



LEADING EDGE MATERIALS CORP.

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

NEWS RELEASE

January 27, 2021

LEADING EDGE MATERIALS REPORTS FISCAL 2020 RESULTS

Vancouver, January 27, 2020 – Leading Edge Materials Corp. (“**Leading Edge Materials**” or the “**Company**”) (TSXV: LEM) (Nasdaq First North: LEMSE) (OTCQB: LEMIF) announces results for the fiscal year ending October 31, 2020. All references to dollar amounts in this release are in Canadian dollars.

Highlights During and After the Quarter

During the three months ended October 31, 2020 the Company:

- Completed a non-brokered private placement for proceeds of \$3,520,000 by issuing 32,000,000 units at a price of \$0.11 per unit. Each unit consists of one common share, and one common share purchase warrant exercisable into one common share at an exercise price of \$0.20 expiring August 7, 2024.
- Received information that the Bucharest Court of Appeal published a ruling dismissing the appeal against the Agenția Națională Pentru Resurse Minerale (“NAMR”) by the competing bidder for the Bihor Sud Exploration license in Romania as groundless. Pending the full ruling being served to the parties of the appeal and a subsequent appeal window, NAMR can reinstate the adjudication process of the competing bids for the Bihor Sud Exploration license.
- Granted stock options to directors, officers and consultants to purchase an aggregate of 3,500,000 common shares of the Company at an exercise price of \$0.155 expiring August 11, 2023.
- Commissioned SRK Consulting (UK) Limited to produce a preliminary economic assessment study on the Norra Karr heavy rare earth element project to include the additional potential of by-product revenues and associated reduced environmental footprint.
- Received information that the decision to grant a five-year extension on the Norra Karr nr 1 exploration license had been appealed to the Lulea Administrative Court.
- The European Commission announced an Action Plan on critical raw materials aimed to develop resilient value chains for European Union industrial ecosystems, reduce dependency on primary critical raw materials, strengthen domestic sourcing of raw materials in the EU and diversify sourcing from third countries and remove distortions to international trade. The Action Plan included the establishment of a European Raw Materials Alliance to address raw material challenges along industrial ecosystems, provide tailored solutions to industry needs, unlock regulatory bottlenecks and create an investment channel for raw materials projects. The Company has joined ERMA with both the Norra Karr HREE and Woxna Graphite projects.
- Commissioned Zenito Limited, a UK based engineering consultancy, and a range of sub-consultants to produce a Preliminary Economic Assessment study (the “PEA”) on the Woxna Graphite project. The PEA will for the first time include previously developed downstream processes utilizing thermal purification that could enable Woxna Graphite to produce a range of ultra-high purity natural graphite products suitable for the lithium-ion battery market.

Subsequent to October 31, 2020 the Company:

- Appointed Finnish capital markets firm Lago Kapital Oy as liquidity provider for its Nasdaq First North Stockholm listing replacing ABG Sundal Collier ASA.
- Signed a non-binding Letter of Intent with CSE-listed United Lithium Corp. (“ULTH”) contemplating the potential sale of 100% of the Bergby Lithium project. The potential sale is subject to, among other matters, a due-diligence review By ULTH and the signing of a binding Definitive Agreement which the Company is working towards finalizing.
- Commissioned Minviro Ltd., a London based globally recognized life cycle assessment (“LCA”) consultancy, to build an LCA model and deliver an LCA report for the Woxna Graphite project. The LCA work carried out by Minviro includes a cradle-to-gate life cycle inventory and a life cycle impact assessment for five impact categories of interest. The results will be delivered to the Company in form of an ISO-Compliant Full Life Cycle Assessment and Report. In addition, Minviro will benchmark the results for Woxna against other functionally equivalent industry LCA data, including a number of both natural and synthetic graphite alternative products for energy storage applications.

Three Months Ended October 31, 2020 Compared to Three Months Ended July 31, 2020

During the three months ended October 31, 2020 (“Q4”) the Company reported a net loss of \$554,569 compared to a reported net loss of \$442,526 for the three months ended July 31, 2020 (“Q3”), an increase in loss of \$112,043. During Q4 the Company incurred share-based compensation of \$350,000 which was partially offset by a \$274,329 derecognition of a provision previously made for potential land concession payments.

Year Ended October 31, 2020 Compared to Year Ended October 31, 2019

During the year ended October 31, 2020 (“fiscal 2020”), the Company incurred a net loss of \$1,721,821 compared to a net loss of \$11,117,407 during the year ended October 31, 2019 (“fiscal 2019”), a decrease in loss of \$9,395,586. The decrease in loss is primarily attributed to the recognition of an \$8,800,000 impairment provision to property, plant and equipment in fiscal 2019, a \$430,718 decrease in general administrative expenses in fiscal 2020 and the \$274,329 derecognition reversal of a provision during fiscal 2020.

Selected Financial Data

The following selected financial information is derived from the audited consolidated financial statements of the Company prepared in accordance with IFRS.

Three Months Ended	Fiscal 2020				Fiscal 2019			
	October 31, 2020 \$	July 31, 2020 \$	April 30, 2020 \$	January 31, 2020 \$	October 31, 2019 \$	July 31, 2019 \$	April 30, 2019 \$	January 31, 2019 \$
Operations								
Expenses	(882,556)	(420,959)	(337,609)	(375,930)	(409,297)	(561,771)	(571,749)	(850,681)
Other items	327,987	(21,567)	20,187	(31,374)	(8,799,476)	27,101	46,864	1,602
Comprehensive loss	(554,569)	(442,526)	(317,422)	(407,304)	(9,208,773)	(534,670)	(524,885)	(849,079)
Basic and diluted loss per share	(0.01)	(0.00)	(0.00)	(0.00)	(0.09)	(0.01)	(0.01)	(0.01)
Financial Position								
Working capital	3,277,010	3,354,422	499,883	711,727	132,551	518,129	929,183	1,438,895
Total assets	27,218,052	27,832,104	24,722,718	24,803,562	24,825,107	34,088,219	35,359,241	35,766,406
Total non-current liabilities	(7,053,874)	(7,486,123)	(7,452,242)	(7,154,761)	(7,701,324)	(7,876,382)	(8,637,726)	(8,515,027)

Financial Condition / Capital Resources

During fiscal 2020 the Company recorded a net loss of \$1,721,821 and, as at October 31, 2020, the Company had an accumulated deficit of \$39,893,552 and working capital of \$3,277,010. 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 has also commissioned PEA studies on the Woxna Graphite and Norra Karr projects. 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 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 industrial applications such as electromobility, renewable energy and energy storage that underpin the transition to a sustainable society. The ongoing COVID-19 crisis has not been able to stop the positive momentum for electric vehicle markets globally during the second half of the year. EV manufacturers have been releasing new models and announced increases in production which combined with further announced governmental incentives to consumers have buoyed demand. In parallel battery manufacturers are planning to meet downstream demand with increased production capacity. With the inauguration of Joe Biden as the President, the United States is now again part of the Paris agreement and recent announcement to move the entire fleet of federal vehicles to electric shows a strong resolve to be part of the global shift towards carbon-neutrality.

Most commodity prices saw positive developments during the second half of 2020 which has continued into 2021. This also applies for battery materials such as graphite, nickel, lithium, and cobalt which all have experienced strong price developments supported by firm downstream demand combined with supply chain disruptions. Similarly, rare earth oxide prices have risen strongly coming into the new year with strong demand from the electric vehicle and wind turbine industries which has limited available spot supplies. More importantly, in January China introduced a draft regulation to increase regulations and take further control of its national rare earth industry. Measures included cracking down on illegal mining and processing, controlling exports and imports of rare earths and further developing a strategic reserve of rare earth resources and products. Globally, governments are continuing efforts to reduce reliance on China for the rare earth and permanent magnet supply chains. These efforts are seeing results materialize in the US and the UK whilst the EU is rapidly working to support the establishment of European rare earth supply chains through the European Raw Materials Alliance launched in 2020 of which the Company is a stakeholder with both its Norra Karr HREE project and Woxna Graphite mine. Sustainability of critical raw materials is moving further up on the political agenda with the European Commission

announcing battery regulations that will require labelling on batteries sold in the European Union to specify associated carbon footprint of those. Through the ongoing LCA work the Company has commissioned for the Woxna Graphite mine the Company is looking forward to demonstrating how a potential European sustainable battery materials supply can look like.

Looking ahead in 2021 the Company is working towards finalizing the two separate preliminary economic assessment reports for the Norra Karr HREE project and the Woxna Graphite mine, finalizing the sale of the Bergby lithium project and a final ruling and continued processing of its exclusive exploration license application for the Bihor Sud nickel-cobalt project in Romania. With vaccination efforts ongoing globally, an unprecedented momentum in the underlying fundamental drivers underpinning the Company's project portfolio strategy we are looking forward to the rest of the new year.

Qualified Person

The qualified person for the Company's project, Mr. Mark Saxon, B.Sc. Hons (Geology), a Fellow of the Australasian Institute of Mining and Metallurgy, technical adviser to the Company, has reviewed and verified the technical contents of this release.

Financial Information

The report for the three months ended January 31, 2021 is expected to be published on or about March 25, 2021.

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 lithium-ion batteries and permanent magnets for electric motors and wind power that underpin the sustainability transition. The portfolio of projects includes the 100% owned Woxna Graphite mine (Sweden), Norra Kärr HREE project (Sweden), Bergby lithium project (Sweden) and the 51% owned Bihor Sud Nickel Cobalt exploration alliance (Romania).

Additional Information

The Company's consolidated financial statements for the year ended October 31, 2020 and related management's discussion and analysis are available on the Company's website at www.leadingedgematerials.com or under its profile on SEDAR at www.sedar.com

The information was submitted for publication through the agency of the contact person set out above, on January 27, 2021 at 12:15 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

Certain information in this news release may constitute forward-looking statements or forward-looking information within the meaning of applicable 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 Company's preliminary economic assessment on Woxna is no longer current or valid as a result of the filing of a new NI 43-101 Technical Report effective March 24, 2015, as such there is an increased risk of technical and economic failure for the Woxna graphite project; and dealings with non-governmental organizations. 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.