



## LEADING EDGE MATERIALS CORP.

1305 – 1090 West Georgia Street, Vancouver, BC, V6E 3V7  
info@leadingedgematerials.com | www.leadingedgematerials.com  
TSX.V: LEM | Nasdaq First North: LEMSE | OTCQB: LEMIF | FRA: 7FL

NEWS RELEASE

January 26, 2022

### LEADING EDGE MATERIALS REPORTS FISCAL 2021 RESULTS

**Vancouver, January 26, 2022 – Leading Edge Materials Corp.** (“Leading Edge Materials” or the “Company”) (TSXV: LEM) (Nasdaq First North: LEMSE) (OTCQB: LEMIF) (FRA: 7FL) announces results for the fiscal year ending October 31, 2021. All references to dollar amounts in this release are in Canadian dollars.

#### Highlights During and After Fiscal 2021

During fiscal 2021, the Company:

- 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 included a cradle-to-gate life cycle inventory and a life cycle impact assessment for five impact categories of interest. The results were delivered to the Company in form of an ISO-Compliant Full Life Cycle Assessment and Report.
- Appointed Mr. Sanjay Swarup as new Chief Financial Officer on March 1, 2021.
- Completed the sale to United Lithium Corp. (ULTH) of 100% of the Bergby Lithium project.
- Announced that the Mining Inspectorate of Sweden rejected the mining lease application for the Norra Karr project. The Company subsequently appealed this decision to the Government of Sweden.
- Announced 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 with the subsequent filing of 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.
- 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%. Subsequently 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.
- Announced that its 100% owned Swedish subsidiary Woxna Graphite AB signed a non-binding Heads of Agreement with Sicon Battery Technologies Pty Ltd laying out the path for the establishment of a Sweden based 50/50 Joint Venture targeting the production of advanced natural graphite and silicon-graphite-carbon composite active anode materials.

After fiscal 2021:

- 4,364,285 and 57,143 warrants were exercised at \$0.37 and \$0.10 respectively for proceeds of \$1,620,499 with a significant participation by insiders of the Company, and 200,000 options were exercised at \$0.225 for proceeds of \$45,000.

## Results of Operations

### Three Months Ended October 31, 2021 Compared to Three Months Ended July 31, 2021

During the three months ended October 31, 2021 ("Q4") the Company reported a net loss of \$554,925 compared to a reported net loss of \$1,077,588 for the three months ended July 31, 2021 ("Q3"), a decrease in loss of \$522,663, the decrease in loss is mainly due to market to market loss booked for \$430,315 in Q3 compared to a mark to market gain of \$122,484 booked in Q4.

### Year Ended October 31, 2021 Compared to Year Ended October 31, 2020

During the year ended October 31, 2021 ("2021 period") the Company reported a net loss of \$1,210,718 compared to a net loss of \$1,721,821 for the year ended October 31, 2020 ("2020 period"), a decrease in loss of \$511,103. The decrease in loss was primarily attributed to the gain on the sale of the Bergby Project in the 2021 period.

## Selected Financial Data

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

Three Months Ended	Fiscal 2021				Fiscal 2020			
	October 31, 2021 \$	July 31, 2021 \$	April 30, 2021 \$	January 31, 2021 \$	October 31, 2020 \$	July 31, 2020 \$	April 30, 2020 \$	January 31, 2020 \$
<b>Operations</b>								
Expenses	(460,907)	(600,531)	(483,495)	(664,674)	(882,556)	(420,959)	(337,609)	(375,930)
Other items	(94,018)	(477,057)	1,573,567	(3,603)	327,987	(21,567)	20,187	(31,374)
Comprehensive profit/(loss)	(554,925)	(1,077,588)	1,090,072	(668,277)	(554,569)	(442,526)	(317,422)	(407,304)
Basic Profit/(loss) per share	(0.01)	(0.01)	0.01	(0.00)	(0.01)	(0.00)	(0.00)	(0.00)
Diluted profit/(loss) per share	(0.01)	(0.01)	0.01	(0.00)	(0.01)	(0.00)	(0.00)	(0.00)
<b>Financial Position</b>								
Working capital	2,350,166	2,803,903	3,935,156	2,598,191	3,277,010	3,354,422	499,883	711,727
Total assets	28,756,406	28,455,148	29,133,933	28,759,753	27,218,052	27,832,104	24,722,718	24,803,562
Total non-current liabilities	(9,946,686)	(9,054,376)	(8,620,700)	(9,154,787)	(7,053,874)	(7,486,123)	(7,452,242)	(7,154,761)

## Financial Condition / Capital Resources

During the year ended October 31, 2021, the Company recorded a net loss of \$1,210,718 and, as at October 31, 2021 the Company had an accumulated deficit of \$41,104,271 and working capital of \$2,350,166. 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 year ended October 31, 2021, 493,109 options and 63,571 warrants were exercised for gross proceeds of \$95,348 and \$6,357 respectively.

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

In December 2021 for the first time ever, there were more electric cars than diesel cars sold in Europe<sup>1</sup>. Meanwhile, during the last days of the year, Northvolt produced its first battery cell at the Swedish gigafactory, moving towards commercial production in 2022<sup>2</sup>. The energy transition in Europe is truly underway, and similar developments can be seen across the globe. The demand growth from the downstream, coupled with continued supply chain disruptions due to the ongoing pandemic and a global power crunch<sup>3</sup> has resulted in lack of supply and resulting price increases for the raw materials needed to fuel the transition<sup>4,5</sup>. These developments continue to support Leading Edge Material's business strategy to establish more secure and sustainable supply alternatives of critical raw materials.

Towards the end of 2021, graphite's importance as a battery material came into the spotlight as Tesla filed requests for tariff exemptions due to not being able to source this key anode material outside of China<sup>6</sup>. Shortly thereafter, Tesla announced a future supply deal with one of the emerging US producers of natural graphite anode materials demonstrating the importance of potential regional supply alternatives<sup>7</sup>. Graphite prices rose sharply over 2021 with consultancies expecting the price trend to continue into 2022 due to persistent demand growth and supply challenges<sup>8</sup>. The International Monetary Fund went as far to say that graphite would be the material in the energy transition sector experiencing the largest supply shortfall unless significant production increases materialize<sup>9</sup>.

Similar market dynamics could be observed for rare earth elements where prices for key rare earth oxides for permanent magnet production rose between 50 and 150 percent during 2021<sup>10</sup>, with

---

<sup>1</sup> <https://www.afr.com/world/europe/european-sales-of-electric-cars-overtake-diesel-models-for-first-time-20220117-p59oqw>

<sup>2</sup> <https://northvolt.com/articles/first-cell/>

<sup>3</sup> <https://www.benchmarkminerals.com/membership/chinas-energy-crisis-hits-domestic-cathode-and-anode-production/>

<sup>4</sup> <https://www.greencarcongress.com/2021/10/20211030-graphite.html>

<sup>5</sup> <https://www.metalbulletin.com/Article/4009238/Home/FOCUS-Chinas-power-cut-policy-threatens-the-battery-materials-supply-chain.html>

<sup>6</sup> <https://www.bloomberqint.com/gadfly/if-tesla-is-having-supply-chain-troubles-everyone-should-worry>

<sup>7</sup> <https://www.metalbulletin.com/Article/4021911/Tesla-Syrah-graphite-deal-signals-OEMs-taking-notice-of-anode-supply-bottlenecks.html>

<sup>8</sup> <https://www.fastmarkets.com/robust-demand-likely-to-support-natural-graphite-anode-supply-chain-2022-preview>

<sup>9</sup> <https://www.fastmarkets.com/imf-report-suggests-possible-85-shortfall-in-graphite-supply-by-2050>

<sup>10</sup> <https://treo.substack.com/p/china-rare-earth-group-details-chinas>

continued strength in the new year<sup>11 12</sup>. Most of current spot prices are significantly higher<sup>13</sup> than the prices that were used in the preliminary economic assessment for the Norra Karr project<sup>14</sup>. It is becoming obvious that the main global supplier, China, is increasingly looking to use its internal rare earth feedstocks to supply its own downstream customers<sup>15</sup>. Downstream customers and OEMs outside of China are taking note with GE and GM announcing joint plans to establish secure and sustainable value chains for rare earths in North America and Europe<sup>16</sup>. GM subsequently announced two separate deals to source permanent magnets from US based production<sup>17</sup>. In Europe a similar development was announced with Neo Performance Materials looking to establish permanent magnet production in Estonia<sup>18</sup>. All these downstream initiatives outside of China still lack details of from where the rare earth raw materials will be sourced, especially for the heavy rare earths such as dysprosium and terbium where even China is relying on non-transparent and questionable supply from Myanmar<sup>19</sup>. As there is an ongoing expanding supply and demand gap in China<sup>20</sup>, the situation will not be easier for the rest of the world.

Industry developments are being matched by an increasing effort from the political side to support the establishment of secure and sustainable value chains regionally. The European Parliament adopted a resolution on a European strategy for critical raw materials, outlining a number of measures to support the establishment of EU based raw material supply alternatives<sup>21</sup>. On a national level, France announced their own plans to raise €1 billion of funds, including €500 million in public money, to secure the required raw materials for battery and permanent magnet production<sup>22</sup>. Across the Atlantic the US continued its efforts to decouple from its reliance on China for rare earths with the introduction of a bipartisan bill looking to block the defence industry from using Chinese rare earths<sup>23</sup>. More important for the development of our Swedish projects, with the Swedish Green Party leaving the ruling coalition in Sweden the new Social Democratic government has come out with positive support for the industry. Only after a short time in office, the new minister of enterprise was quoted to say that “they love mines” and want to open and permit more new mines<sup>24</sup>.

2021 turned out to be a pivotal year as many of the fundamental drivers underpinning the strategy of Leading Edge Materials materialized in force. With this backdrop, the scene is set for 2022 to become an eventful year as we continue our project development plan in line with our strategy.

---

<sup>11</sup> <https://www.kitco.com/news/2022-01-14/Rare-earth-metals-market-strong-as-global-EV-fleet-hits-record-levels-supply-tightens-report.html>

<sup>12</sup> <https://twitter.com/LeadingEdgeMtls/status/1483104329519316996>

<sup>13</sup> <https://www.metal.com/price/Rare%20Earth/Rare-Earth-Oxides>

<sup>14</sup> [https://leadingedgematerials.com/wp-content/uploads/2021/08/NorraKarr\\_PEA\\_43-101.pdf](https://leadingedgematerials.com/wp-content/uploads/2021/08/NorraKarr_PEA_43-101.pdf)

<sup>15</sup> <https://www.globaltimes.cn/page/202111/1238808.shtml>

<sup>16</sup> <https://www.reuters.com/business/autos-transportation/gm-general-electric-develop-supply-chain-rare-earth-materials-evs-2021-10-06/>

<sup>17</sup> <https://www.reuters.com/business/general-motors-sets-rare-earth-magnet-supply-deals-with-two-us-suppliers-2021-12-09/>

<sup>18</sup> <https://www.reuters.com/article/rareearths-magnets-neo-performance-mater/neo-plans-to-develop-european-hub-for-rare-earth-magnets-in-estonia-idUSKBN2I21CM>

<sup>19</sup> <https://www.myanmar-now.org/en/news/myanmar-resumes-trade-of-rare-earth-minerals-with-china>

<sup>20</sup> <https://news.metal.com/newscontent/101730753/Rare-Earth-Supply-Tightness-May-Intensify-after-CNY-Holiday/>

<sup>21</sup> <https://erma.eu/erma-welcomes-the-newly-adopted-report-on-critical-raw-materials/>

<sup>22</sup> <https://www.bloomberg.com/news/articles/2022-01-10/france-plans-1-1-billion-to-safeguard-metals-for-ev-batteries>

<sup>23</sup> <https://www.mining.com/web/us-bill-would-block-defense-contractors-from-using-chinese-rare-earths/>

<sup>24</sup> <https://www.tn.se/inrikes/thorwaldsson-hoppas-oppna-flera-gruvor/>

## 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 three months ending January 31, 2022, is expected to be published on or about March 24, 2022.

### **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](http://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 audited consolidated financial statements for the year ended October 31, 2021 and related management's discussion and analysis are available on the Company's website at [www.leadingedgematerials.com](http://www.leadingedgematerials.com) or under its profile on SEDAR at [www.sedar.com](http://www.sedar.com)

The information was submitted for publication through the agency of the contact person set out above, on January 26, 2022, at 1:45 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](mailto: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. 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](http://www.leadingedgematerials.com) and under its SEDAR profile [www.sedar.ca](http://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](http://www.leadingedgematerials.com) and under its SEDAR profile [www.sedar.ca](http://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.

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.