



LEADING EDGE MATERIALS CORP.

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

NEWS RELEASE

JUNE 22, 2022

LEADING EDGE MATERIALS REPORTS QUARTERLY RESULTS TO APRIL 30, 2022

Vancouver, June 22, 2022 – Leading Edge Materials Corp. (“Leading Edge Materials” or the “Company”) (TSXV: LEM) (Nasdaq First North: LEMSE) (OTCQB: LEMIF) (FRA: 7FL) second quarter results for the period ending April 30, 2022. All references to dollar amounts in this release are in Canadian dollars.

Highlights During and After the Quarter

During the three months ended April 30, 2022:

- The Company commenced an evaluation to restart graphite production at Woxna Mine due to improved market conditions.
- Norra Karr Exploration License Remains in Full Force After Court Decision.
- The Company appointed Manuela Balaj-Coroiu as Company Secretary.
- The Company held its Annual and Special Meeting of Shareholders.

Subsequent to April 30, 2022:

- On May 17, 2022 the Company signed Bihor Sud Exploration License between the Company's subsidiary LEM Romania SRL and National Agency for Mineral Resources, Romania.
- On June 21, 2022 the Company took a decision to initiate a Natura 2000 permit application process for the Norra Karr project and retract the appeal against the mining lease rejection for Norra Karr.

Results of Operations

Three Months Ended April 30, 2022 Compared to Three Months Ended January 31, 2022

During the three months ended April 30, 2022 (“Q2 2022”) the Company reported a net loss of \$790,120 compared to a reported net loss of \$2,094,349 for the three months ended January 31, 2022 (“Q1 2022”), a decrease in loss of \$1,304,229, the decrease in loss is mainly due to \$1,421,437 of share-based compensation related to granting of stock options under the Company's stock option plan during Q1 2022.

Three Months Ended April 30, 2022 Compared to Three Months Ended April 30, 2021

During the three months ended April 30, 2022 (“2022 period”) the Company reported a net loss of \$790,120 compared to a net profit of \$1,090,072 for the three months ended April 30, 2021 (“2021 period”), an increase in loss of \$1,880,192, the increase in loss is mainly due to \$1,472,255 of gain on sale of property that was booked in April 2021 and loss on revaluation of marketable securities of \$357,800 booked in Q2 2022 compared to nil in Q2 2021.

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 2022		Fiscal 2021				Fiscal 2020	
	April 30, 2022 \$	January 31, 2022 \$	October 31, 2021 \$	July 31, 2021 \$	April 30, 2021 \$	January 31, 2021 \$	October 31, 2020 \$	July 31, 2020 \$
Operations								
Expenses	(433,894)	(1,874,407)	(460,907)	(600,531)	(483,495)	(664,674)	(882,556)	(420,959)
Other items	(356,226)	(219,942)	(94,018)	(477,057)	1,573,567	(3,603)	327,987	(21,567)
Comprehensive profit/(loss)	(790,120)	(2,094,349)	(554,925)	(1,077,588)	1,090,072	(668,277)	(554,569)	(442,526)
Basic Profit/(loss) per share	(0.00)	(0.01)	(0.01)	(0.01)	0.01	(0.00)	(0.01)	(0.00)
Diluted profit/(loss) per share	(0.00)	(0.01)	(0.01)	(0.01)	0.01	(0.00)	(0.01)	(0.00)
Financial Position								
Working capital	2,449,088	3,236,870	2,350,166	2,803,903	3,935,156	2,598,191	3,277,010	3,354,422
Total assets	25,053,451	30,597,341	28,756,406	28,455,148	29,133,933	28,759,753	27,218,052	27,832,104
Total non-current liabilities	(13,109,136)	(10,812,012)	(9,946,686)	(9,054,376)	(8,620,700)	(9,154,787)	(7,053,874)	(7,486,123)

Financial Condition / Capital Resources

During the three months ended April 30, 2022, the Company recorded a net loss of \$790,120 and, as of April 30, 2022 the Company had an accumulated deficit of \$43,988,739 and working capital of \$2,396,484. 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 value specialty products. The Company is also evaluating a potential restart of production at the Woxna Graphite Mine. 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 establish a production facility for the Anode Project, to fund future development of the Norra Karr Property and 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. See also “COVID-19”.

Outlook

Over the last few months the world has experienced deflating stock prices led by growth/tech stocks after significant jumps in various inflation measures. The latter being driven by continued supply chain disruptions, component shortages, high energy prices and increasing raw material costs. Graphite prices have remained stable since the last quarter¹ whereas rare earth prices have given back some of their extreme gains from earlier this year².

Politicians across the western world are increasingly launching efforts to address their respective raw materials security in a new geopolitical world with Russia's war on Ukraine continuing, Europe is working on a critical raw materials act to strengthen the legislative role of critical raw materials³. A recent initiative from the US brings together ally countries, Sweden being one, to collaborate around increasing critical raw materials resilience in the form of a *Minerals Security Partnership*. A key

¹ <https://www.indmin.com/Article/5102474/Graphite/Weaker-expandable-demand-weighs-on-fob-China-large-flake-graphite-prices.html>

² <https://www.metal.com/price/Rare%20Earth/Rare-Earth-Oxides>

³ https://ec.europa.eu/commission/presscorner/detail/en/STATEMENT_22_3643

objective of the partnership is to “catalyze investment from governments and the private sector for strategic opportunities”⁴.

In Sweden concrete actions are being taken to unlock some of the past bottlenecks in permitting of raw material projects. The government launched an investigation to propose legislative changes to clarify that a Natura 2000 permit should be part of the environmental permitting process and not the mining lease permit⁵. In addition, as an addendum to an already ongoing investigation the government instructed to investigate whether critical raw materials could be granted preferential status under the Environmental Act alongside other competing land use interests⁶.

For the Woxna Graphite project, we are in dialogue with the downstream graphite market to evaluate opportunities for the potential product sales of flake graphite concentrate prior to making a final decision on restarting production at the Woxna Graphite mine. In parallel, the batches of spherical purified graphite produced by our preferred equipment suppliers have been sent to Sicona’s pilot plant in Australia for final upgrading to active anode materials that can be tested and sent as samples to potential future customers.

For the Norra Karr project, in contrast to recent trends in potential legislative change, on June 20, 2022, the Supreme Administrative Court of Sweden ruled in the Boliden Laver case⁷ confirming that current legislation requires a Natura 2000 permit prior to the evaluation of a mining lease. Since our appeal to the Government against the Mining Inspectorate’s rejection of the Norra Karr mining lease application in May 2021 was made on largely the same basis as the Boliden Laver case⁸, we decided to retract our appeal against the Norra Karr mining lease rejection. With the current legal framework now clarified, we took the decision to initiate a Natura 2000 permit application process for the Norra Karr project. By initiating a Natura 2000 permit process based on the new design of the Norra Karr project we will benefit from authorities and other stakeholders evaluating the merits of the project based on the most recent plans. In parallel, through the various environmental and metallurgical studies that may be required to support the Natura 2000 permit application the Company can further progress the Norra Karr project towards its next stages of feasibility development. We will continue to adapt our path should the legal framework evolve going forward.

Lastly, it was with great excitement that we could finally sign the exclusive exploration license for our Romanian project. It has been a long wait to get here, but now we are rapidly moving to put together the team on the ground and submit the required work plans to start our exploration work and demonstrate the potential this project offers us.

In recent weeks the Company has attended the VRIC conference in Vancouver and PDAC in Toronto. Although the general market sentiment clouded optimism, it was clear that the raw materials needed for the energy transition are in high demand and gaining increasing attention as other areas of the market loses attraction.

⁴ <https://www.state.gov/minerals-security-partnership/>

⁵ <https://www.regeringen.se/pressmeddelanden/2022/05/natura-2000-tillstand-i-samband-med-gruvverksamhet---nu-utreds-fragan/>

⁶ <https://www.regeringen.se/pressmeddelanden/2022/06/tillaggsdirektiv-till-utredningen-om-att-sakerstalla-en-hallbar-forsorjning-av-innovationskritiska-metaller-och-mineral/>

⁷ <https://www.domstol.se/globalassets/filer/domstol/hogstaforvaltningsdomstolen/2022/domar-och-beslut/798-21.pdf>

⁸ <https://leadingedgematerials.com/leading-edge-materials-appeals-norra-karr-mining-lease-application-rejection-to-the-government-of-sweden/>

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.

Martin S. Oczlon, PhD Geo, CEng MIMMM, a consultant to Leading Edge Materials and Qualified Person as defined in NI 43-101, has reviewed and verified the technical content related to the Bihor Sud project.

Financial Information

The report for three months ending July 31, 2022, is expected to be published on or about September 28, 2022.

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 Company's unaudited consolidated financial statements for the three months ended April 30, 2022 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 June 22, 2022, 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

Certain information in this news release 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 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 with Sicona. 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. On March 11, 2020, the World Health Organization ("WHO") declared the novel coronavirus outbreak identified as "COVID-19", as a global pandemic. In order to combat the spread of COVID-19 governments worldwide have enacted emergency measures including travel bans, legally enforced or self-imposed quarantine periods, social distancing and business and organization closures. These measures have caused material disruptions to businesses, governments and other organizations resulting in an economic slowdown and increased volatility in national and global equity and commodity markets. The Company has implemented safety and physical distancing procedures, including working from home where possible and ceased all travel, as recommended by the various governments. The Company will continue to monitor the impact of the COVID-19 outbreak, the duration and impact which is unknown at this time, as is the efficacy of any intervention. It is not possible to reliably estimate the length and severity of these developments and the impact on the financial results and condition of the Company and its operations in future periods.