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". Mangold Fondkommission AB is the Company's Certified Adviser on Nasdaq First North and may be contacted via email CA@mangold.se or by phone +46 (0) 8 5030 1550.

Reader Advisory

may constitute forward-looking statements or forward-looking information within the meaning of applicable Canadian securities laws (collectively, "Forward-Looking Statements"). All statements, other than statements of historical fact, addressing activities, events or developments that the Company believes, expects or anticipates will or may occur in the future are Forward-Looking Statements. Forward-Looking Statements are often, but not always, identified by the use of words such as "seek," "anticipate," "believe," "plan," "estimate," "expect," and "intend" and statements that an event or result "may," "will," "can," "should," "could," or "might" occur or be achieved and other similar expressions. Forward-Looking Statements are based upon the opinions and expectations of the Company based on information currently available to the Company. Forward-Looking Statements are subject to a number of factors, risks and uncertainties that may cause the actual results of the Company to differ materially from those discussed in the Forward-Looking Statements including, among other things, the Company has yet to generate a profit from its activities; there can be no guarantee that the estimates of quantities or qualities of minerals disclosed in the Company's public record will be economically recoverable; uncertainties relating to the availability and costs of financing needed in the future; competition with other companies within the mining industry; the success of the Company is largely dependent upon the performance of its directors and officers and the Company's ability to attract and train key personnel; changes in world metal markets and equity markets beyond the Company's control; the possibility of write-downs and impairments; the risks associated with uninsurable risks arising during the course of

exploration; development and production; the risks associated with changes in the mining regulatory regime governing the Company; the risks associated with tenure to the Norra Karr property; the risks associated with the various environmental regulations the Company is subject to; rehabilitation and restitution costs; the Woxna project has never defined a mineral reserve. The Woxna project has never defined a mineral reserve. On June 9, 2021, Leading Edge announced the results of an independent preliminary economic assessment for the development of Woxna (the "2021 Woxna PEA"), the full details of which are included in a technical report entitled "NI 43-101 Technical Report – Woxna Graphite" prepared for Woxna Graphite AB with effective date June 9, 2021 and issue date July 23, 2021, available on Leading Edge's website www.leadingedgematerials.com and under its SEDAR profile www.sedar.ca. The 2021 Woxna PEA is preliminary in nature, it includes inferred mineral resources that are considered too speculative geologically to have the economic considerations applied to them that would enable them to be categorized as mineral reserves, and there is no certainty that the preliminary economic assessment will be realized. Mineral resources that are not mineral reserves do not have demonstrated economic viability. On July 22, 2021, Leading Edge announced the results of an independent preliminary economic assessment for the development of Norra Karr (the "2021 Norra Karr PEA"), the full details of which are included in a technical report titled "PRELIMINARY ECONOMIC ASSESSMENT OF NORRA KARR RARE EARTH DEPOSIT AND POTENTIAL BY-PRODUCTS, SWEDEN" prepared for Leading Edge Materials Corp. with effective date August 18, 2021 and issue date August 19, 2021, available on Leading Edge's website www.leadingedgematerials.com and under its SEDAR profile www.sedar.ca. The 2021 Norra Karr PEA is preliminary in nature, it includes inferred mineral resources that are considered too speculative geologically to have the economic considerations applied to them that would enable them to be categorized as mineral reserves, and there is no certainty that the preliminary economic assessment will be realized. Mineral resources that are not mineral reserves do not have demonstrated economic viability. Although the Company has attempted to identify important factors that could cause actual results to differ materially from those contained in the Forward-Looking Statements, there may be other factors that cause results not to be as anticipated, estimated or intended. There can be no assurance that such Forward-Looking Statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such Forward-Looking Statements. Such Forward-Looking Statements has been provided for the purpose of assisting investors in understanding the Company's business, operations and exploration plans and may not be appropriate for other purposes. Accordingly, readers should not place undue reliance on Forward-Looking Statements. Forward-Looking Statements are made as of the date hereof, and the Company does not undertake to update such Forward-Looking Statements except in accordance with applicable securities laws.