



LEADING EDGE MATERIALS CORP.

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

NEWS RELEASE

March 22, 2021

Vancouver, March 22, 2021 – Leading Edge Materials Corp. (“Leading Edge” or the “Company”) (TSXV: LEM) (Nasdaq First North: LEMSE) (OTCQB: LEMIF) provides a letter from the Chief Executive Officer.

CEO’S LETTER TO THE SHAREHOLDERS

Dear Shareholders and Stakeholders,

When I was offered the opportunity to become the Chief Executive Officer of Leading Edge Materials in May last year the world had just been upended by the COVID pandemic and clean energy raw material stocks were suffering from a multi-year decline in sentiment. Today, less than 12 months later, vaccination programs are being rolled out across the globe and companies focused on raw materials that drive the transition to climate neutrality are attracting significant interest again.

After an initial short-lived fall in demand and supply chain distortions momentum shifted dramatically during the second half of 2020. Governments around the world increased efforts to stimulate their economies due to the pandemic with the EU continuing supporting its Green Deal which is looking to mobilize €1trn of investments over the next decade. In the US, the new presidency under Joe Biden signed a number of climate related executive orders and more recently passed a \$1.9trn stimulus package skewed towards green investments. This combined with increasing demand for electric vehicles and limited supply of key battery materials, including cobalt and lithium, which have then experienced strong moves upward since the beginning of this year. Similarly, prices for key magnet rare earth elements such as neodymium, praseodymium, dysprosium and terbium have risen sharply year on year due to strong demand and limited supply.

The pandemic also proved to be an alarm bell for over-reliance on single third countries for critical supplies. In September the European Commission launched an action plan on critical raw materials and formed the European Raw Materials Alliance to establish more resilient and sustainable value chains for critical raw materials that underpin the transition to climate neutrality. A number of media reports in 2021 have again underlined the risk of China limiting or cutting off supply for rare earth elements. At the same time, China proposed new regulations further cementing its control over the domestic rare earth industry.

On the corporate side, the Company in August raised \$3.5m in a private placement with continued support from long-term shareholders. Later in the year, two preliminary economic assessment studies were initiated on our Swedish projects.

For Woxna, the study is about demonstrating the potential added economic benefit of producing an active anode material for the lithium-ion industry based on last few years development of the required downstream processes. Woxna benefits from access to low cost green hydropower which offers a competitive advantage as sustainability is becoming increasingly important. To demonstrate this advantage we have also commissioned a life cycle assessment 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. 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 study is about maximizing the resource efficiency whilst minimizing the environmental footprint of the project in order to regain a social license in addition to potential improvements in the economics of the project. 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 Kärr could be a key piece to solve that puzzle.

The results from these two 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.

Lastly, we entered an agreement to sell 100% of the Bergby Lithium project at attractive terms allowing us to direct all resources on our main two projects whilst continuing to wait for a final decision on the granting of an exclusive exploration license in Romania.

In summary, the new Board and Management in place since last spring is operating under the highest conviction that the steps described above and the plan going forward is the best way to create shareholder value. As such, the Company benefits from a high insider ownership and continued strong support from its shareholder base. I believe the Company is uniquely positioned to offer a highly convex exposure to the clearly emerging trends and stated political and social goals in the EU.

We are looking forward to the outcomes of the two PEA studies, expected shortly. Clearly, the best immediate path to create shareholder value is the responsible development of our two principal assets in Sweden, and we are incredibly excited to execute on this.

Yours Sincerely,

/s/ "Filip Kozlowski"

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 Kärr HREE project (Sweden) and the 51% owned Bihor Sud Nickel Cobalt exploration alliance (Romania).

Additional Information

The information was submitted for publication through the agency of the contact person set out above, on March 22, 2020 at 2.45 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 or by phone +46 (0) 8 5030 1550.

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