



LEADING EDGE MATERIALS CORP.

1305 – 1090 West Georgia Street, Vancouver, BC, V6E 3V7
T +1 604 685 9316 | www.leadingedgematerials.com
TSX.V: LEM | Nasdaq First North: LEMSE | OTCQB: LEMIF

NEWS RELEASE

March 25, 2021

LEADING EDGE MATERIALS REPORTS QUARTERLY RESULTS TO JANUARY 31, 2021

Vancouver, March 25, 2021 – Leading Edge Materials Corp. (“Leading Edge Materials” or the “Company”) (TSXV: LEM) (Nasdaq First North: LEMSE) (OTCQB: LEMIF) announces first quarter results for the period ending January 31, 2021. All references to dollar amounts in this release are in Canadian dollars.

Highlights During and After the Quarter

During the three months ended January 31, 2021 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.

Subsequent to January 31, 2021 the Company:

- Signed a Definitive Agreement on February 11, 2021 to sell 100% of the Bergby Lithium project to CSE-listed United Lithium Corp (the “Transaction”). The Transaction is subject to, among other matters, certain closing conditions which the Company is working towards finalizing. On and subject to the conditions set forth in the Agreement, the Company will receive the following consideration under the Transaction:
 - a) CAD\$250,000 in cash on the closing date of the Transaction (the “Closing Date”);
 - b) 1,031,864 common shares in the capital of ULTH (each, a “ULTH Share”);
 - c) 400,000 common share purchase warrants (the “Warrants”) with each Warrant entitling the Company to acquire, for a period of 36 months, one ULTH Share at an exercise price equal to approximately CAD\$0.485;
 - d) an additional \$250,000 in cash on the date that is 6 months following the Closing Date; and
 - e) a 2% net smelter returns royalty on the Project, which shall be subject to a buyback right in favour of ULTH for CAD\$1,000,000.

- Appointed Mr. Sanjay Swarup as new Chief Financial Officer. Mr. Swarup holds a Master of Business Administration from Cranfield School of Management (Bedfordshire, UK) and is a chartered accountant from India and the UK with over 25 years of experience in accounting and business consulting, with 15 of those years in the resource industry. Mr. Swarup has held the role of CFO for a number of UK and Canadian listed resource companies. Between 2009 and 2018 Mr. Swarup was the CFO of TSX-listed Mandalay Resources which operates a producing gold mine in Sweden.
- Announced development work together with Forge Nano (Colorado, USA) on Atomic Layer Deposition coating of spherical purified graphite from Woxna to optimize future performance of Woxna's lithium-ion battery anode materials. The coating for anode materials can increase cycle life, charge rate and conductivity whilst improving safety. A recent price assessment produced by Benchmark Mineral Intelligence for the Company shows average pricing in 2020 for uncoated natural spherical graphite at around US\$3,000 per tonne and for coated natural spherical graphite between US\$7,000 per tonne (domestic China and non-EU) and US\$12,000 per tonne (high-end applications), with an average price of around US\$9,500 per tonne for material used in cells for Western OEMs.
- Announced that its Annual General Meeting of Shareholders will be held Wednesday, April 21, 2021.

Three Months Ended January 31, 2021 Compared to Three Months Ended October 31, 2020

During the three months ended January 31, 2021 ("Q1/2021") the Company reported a net loss of \$668,278 compared to a reported net loss of \$554,569 for the three months ended October 31, 2020 ("2020/Q4"), an increase in loss of \$113,709.

Three Months Ended January 31, 2021 Compared to Three Months Ended January 31, 2020

During the three months ended January 31, 2021 ("Q1/2021") the Company reported a net loss of \$668,278 compared to a net loss of \$407,304 for the three months ended January 31, 2020 ("Q1/2020"), for an increase in loss of \$260,974. The increase in loss was primarily attributed to increases in Research and Development, Directors and Officers Compensation, and Corporate Development expenses in Q1/2021.

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 2021	Fiscal 2020				Fiscal 2019			
	January 31, 2021 \$	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	(664,675)	(882,556)	(420,959)	(337,609)	(375,930)	(409,297)	(561,771)	(571,749)	(850,681)
Other items	(3,603)	327,987	(21,567)	20,187	(31,374)	(8,799,476)	27,101	46,864	1,602
Comprehensive loss	(668,278)	(554,569)	(442,526)	(317,422)	(407,304)	(9,208,773)	(534,670)	(524,885)	(849,079)
Basic and diluted loss per share	(0.00)	(0.01)	(0.00)	(0.00)	(0.00)	(0.09)	(0.01)	(0.01)	(0.01)
Financial Position									
Working capital	2,598,191	3,277,010	3,354,422	499,883	711,727	132,551	518,129	929,183	1,438,895
Total assets	28,759,753	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	(9,154,787)	(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 the three months ended January 2021 the Company recorded a net loss of \$668,278, as at January 31, 2021 the Company had an accumulated deficit of \$40,561,830 and working capital of \$2,598,191. 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 the three months ended January 31, 2021 the company has issued 393,109 shares due to exercise of options by option holders for gross proceeds of \$79,863.

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, during fiscal 2020 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 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.

Increasing demand for electric vehicles, limited supply combined with supply chain disruptions has led to strong price developments year to date for key battery materials such as graphite, cobalt and lithium. Similarly, prices for key permanent magnet rare earth elements such as neodymium, praseodymium, dysprosium and terbium have risen sharply year to date due to strong demand limited supply combined with supply chain disruptions.

The Company is continuing to finalize the two preliminary economic assessment (“PEA”) studies on our Swedish projects.

For Woxna, the PEA is looking to demonstrate the potential added economic benefit of producing active anode material for the lithium-ion industry based on the Company’s research and development of downstream processes. Woxna benefits from access to low cost green hydroelectricity which offers a distinct competitive and sustainability advantage. To demonstrate this advantage, the Company has commissioned a life cycle assessment (“LCA”) on the envisioned

production from Woxna which aligns with the sustainable battery regulation announced by the European Commission in late 2020 that will enforce carbon footprint declarations on any batteries placed on the European market. The LCA report is planned to be released concurrently with the PEA report. There has been a constant flow of battery factory capacity announcements, most recently by Volkswagen announcing plans for six 40GWh battery plants by 2030 in Europe alone. With a built mine looking to add the downstream value add processing, and an ideal location logistically in Sweden, Woxna is in the right time and place to benefit from the expected exponential growth in graphite anode demand over the next decade.

For Norra Karr, the PEA targets to demonstrate a new potential operational model for REE production that maximizes resource efficiency whilst minimizing the environmental footprint of the project. The Company believes this new operational model could be key to promote public support for the project in addition to delivering potential improvement in project economics. Norra Karr is one of few heavy rare earth element projects of its kind globally, and the only project in Europe that could supply significant amounts of critical permanent magnet rare earths such as dysprosium and terbium. As Europe is urgently looking to support the development of its own rare earth magnet value chain to reduce reliance on China, Norra Karr could be a key piece to solve that puzzle.

The results from these two PEA studies, which are expected in the near future, will provide the basis for the next steps in development for each project so we are looking at a very active remainder of 2021. Importantly, the studies will provide the details of what the investment case looks like for the projects which can then be communicated to the broader investment community.

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 April 30, 2021 is expected to be published on or about June 23, 2021.

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

Filip Kozlowski, CEO

For further information, please contact the Company at:

info@leadingedgematerials.com

www.leadingedgematerials.com

Follow us

Twitter: <https://twitter.com/LeadingEdgeMtls>

LinkedIn: <https://www.linkedin.com/company/leading-edge-materials-corp/>

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 January 31, 2021 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 March 25, 2021 at 1.15pm 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.