



NEWS RELEASE

February 11, 2022

LEADING EDGE MATERIALS TO EVALUATE RESTART OF GRAPHITE PRODUCTION AT WOXNA MINE DUE TO IMPROVED MARKET CONDITIONS

Stockholm, February 11, 2022 – Leading Edge Materials Corp. (“Leading Edge Materials” or the “Company”) (TSXV: LEM) (Nasdaq First North: LEMSE) (OTCQB: LEMIF) (FRA: 7FL) is pleased to announce it has initiated an internal review focused on the potential to restart production at the Company’s fully-owned Woxna graphite mine in Sweden (“Woxna”).

Highlights:

- Strong market conditions with European flake graphite prices up around 40% over the last year^{1,2}
- Internal review to restart production at the Woxna graphite mine
- Woxna Graphite is one of the few built and permitted graphite mines in the western world
- Important step towards planned fully integrated production of graphite anode materials

The permitted and fully-built Woxna graphite mine and processing plant was restarted by the Company in 2014 but production was halted due to adverse market conditions at the time. The site has since been kept on care and maintenance whilst the Company has focused on developing the planned downstream processes to produce an upgraded graphite anode material for the lithium-ion battery industry. Improved market conditions for traditional flake graphite products have been recognized as an additional potential opportunity with the asset offering a relatively short time to production compared with other graphite developers. The Company sees the current market conditions as an attractive opportunity to investigate this in more detail.

A recent assessment by Fastmarkets¹ show flake graphite prices in Europe at US\$775 to US\$1,395 depending on flake size, which is around 40% higher compared with the same period last year². These price assessments also show that there is an increasing premium for flake graphite pricing in Europe compared with China. Prices have been driven by growing demand with concurrent supply disruptions and soaring shipping costs. In this context, an alternative supply from Sweden, where products could be shipped by truck to potential customers in continental Europe, could be a key competitive advantage for the Company and could offer the Company a potential opportunity for revenue generation in the near-term.

Filip Kozlowski, CEO of Leading Edge Materials states *“Restarting production at the Woxna graphite mine opens up a number of key opportunities for the Company. Current and expected strong fundamental market conditions not only offer attractive potential cashflow, but also opens up access to graphite users. Furthermore, this is the first essential step toward the fully integrated production of graphite anode material as laid out in our 2021 PEA³. Owning one of the few built and permitted graphite mines in the western world, we are very excited to be able to rapidly respond and benefit from the accelerating strength in flake graphite prices. With natural graphite being classified as a critical raw material by the European Union, it would also demonstrate Europe’s capability to disrupt its dependency on raw material supply from other regions.”*

The review will now perform a detailed market assessment for its potential production through engagement with potential customers in Europe, evaluate required and preferred equipment upgrades at the processing plant, recruitment needs for restarting production and associated timelines. Decision whether to proceed with the restart of production expected to be made within a few months.

¹ <https://www.indmin.com/Article/4023733/Graphite-LatestNews/Graphite-prices-stable-but-supply-issues-continue-to-hamper-market.html>

² <https://www.indmin.com/Article/3971725/Graphite-LatestNews/GLOBAL-GRAPHITE-SNAPSHOT-Tight-availability-high-freights-costs-support-amorphous-prices.html>

³ <https://leadingedgematerials.com/wp-content/uploads/2021/07/NI43-101-Technical-Report-Woxna-Graphite-2021.pdf>

Last year, the Company filed a positive preliminary economic assessment (the “2021 PEA”) for a vertically integrated production of graphite anode materials using Woxna flake graphite as a feed material for a planned anode material factory demonstrating a post-tax NPV (8%) of US\$248m and post-tax IRR of 37.4%⁴. Subsequently the Company announced a non-binding Heads of Agreement with Sicona Battery Technologies Pty Ltd for a 50/50 JV (“the MOU”) for the planned downstream anode factory and the production of silicon-graphite composite anode materials. These downstream value-add business opportunities are still the main strategy of the Company due to their outsized economic potential compared with only producing lower value flake graphite products. However, these downstream plans are ultimately dependent on the production from the Woxna mine and as such, restarting production of flake graphite concentrate is a key deliverable to enable those future plans.

The Woxna graphite project has never had a mineral reserve defined nor has a feasibility study based on mineral reserves been completed for Woxna. The Company is of the view that the costs and time required to define mineral reserves and complete a feasibility study for a brownfield project of this type that has been in production in the past is prohibitive for potentially restarting production under current market conditions. Accordingly, a decision to restart production would not be based on a feasibility study of mineral reserves demonstrating economic and technical viability. As a result, there may be an increased uncertainty and risk of economic and technical failure associated with such a restart decision. The Company further cautions that the 2021 PEA is preliminary in nature. No mining study has been completed. Mineral resources are not mineral reserves and do not have demonstrated economic viability. There is no certainty that the 2021 PEA will be realized.

The Company cautions that there is no assurance or guarantee that the review will lead to a decision to restart production. The Company will disclose developments with respect to the review process when further disclosure is warranted.

The scientific, technical and economic information related to the Woxna graphite project in this news release 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.

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

Filip Kozlowski, 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 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).

⁴ <https://leadingedgematerials.com/wp-content/uploads/2021/07/NI43-101-Technical-Report-Woxna-Graphite-2021.pdf>

Additional Information

This information is information that Leading Edge Materials Corp. is obliged to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication through the agency of the contact person set out above, on February 11, at 2:25 am 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

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This new release may contain statements which constitute "forward-looking statements" or "forward-looking information" within the meaning of applicable Canadian securities laws, including predictions, projections and forecasts (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. Investors are cautioned that any such Forward-looking Statements is not a guarantee of future business activities and involves risks and uncertainties, and that the Company's future business activities may differ materially from those in the Forward-looking Statements as a result of various factors, including, but not limited to: 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 fact that the Woxna project has never defined a mineral reserve or a feasibility study and the associated increased risk of technical and economic failure in case of restarting production; risks relating to the preliminary and non-binding nature of the MOU. 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.